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Roundtable on Sustainable Palm Oil

Public Summary Report

Report no.: 824 502 14004

2nd RSPO Annual Surveillance Audit

against the Ghana National Interpretation of RSPO Principles & Criteria for Sustainable Palm Oil 2015 (GH-NI 2015) including scheme smallholder guidance

Benso Oil Palm Plantation Limited

Adum Bansa Estate – Takoradi, Ghana, West Africa

Date of assessment: 12 – 14 July 2016

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1.0 SCOPE OF CERTIFICATION ASSESSMENT

1.1 National Interpretation Used

The operations of the palm oil mill and its supply base of FFB were assessed against the Ghana National Interpretation of the RSPO Principles and Criteria for Sustainable Palm Oil (GH-NI 2015) including scheme smallholder guidance and RSPO Supply Chain Certification Standard 2014.

1.2 Type of Assessment

This 2nd surveillance audit was carried out on one mill, one estate and one smallholder estate under Benso Oil Palm Plantation Limited (BOPP), subsidiary of Wilmar International Limited.

1.3 Certification Details

The details of RSPO certification of Benso Oil Palm Plantation Limited are as per the table below

Table 1: RSPO Certification details of Benso Oil Palm Plantation Limited

RSPO Membership no.:	2-0017-05-000-00
RSPO Certificate no.:	824 502 14004
Date of first RSPO certificate & validity:	24 August 2014 – 23 August 2019
Date of certification audit:	April 28 to May 02, 2014
Date of previous surveillance audit:	30 th July – 1 st August 2015
Date of revised RSPO certificate & validity (if applicable):	29 th November 2016
CPO tonnages claimed:	16,929 tonnes
PK tonnages claimed:	4,050 tonnes

1.4 Location and Maps



Figure 1: Location of Benso Palm Oil Plantation (BOPP) in Republic of Ghana

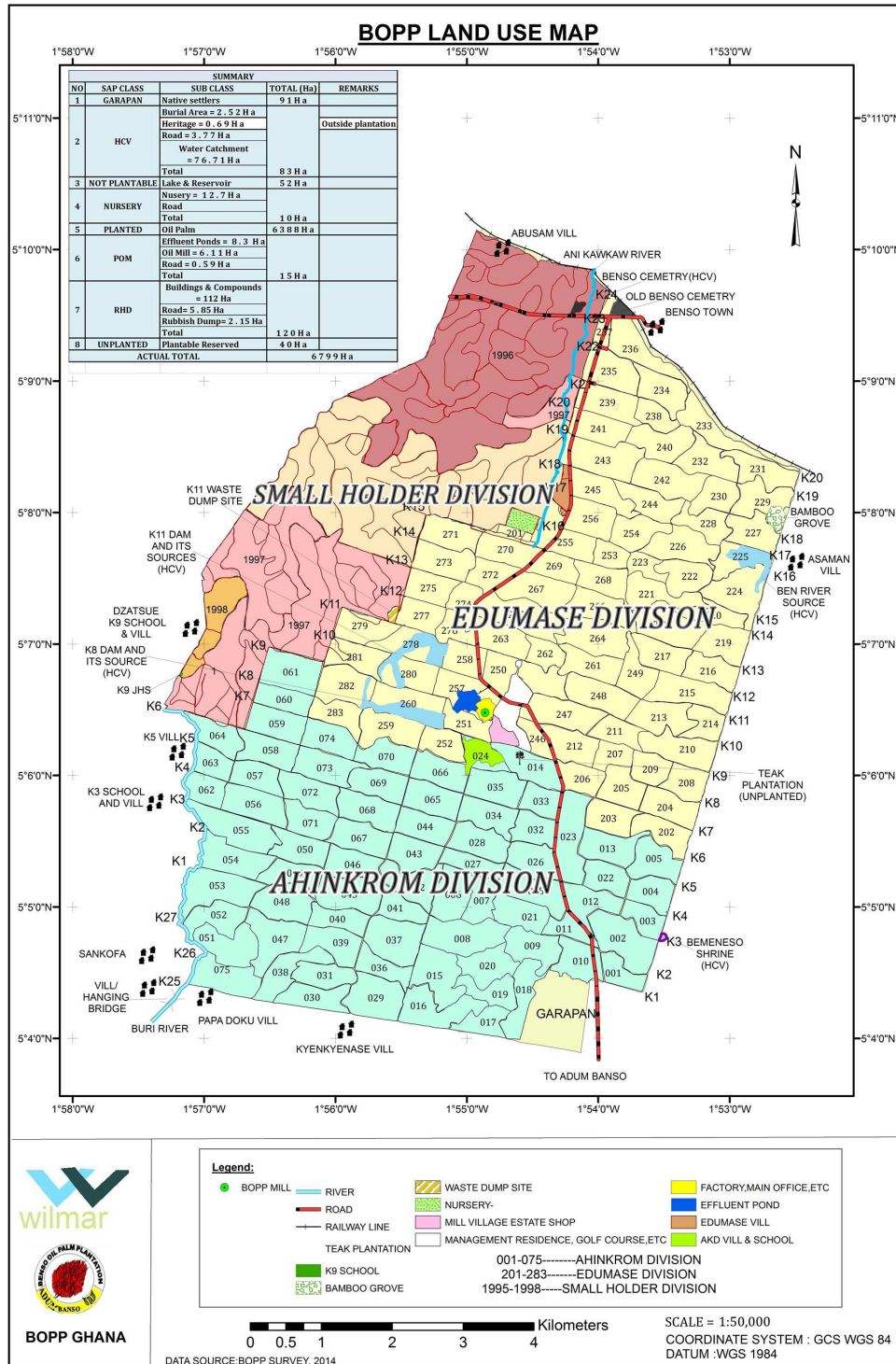


Figure 2: Land use map of Benso Oil Palm Plantation and Smallholder area

Table 1: GPS locations for all estates and mills included in certification assessment

Name of mill / estate	Location	GPS locations	
		Latitude	Longitude
Benso Oil Palm Plantation Palm Oil Mill	Adum Banso Estate, P.O. BOX 470, Takoradi, Ghana, West Africa	001°54.821	05°06.643
Benso Oil Palm Plantation Estate (Nucleus)	Adum Banso Estate, P.O. BOX 470, Takoradi, Ghana, West Africa	001°54.821	05° 06.643
Benso Oil Palm Plantation Smallholder	Adum Banso Estate, P.O. BOX 470, Takoradi, Ghana, West Africa	001°54.821	05° 06.643

1.5 Organisational Information / Contact Person

Contacts details of the company are as follows:

Company Name:	Benso Oil Palm Plantation Limited
RSPO Membership no.	2-0017-05-000-00
Address:	Adum Banso Estate, P.O. BOX 470, Takoradi, Ghana, West Africa
Contact Person:	Mr Samuel Avaala (General Manager)
Telephone:	Tel : +233 242109409 Mobile: +233 244 316 861
Email:	Email: samuel.avaala@gh.wilmar-intl.com

1.6 Description of Company History, Socio-economy, Environment

Benso Oil Palm Plantation Limited was founded in year 1976 according to agreement for establishment of BOPP as a precondition for the expatriation of Unilever Blocked dividends overseas which was signed between the Government of Ghana and the previous company's name, i.e. United Africa Company (UAC) International. The company based in Western Region of Ghana is located between two towns namely Adum Banso in the Mphor District and Benso in the Tarkwa Nsuem District of the Western Region. BOPP estate is comprised of 4738 ha of nucleus plantation and 1650 ha smallholder plots.

In year 1977 the plantation activities was commenced. The construction of palm oil mill was commenced on year 1980 with a capacity 16 tonnes/hour. The mill capacity was upgraded to 20 tonnes per hour in 1990. In 1998 the replanting activities for nucleus plantation was commenced. BOPP became a public company listed on Ghana Stock Exchange in year 2004. The company currently has plans to upgrade the mill's capacity to 30 tonnes per hour, which is expected to commence in year 2017. In year 2011 the majority of the stake of Benso Oil Palm Plantation limited was acquired by Wilmar Africa Limited, which in turn is a wholly owned subsidiary of Wilmar International, for that matter Wilmar Africa assumed management control in BOPP. Wilmar International is a major agri-business group and one of the leading global producers, processor and merchandiser of palm oil and lauric oils. The company operates in more than 20 countries located in 4 continents across the world.

The BOPP nucleus estate is divided into two divisions, i.e. Edumasi and Ahinkrom division. The Edumasi and Ahinkrom Divisions lie on longitude 05°06'1" West; latitude 1°54'1" North and longitude 05°04'6" West; latitude 1°56'1" North respectively whilst the smallholder estate lies on longitude 05°07'1" West ; latitude 1°56'1" North.

According to information stated in the HCV document of BOPP made by Proforest in 2013, BOPP's area lies within the low-lying areas of the country with most part below 150 meters above sea level. The landscape is generally undulating with an average height of about 70m. The highest elevation of the estate area is between 150 and 200 m above sea level. The drainage pattern is largely dendritic and there are a number of small rivers and streams dis-

tributed through-out the estate. The Butre River and its tributaries drain the area. The principal tributaries have well marked valleys with bamboo and riverine vegetation. The estate area fall within tropical climate zone and the vegetation is mainly tropical rainforest interspread with shrubs. The mean annual rainfall is 1500mm and ranges from 1300 to 2000mm.

As part of the company's CSR efforts, the company initiated their scheme smallholder project by allocating 1650 ha of their own land to 438 scheme smallholders. The project started in 1995 and planting progressed in stages until completion in 1998. Only indigenous people from the three main communities in BOPP's catchment area are qualified to participate in the smallholder scheme. Initially, the scheme smallholders managed the land on their own with assistance and training from the company, however, currently as most of the smallholders are aged, the company carries out all operational activities on most of the scheme smallholder plot, although some plots are still partially managed by the smallholder farmers themselves (for non-chemical application related activities only, and also excluding pest and disease monitoring and control). The scheme smallholders have a representative group known as the Benso, Adum Benso, BOPP Smallholder Association (BABBSA) group. There is a tripartite agreement between BABBSA, Agricultural Development Bank and BOPP. BOPP has a list of farmers included on the smallholders scheme program, each farmer has a vendor code and block code area.

The company procured oil palm seeds to nurse for planting by smallholders. The company purchases and collect the fresh fruit bunches (FFB) from the smallholders farm gate (FFB post) at an economic price based on prevailing world market price CPO and or market trends in the country and pay same through the agreed bank. The smallholders are responsible to repay amount of the bank loan together with interest and commitment fee through deductions at source according to the agreed plan stated in the agreement. The smallholders hold their respective portions of the land prepared under the supervision of BOPP and maintain the same in accordance with the technical advice given by BOPP. The costs of land preparation and seedling nursing have to be paid by the farmer as part of loan component. The farmers planted the seedlings, and are expected to maintain and keep the plantation over a lease period of 25 years. The farmers harvest the FFB as directed by BOPP and sell same to BOPP exclusively at the determined price. The farmers have a duty to maintain their oil palm plots and where they sub-contract others to do the work they (smallholders) pay for the job done from their income accruing from sale of fruits to BOPP. Fertiliser is supplied by BOPP to the smallholder farmers and repayment for that is spread over a year. Pest and disease monitoring and control as well as road maintenance however done by BOPP as part of its technical support services free of charge.

The company also receives about 30% of their crop from non-certified sources, known as Outside Purchased Fruit (OPF) which are mostly managed by independent farmers. During the 2nd annual surveillance audit, the audit team was informed during interviews with BABBSA that they had an agreement with an independent farmer family who owned 59 hectares of land at an area known as Benso Ningo at the northeast part of the estate area (well outside BOPP's concession). A undocumented partnership agreement was developed between the BABBSA and the independent farmer family on the operations of the land such that the family would take 35% of whatever profits earned from the cultivation of the land while the BABBSA would take 65% of earnings. The earnings are now distributed among the smallholders but put into the account to be saved up and used as required, particularly when the smallholder area is due for replanting from year 2020. There was sighted a Management Services and Technical Support Agreement between BOPP and BABBSA dated 3rd August 2011 and valid for 25 years between BOPP OPF manager and the secretary of BABBSA where it was stated that BOPP would provide technical advice for all field activities and projects and conduct field inspections on the property from time to time and contractors engaged by BOPP would be responsible for the undertaking of harvesting and maintenance of the area. The company's mill receives crop from this 59 hectares and even though it is partially owned by BABBSA and managed by BOPP's contractors, it was confirmed that the crop from the Benso Ningo area of 59 hectares is not included in the of the mill's certified supply base (crop received is considered uncertified).

BOPP Adum Bansa estate is within the jurisdiction of the Wassa Fiase traditional area with Wassa Benso as its traditional seat. The estate is surrounded by four main towns (Adum Bansa, Adum Dominase, Wassa Benso and Manso) and a number of small agricultural villages and hamlets along the boundaries of the estate in virtually all directions. The main towns have long been in existence before the commencement of BOPP estate, while some smaller villages and hamlets are a result of relocation of the pre-existing villages and hamlets from within the BOPP project land take area. All the main towns consist of indigenous communities or settler communities while a greater majority of the smaller, dispersed villages and hamlets are migrant communities.

The estate lies within the low-lying areas of the country with most parts below 150 metres above sea level and having a generally undulating landscape with the an average height of about 70 metres with highest elevation being 150 – 200 metres above sea level. The drainage pattern of the plantation is largely dendritic. Some of the rivers located within the company's area include Subri, Butre, Ben, Anikorkor, Bru and others.

1.7 Description of Supply Base

Table 2: FFB Supply Information for Benso Oil Palm Plantation Palm Oil Mill for year 2015 and January to June 2016 and projection for year 2016

FFB Contributors	Total FFB supplied 2015		Total FFB supplied from January to June 2016		Total projected FFB production for Year 2016	
	Tonnes	%	Tonnes	%	Tonnes	%
Certified FFB sources						
Benso Oil Palm Plantation Estate (Nucleus)	42,262	43.58	29,028	43.44	54,000	46.15
Benso Oil Palm Plantation Smallholder	25,971	26.78	13,401	20.06	27,000	23.08
Sub Total	68,233	70.36	42,429	63.50	81,000	69.23
Uncertified FFB sources						
Independent Supplier (OPF)	28,741	29.64	24,387	36.50	36,000	30.77
Grand Total	96,974	100.00	66,816	100.00	117,000	100.00

1.8 Actual production volumes, tonnages and projected outputs.

Table 3: Certified tonnages claimed, certified tonnages purchased or sold, total and projected CPO and PK production from BOPP Palm Oil Mill

	Amount (MT)		
	FFB	CPO	PK
Total Actual Production for year 2015	96,974	20,168	4,830
Conversion Rate for year 2015	-	OER: 20.80%	KER: 4.98%
Actual Certified Production for year 2015	68,233	14,192	3,398
Projected output for year 2016	117,000	24,453	5,850
Projected conversion rate for year 2016	-	OER: 20.9%	KER: 5.0%
Projected Certified Production for year 2016 (Certified tonnages claimed)	81,000	16,929	4,050
Certified tonnages sold*	-	-	-

* BOPP has not sold any certified CPO through eTrace so far

1.9 Dates of Plantings and Replanting Cycles

The company follows a replanting cycle of 25 years. Information on the dates of plantings are as below.

Table 4: Year of plantings of company estate supplying to BOPP Mill

Year of Plantings	Oil palm planted area at each estate(ha)	
	BOPP Estate	BOPP Smallholder
2010-2014	2127	-
2005-2009	853	-
2000-2004	1223	-
1995-1999	535	1650
TOTAL	4738	1650

Table 5: Planned and actual oil palm replanting activities for BOPP Plantation

Year	Total planned replanting area (ha)	Total planned replanting area for each estate (ha)		Actual total area replanted (ha) until to date
		Nucleus*	Smallholder**	
2015	5	5	-	-
2016 - 2019	-	-	-	5
2020	500.04	-	500.04	-
2021	600.85	-	600.85	-
2022	499.95	-	499.95	-
2023	49.16	-	49.16	-

Note:

* As per BOPP's Replanting Programme 1998-2016 for BOPP estate

** As per BOPP's Replanting Programme (Smallholders) 2020 to 2023

1.10 Area of Plantation (Total, Planted and Mature)

Table 7: Oil Palm Planted Area Summary, FFB Production and Average yield/ha for BOPP limited

Estate Name	Total area (ha)	Oil Palm Planted area (ha)	Mature (Production) area (ha)	Immature (Non-production) area (ha)	FFB Production* (tonnes)	Average yield/ ha
BOPP Estate (Nucleus)	5,149	4,738	3,507	1,231	42,262	12.05
BOPP Small-holders	1,650	1,650	1650	0	25,971	15.74
TOTAL	6,799	6,388	5,157	1,231	68,233	13,23

Table 8: Land use data for BOPP Limited

Estate Name	Total area (ha)	Oil Palm Planted Area (ha)	HCV/ Potential HCV areas* (ha)	Land used for other purposes (ha)				
				Unplanta-ble area	Building, office and Road	Nursery	Mill	Others*
BOPP Planta-tion (Nucleus)	5,149	4738	83	52	120	10	15	131
BOPP Small-holders	1,650	1650	-	-	-	-	-	-
TOTAL	6,799	6,388	83	52	120	10	15	131

* Other areas consists of 91 hectares of native settler land and 40 ha of plantable reserve area which is currently planted with teak and bamboo

1.11 Other Achievements and Certifications Held

Table 6: Details of other certifications or awards held by Benso Oil Palm Plantation and Mill

Name of mill / es-tate	Certification Standard / Award achieved	Certification Body / Awarder	Date Achieved
BOPP Limited /Adum Banso Estate	1 st Western Regional Business and Financial Service Excellence Award	Western Regional coordinating Council	15 th Decem-ber 2014
Benso Palm Oil Mill/Adum Banso Estate	Ceremonial appointment of General Manager (Mr. Lim Peng Hor) as Nana Kwamina Kese I (Development Chief of Adum Banso)	Chief, Elders & Peo-ple of Adum Banso Community	19 th April, 2015

1.12 Time Bound Plan for Other Management Units

The audit team is satisfied that the company conforms with the RSPO requirements for partial certification as laid out in Clause 4.2.4 of the RSPO Certification Systems document.

Table 10: Time Bound Plan of Wilmar International Ltd.

Name of Holding	Location	Time bound plan for certification	Status
Indonesia			
PT Milano (Pinang Awan)	North Sumatra	2009	Certified
PT Mustika Sembuluh I	Central Kalimantan	2009	Certified
PT Kencana Sawit Indonesia	West Sumatra.	2010	Certified
PT I	Central Kalimantan	2010	Certified
PT Tania Selatan	South Sumatra	2010	Certified
PT AMP Plantation	West Sumatra	2011	Certified
PT Agro Nusa Investama (Sambas)	West Kalimantan	2012	Certified
PT Buluh Cawang Plantations 1	South Sumatra	2012	Certified
PT Bumi Sawit Kencana	Central Kalimantan	2012	Certified
PT Gersindo Minang Plantations	West Sumatra	2012	Certified
PT Sarana Titian Permata	Central Kalimantan	2012	Certified
PT Daya Labuhan Indah-2	North Sumatra	2013	Certified
PT Mustika Sembuluh 2	Central Kalimantan	2014	Certified
PT Mentaya Sawit Mas	Central Kalimantan	2014	Certified
PT 2	Central Kalimantan	2014	Certified
PT Agro Palindo Sakti 1	South Sumatra	2014	Full Assessment on 14/11/2014
PT Musi Banyuasin Indah	South Sumatra	2014	Certification Failed
PT Murini Sam Sam	Riau	2014	Certified
PT Sinarsiak Dianpermai	Riau	2014	Full Assessment on 14/09/2015
PT Karunia Kencana Permaisejati	Central Kalimantan	2016	Full Assessment on 06/04/2015
PT Rimba Harapan Sakti	Central Kalimantan	2016	Certified
PT. Bumi Pratama Khatulistiwa	West Kalimantan	2016	Full Assessment 26/09/2016
PT Agro Nusa Investama (Landak)	West Kalimantan	2016	Planned
PT Agro Palindo Sakti 2	West Kalimantan	2016	Planned
PT Buluh Cawang Plantation	West Kalimantan	2015	Certified
PT Agrindo Indah Persada 2	Bangko - Jambi	2016	Planned
PT. Putra Indotropical	West Kalimantan	2016	Planned
PT. Pratama Prosentindo	West Kalimantan	2016	Planned
PT. Indoresin Putra Mandiri	West Kalimantan	2016	Planned
PT Asiatic Persada	Jambi	2013	Not classified, company sold
PT Citra Riau Sarana 1	Riau	2014	Not classified, shares are being divested
PT Citra Riau Sarana (ML) 3	Riau	2014	Not classified, shares are

Name of Holding	Location	Time bound plan for certification	Status
			being divested
PT Citra Riau Sarana 2	Riau	2014	Not classified, shares are being divested
Malaysia			
Sapi Palm Oil Mill	Labuk, Sandakan Sabah	Certified	
Reka Halus Palm Oil Mill	Labuk, Sandakan Sabah	Certified	
Sabahmas Palm Oil Mill	Lahad Datu, Sabah	Certified	
Saremas 1 Palm Oil Mill	Miri, Sarawak	Certified	
Saremas 2 Palm Oil Mill	Miri, Sarawak	Certified	
Terusan Palm Oil Mill	Labuk, Sandakan Sabah	Certified	
Ribubonus Palm Oil Mill	Telupid, Sandakan, Sabah	Certified	
Sri Kamusan Palm Oil Mill	Sugut, Sandakan Sabah	Certified	

Table 11: New Development Area under Wilmar International

Name of Holding	Location	Total area	NPP Status according to RSPO NPP procedure
PT Agro Indah Persada	Merangin, Jambi	1,200 ha	Approved
PT Agro Nusa Investama Sambas	Sambas, West Kalimantan	1,024 ha	Approved
Biase Plantations (Ibiae Estate)	Calabar, Nigeria	5594 ha	Approved
Biase Plantations (Calaro Extension)	Calabar, Nigeria	3066 ha	Approved
Eiyup Industry (Oban Estate)	Calabar, Nigeria	2986 ha	Not submitted (Pending HCV/HCS study)
Biase Plantations (Biase estate)	Calabar, Nigeria	8029 ha	Overlapping boundaries

1.13 Compliance to Rules for Partial Certification

Compliance of the uncertified management units of Wilmar International Limited against the rules for partial certification was determined through Self Assessment in accordance with RSPO Certification System clause 4.2.4. A summary of findings is as stated below.

Partial Certification Requirements	Audit Findings
(a) The parent organization or one of its majority owned and / or managed subsidiaries is a member of RSPO.	Benso Palm Oil Plantation is subsidiary of Wilmar International is RSPO member with membership number 2-0017-05-000-00.
(b-d) A challenging time-bound plan for certifying all its relevant entities is submitted to the Certification Body (CB) during the first certification audit. The time-bound plan should contain a list of subsidiaries, estates and mills. Any revision to the time-bound plan or to the circumstances of the company shall cause the plan to be reviewed. for whether it is still appropriate, such that changes to the time-bound plan are permitted only where the organisation can demonstrate that they are justified	Since BOPP is subsidiary of Wilmar International, the time bound plan will follow Wilmar's time bound plan as stated in table 10 above.
(e) No replacement of primary forest or any area identified as containing High Conservation Values (HCVs) or required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. Any new plantings since January 1st 2010 must comply with the RSPO New Plantings Procedure	There are some newly developed plantation areas under Wilmar International such as in Jambi province, West Kalimantan province Indonesia and Nigeria as explained on the table 11 above. Some areas have undergone the New Planting Procedure (NPP) and been approved while some areas are still undergoing the NPP, as shown in Table 11 above.
(f) Land conflicts, if any, are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	PT Asiatic Persada, which was previously a subsidiary of Wilmar had a significant land conflict issue but has been sold to other plantation company and is now no longer a subsidiary of Wilmar Plantation. Wilmar International carried out the New Planting Procedure for BIASE Plantation Limited (Ibiae estate) in Nigeria with an announcement made on the RSPO website on 9 November 2012. During this NPP process, a complaint was submitted by the Rainforest Resource & Development Centre (RRDC) on behalf of the Ibiae Land Lord Community. The complaint covered infringements to several aspects of Principle 1 and Principle 2 of the RSPO P&C. The case was taken up and investigated by the RSPO Complaints Panel, with decision made for RSPO to a lawyer well acquainted with Nigerian laws to review and give an authoritative opinion on whether the company had complied with the legal requirements of Nigeria. The legal opinion was received by the RSPO on 27 August 2014, and based on this opinion, the RSPO confirmed that BIASE Plantations was in compliance with legal requirements and closed the case. However, the result was not accepted by RRDC as well as the NGO, Friends of the Earth and the issue remains ongoing with no resolution. As the company has complied with requirements

	<p>to attempt to resolve the dispute through the RSPO grievance procedure, this is noted by the TUV Rheinland audit team as an observation and progress of the case will be monitored.</p> <p>Further details on this case is available here: http://www.rspo.org/members/complaints/status-of-complaints/view/26</p> <p>There is also on ongoing land dispute at PT Gersindo Minang Plantation (GMP), West Sumatra under Wilmar, which has been ongoing since year 1997 with the village of Jaorang Rantau. This company has been RSPO certified by another certification body who is monitoring the status of the dispute with the RSPO.</p>
<p>(g) Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.</p>	<p>A previously ongoing labour conflict in Tania Selatan regarding employee bonus was temporarily resolved, however based on new information received from the Manpower and Transmigration Department, the dispute is still ongoing. The dispute is still being managed according to the company's conflict resolution mechanism with status being monitored during annual surveillance audits by TUV Rheinland.</p>
<p>(h) Legal non-compliance, if any, are being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.</p>	<p>Some of Wilmar's other management units have not complied with certain legal requirements, for example in PT Sarana Titi Permai, PT Kerry Sawit Indonesia, PT Mustika Sembuluh estate under another Wilmar International management unit, there is an issue with the land area stated in the land use right certificate (HGU). However, the company is taking action by inviting the National Land Agency (BPN) to remeasure the land and resolve the issue. The process is still ongoing.</p> <p>In addition, there were non-compliances raised in June 2015 by the Environmental Department of Agam against PT AMP Plantation, another subsidiary of Wilmar. The non-compliances raised were that:</p> <ul style="list-style-type: none"> - The company continued to carry out land application after their license for land application had expired on 14 March 2014 - The company was carrying out POME treatment using an adsorption system which had not been studied or approved as per the company's environmental management document - There was no follow up by the company's management on the results of the evaluation by the Agam district on PT AMP mill's wastewater treatment facility in 2013 - Complaint regarding wastewater discharged from the mill was found to have exceeded the legal limits for BOD and COD. It is alleged that PT Bumi Pratama Khatulistiwa, has polluted the Malaya river by disposing empty fruit bunches that caused flood every rainy season. The company also does not provide any CSR program to the community of Malaya Village. The process has been discussed into Complaint panel. <p>At time of this audit, the company was still making efforts to close these legal non-compliances.</p>

1.14 Plan for certification of associated smallholders

As seen from data in Table 2, in year 2015 the mill received 26.78% supply of FFB from smallholders which is associated with the mill, and projected to receive 23.08% from smallholders in year 2016. There are 438 listed smallholders under the scheme which were all already included in the RSPO Certification Scheme of the estate and hence all scheme smallholders have already been certified. The company has a documented agreement with each farmer.

BOPP does not have any plan to assist independent smallholders supplying to their mill to obtain RSPO certification.

1.15 Approximate Tonnages Certified

The approximate tonnages certified have been revised as follows based on the projected certified FFB production figures of 81,000 tonnes for year 2016, projected OER of 20.9% and project KER of 5.00% (see Table 3):

Crude Palm Oil (CPO)	: 16,929 tonnes
Palm Kernel (PK)	: 4,050 tonnes

1.16 Approval to Maintain Certification

Benso Oil Palm Plantation Palm Oil Mill continues to maintain an effective system to ensure compliance with the RSPO principles and criteria. The audit team has confirmed through the audit process that the company's practices comply with, adequately maintains and implements the requirements of Ghana National Interpretation of the RSPO Principles and Criteria 2015 including scheme smallholders guidance and the RSPO Supply Chain Certification Standard 2014.

PT TUV Rheinland Indonesia approves maintenance of the certification of Benso Oil Palm Plantation Palm Oil Mill as a producer of RSPO Certified Sustainable Palm Oil.

1.17 Date of Certificate Issued and Scope of Certificate

The scope of the certificate covers production of palm oil from Benso Oil Palm Plantation Palm Oil Mill and its supply base, which includes Benso Palm Oil Plantation Nucleus and its Smallholder area. The date of certificate issued is 29th November 2016. Further details of the certificate are as per Appendix 1.

2.0 ASSESSMENT PROCESS

2.1 Certification Body

PT TUV Rheinland Indonesia is member of Group TÜV Rheinland Group, a global leader in independent testing and assessment services. The TÜV Rheinland Group was established in 1872 with offices located in over 500 locations in 65 countries on all five continents. PT TUV Rheinland Indonesia offers certification for a wide range of management systems according to established international standards including ISO 9001, ISO 14001, OHSAS 18001, and SA 8000. PT TUV Rheinland Indonesia's office is located in Jakarta, Indonesia.

2.2 Qualifications of Lead Assessor and Assessment Team

The audit team was comprised of the following members:

Name	Position	Qualifications / Experience
Carol Ng	RSPO Lead Auditor (Social)	<p>Education: B.Sc. Biotechnology & B.Sc. Environmental Management - Monash University</p> <p>Trainings attended: RSPO Lead Auditor Course – Wildasia; RSPO Supply Chain Certification Systems training course – David Ogg & Partners; RSPO Malaysian National Interpretation Requirements and Certification – SIRIM; Implementation of RSPO Principles & Criteria - QA Plus; RSPO Stepwise Support Programme; 2nd Biodiversity Seminar – RSPO; Elaborating on the RSPO P&C Social and Labour Standards and the Mechanics of Social Auditing Workshop – Verité; Certification Body Biodiversity Forum & Workshop – RSPO; Environmental Quality Act 1974 (DOE).</p> <p>Working experience: RSPO Lead Auditor (since March 2015), CDM Auditor (since year 2012), Assistant Manager (since year 2012) and Project Engineer (since year 2009) for TUV Rheinland Malaysia; experience in implementing sustainable practices in Sime Darby plantations to comply with RSPO requirements, performing RSPO internal audits and implementing sustainability projects. Prepared training materials and conducted several RSPO requirements trainings and workshops to plantation management teams (2008).</p>
Azizan Zakaria	RSPO Auditor (Environment)	<p>Education: Master of Engineering (Environmental) - Universiti Putra Malaysia, B. Eng in Chemical Engineering - University of Wales, Swansea</p> <p>Trainings attended: ISO9001: Lead Auditor Training/Course, Internal Auditor, IMS Lead Auditor/ Auditor Training in IMS (ISO9001, ISO14001 & OHSAS18001)</p> <p>Working experience: 10 years experience in chemical management and polyurethane production and internal auditing for process compliance with integrated Environmental Management System (EMS) and OSH Management System.</p>
Suniljit Singh	RSPO Auditor (OSH)	<p>Education: Higher National Diploma in Electrical and Electronic Engineering – Nottingham Trent University ISHM (Institute of Safety & Health Management) Accredited OSH Professional Certificate – OSHA Train Academy, USA. FMM Certificate in Safety and Health Officer – Federation of Malaysian Manufacturers. Bachelor of Law (LLB) from University of London, UK (in progress)</p> <p>Trainings attended: Various trainings in social accountability standards including on SA8000, SMETA (SEDEX Members Ethical Trade Audit), EICC (Electronic Code of Conduct), Microsoft Auditor trainings, Internal TUV RSPO P&C training. Various trainings in quality, health, safety and environmental. Trainings in IRCA ISO 9001, ISO 14001, OHSAS 18001, TUV ISO 50001 management systems for auditors.</p> <p>Working experience: 12+ years of experience in conducting product, quality, health, safety, environmental, security and social accountability audits in various industries. Certified Lead Auditor for ISO 9001, ISO 14001 & OHSAS 18001 management system audits.</p>
Mohd. Rizal Kasim	RSPO Auditor (Best)	<p>Education: Diploma in Forestry (Wood Industry)</p> <p>Trainings attended: RSPO Lead Auditor Course – Wildasia; RSPO Supply Chain Certification Systems training course – David Ogg & Partners; - ISCC Lead Auditor</p>

	practices & Supply Chain)	<p>Course ISO9001:2008 TOMC.Safety and Health officer Course-FMM Institute.Basic Chemical Handling-Petronas Gas Bhd.</p> <p>Working experience: Auditor Since 2012,RSPO Lead auditor Since May 2014,ISCC Lead auditor Since 2013, Marketing Executive sustainability product for Pesaka Terengganu Berhad, Operation Executive Pesaka Terengganu Berhad, (2008) Management representative for FSC and MTCC in Pesaka Terengganu Berhad. Safety and Health office Kaefer (M) Berhad, Safety Supervisor for Plant and rejuvenation re-vamp Pertronas GSA Berhad project(2011)</p>
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2.3 Assessment Methodology

This 2nd annual surveillance assessment was conducted from 12 – 14 July 2016 as per the assessment program below. The assessment was carried out in accordance with PT TUV Rheinland Indonesia’s RSPO audit procedure as well as the RSPO Certification Systems document. During assessment, the qualified TUV Rheinland assessors used the RSPO standard as endorsed for the country in which the assessment took place and recorded their findings.

Due to the location and proximity of the estates, combined with common management systems, it was possible to carry out both field and document assessments of all estates and the mill within the time frame without compromising the integrity of the assessment in anyway.

All 2 estates and 1 mill were visited and the assessment team carried out field and document assessments of compliance to all the RSPO principles and criteria. Common systems were identified and specific evidence was recorded for individual estates. Interviews were conducted at all estates and the mill.

The company proposed the correction and corrective action for all identified non conformities raised to the certification body 30 days after the closing meeting. Verification of closure of major non-conformances was conducted 2 month after the closing meeting of the main assessment through document check and implementation of corrective actions for minor non-conformities will be verified during the next surveillance audit. The certification assessment agenda is as explained below.

2nd Annual Surveillance Assessment Agenda.

Date	Location	Activity
12 July 2016	BOPP Main office	<p>Opening meeting</p> <ul style="list-style-type: none"> - Introduction and background of BOPP - Audit team introduction and audit plan finalization - Presentation on updated company info by BOPP
	BOPP Estate	<p>Document review: Workers master namelist, collective bargaining agreement, sample payslips of permanent workers, lawyer update letters on land dispute case, legal requirements registers, legal compliance monitoring records, water management plan, water quality analyst, slip of payment about water consumption, volume of water consumption in the estate, environmental management plan, scheduled waste records, safety training records, HIRARC document, accident records, continuous improvement plans,</p> <p>Site visits: Linesite at Edumasi Division, chemical mixing area, chemical store, fertilizer store, workshop, scheduled waste store, landfill, clinic, water reservoir, sprayer, pruning and harvesting, pesticide spraying area, harvesting, fruit pickers and carriers area, HCV area, cemetery area</p> <p>Interviews: Estate Manager, Estate Assistants, Estate Clerk, Chief Clerk, Supervisors and Mechanic, clerk, sprayers and harvesters for Ahinkrom Division, fruit pickers and carriers, 3rd party contracted workers, including FFB loaders (all male) and fertilizer applicators working for 2 contractors (all female), female housewife at housing, one third party contractor</p>
13 July 2016	BOPP Main office	<p>Document review for BOPP estate and BOPP scheme smallholders: Workers’ contracts, pay slips, check-roll, minutes of meetings for various committees, smallholder scheme documents, trade union correspondones with management, policies, grievance records, smallholder meetings log-book, standard operating procedures, Material Safety Data Sheet Reviews, OHS related documents for estate and scheme smallholders</p>

		<p>Site visits: Asaman Village, chemical mixing area, chemical store, general store, fertilizer store, workshop, scheduled waste store, landfill, clinic, water reservoir, sprayer, pruning and harvesting, pesticide mixing area and equipment washing area</p> <p>Interviews: With the selected employees from operations such Spraying and Mixing Pesticides Spraying, Washer (from contaminated overalls from spraying activities), Fertilizer Applicators and Headmen</p>
	BOPP Smallholder Scheme	<p>Site visit: Landfill, Scheme Small Holder Area (Harvesting & Fertilizer Application)</p> <p>Interviews: 6 Union representatives, 5 Scheme smallholder representatives and 4 scheme smallholder executives, smallholder manager, smallholder farmers, representatives and villagers of Asaman Villages (over 30 people), employees observed at Landfill, Harvesting Area, Fertilizer Application Area</p>
14 July 2016	BOPP Mill	<p>Document review: Suppliers/contractors' contracts, employment records, deduction consent forms, mill worker pay slips and overtime records, production key performance indices (KPIs) mill throughput, production efficiency, water consumption, electricity consumption, actual FFB receipts, and FFB processed data, Occupational Health and Safety Training Records, Training Plan, Standard Operating Procedures, Risk Assessment for Mill Operations, Maintenance Records for Fire Extinguishing and Prevention Equipment(s), etc.</p> <p>Mill site visit: Mill compound, loading ramp, lubricant store, effluent treatment ponds, garage (workshop), interviews with mill workers from engine stations, Operations, Laboratory, surrounding areas, POME Treatment Area, Schedule Waste Area, Scrap Waste Area, Chemical and Fertilizer Stores, Maintenance Workshop & Garage Workshop and In-House Clinic</p> <p>Interviews: 2 third party contractors, Outside Purchased Fruit (OPF) suppliers, Contractors and suppliers, employees from various operations and activities and with the SHE Committee Team.</p>
	BOPP Main office	<p>Preparation for closing meeting Closing meeting</p>

Verification of closure of Major NCs:

Date	Location	Activity
14 September 2016	BOPP Main office	<p>Opening meeting - Summary of actions taken by BOPP to close all Major NCs</p> <p>Verification of closure of Major NCs - Document review and evidence check - Interviews with selected workers/contractors</p> <p>Summary and closing meeting</p>

2.4 Date of Next Surveillance Visit

The next surveillance visit is planned for June 2017.

3.0 ASSESSMENT FINDINGS

3.1 Summary of Findings for P&C and Supply Chain

The following is a summary of findings made for the criteria listed in the Ghana National Interpretation of RSPO Principles & Criteria for Sustainable Palm Oil 2015 (GH-NI 2015) including scheme smallholder guidance.

Principle 1: Commitment to transparency

Criteria assessed: CR1.1, CR1.2, CR1.3

Criteria not assessed: -

Findings:

CR1.1

The company maintains records of requests received from stakeholders and also maintains evidence of adequate information provided to their stakeholders for effective participation in decision making, most importantly being the company's scheme smallholders. Scheme smallholders are provided copies of their contracts with the company, list of documents publicly available, training materials and other necessary document, while regular meetings are held with smallholders to discuss issues pertaining to operations of their land.

The company frequently receives requests for assistance from local communities, and for such requests, the company requires the stakeholder to provide a formal letter of request, after which the company provides documented responses to each requests.

CR1.2

Participants scheme smallholders are all provided with copies of contracts between the company and individual smallholders, entitled 'Benso Smallholders Oil Palm Project Agreement' and dated year 2003. The contract stipulates that credit/loan was given to the smallholder by AFD through the Agricultural Development Bank (ADB) for the development of the 4 hectare plantation for each farmer (see sections (a) to (e) of the agreement, with BOPP as the technical partner in the agreement and the off-taker of all the FFB from the smallholders. The cost of development was to be debited to each farmer's account as a loan with 4 year moratorium. Repayment started in year 5 by deductions from the FFB sales revenues. This loan has been paid off by all the farmers as at 2016. They do not owe the bank on the development loan. However, the smallholder farmers owe BOPP which respect to fertilizer which BOPP buys and supplies to the farmers, for which repayment is spread over a year and repayment is done by deduction of 16% of FFB revenue for fertilizer repayment. Scheme smallholders do not have evidence of ownership of the land because the land owned by BOPP and utilized by the company as part of their CSR's efforts.

Since the last annual surveillance, the company has updated their list of publicly available documents to include all documents required under the GH-NI 2015 which has been posted on notice boards and provided scheme smallholders.

CR1.3

The company has an ethical conduct policy defined in their document "Code of Business Principles" which specifies that business operations shall be conducted with honesty, integrity and openness, with respect for human rights and interests of employees, and in accordance with internationally accepted principles of good corporate governance. The code defines principles pertaining to standard of conduct, obeying the law, employees, shareholders, business partners, community involvement, public activities, the environment, innovations and Best Management Practices, Competition, Business Integrity, Conflict of Interests and Compliance – Monitoring – Reporting.

The code explains that timely, regular and reliable information on company activities, structure, financial situation and performance will be provided to stakeholders. Evidence of this was sighted in the company's Annual Report and Financial Statements for year 2015. The Code of Business Principles is posted on the company's notice board and also emailed for distribution to all employees. As evidence of fair conduct of business, the company has a documented SOP for Purchase, Payables and Payments where for every purchase of items, especially for fertilizer, the company is required to request quotations from at least 3 different suppliers and 3

main factors are to be considered in selection of the supplier, i.e. lowest price, best quality and that supplier is a legal entity. There is evidence that employees are required to sign the Code of Business Principles, as seen for the signed copy by the Relations Manager, Ignatious Isaac Mensah, dated 30 May 2016 and another employee M.K. Arthur dated 15 June 2016.

Compliance status: Full Compliance

Principle 2: Compliance with applicable laws and regulations

Criteria assessed: CR2.1, CR2.2, CR2.3

Criteria not assessed: -

Findings:

CR2.1

Some permits and licences of the company were checked and found to still be valid as follows:

- Environmental Permit no. EPA/EMP/CU 375/13/0120 for BOPP to continue operation of the Oil Palm Processing Plant.
- Water use permit no. BOPPID217/2/15 from the Water Resources Commission (WRC), the permit is valid for 3 years starting from January 1, 2016 to December 31, 2018. According to the permit the company is allowed to use 452,600m³ per annum for domestic and industrial purposes.

A new Environmental Permit for the estate is still in progress. The EMP been submitted to the Environmental Protection Agency (EPA) as sighted (Ref: BOPP/EM/6/003/16) dated 30 June 2016. An acknowledgement letter from the EPA dated 11 July 2016 (Ref: CU/WR/8/VOL 1/064) has been received by BOPP as proof of receipt of the copy of the revised EMP and the processing fees. The progress of application for the new Environmental Permit for the estate will be followed up during the next surveillance audit. Noted as observation.

There is evidence of legal non-compliances pertaining to labour as follows:

- 1) Some permanent workers pay are deducted for electricity charges, school fees, crèche fees as sighted in sampled pay slips in April, May and June 2016 for several workers, i.e. John Cobbina, Christopher Essien, Essoun Papa Arkoh, and Ebo Dankwa. However these deductions are not listed as types of deductions permitted with consent of worker under Labour Act 2003 Clause 70 and the company was not able to show any order from the Labour Commission with permission for such deductions.
- 2) 3rd party contract workers interviewed informed that they do not have contracts or did not receive a copy of their contracts with their contractors, and this was also confirmed by one contractor interviewer, i.e. Ebenezer Obuodi. This is not in accordance with Labour Act 2003 Clause 9 (f) where duty of employer includes furnishing the worker with a copy of the worker's contract of employment;
- 3) Inconsistent/missing information in contracts of 3rd party contract workers. Evidence: Sampled contracts between contractor name Ebenezer Obuobi and 3 of his contracted workers are missing information such as date and the period of validity of the contract. Sampled contracts for 5 workers under Kwaku Antwi was missing all information including period of contract, payment rate, job assigned and contracts were not signed.
- 4) 3rd party contract workers interviewed consistently informed that their pay is deducted by their contractor for provision of rubber boots. Deductions for PPE is not listed as one of the permitted deductions as per the Labour Act 2003.

This was collectively raised as **Major non-conformance no. RSPO00540**.

The company continues to engage a lawyer firm, i.e. Kendricks Law Firm and the lawyer is responsible to provide quarterly updates on any latest new legal requirements or updates to legal requirements. As seen from the contract between the company and the law firm, the firm agreed to conduct monthly visitations or twice in every quarter and provide a monthly written report or statement of opinion as to whether BOPP is fully compliance as per the RSPO register. In practice the lawyer does not carry out compliance check but sends updates to the company every half a year on any new acts and regulations that have been approved by parliament. The latest update letters sighted were as follows:

- Letter dated 9 June 2015 regarding updated in compliance with BOPP RSPO requirement, which states apart from the Nana Quasie Bray IV vs. BOPP land dispute case, the company is not involved

in any other litigation case. The letter states the latest laws passed were the same as those that were passed in year 2014 as described in the 1st Annual Surveillance report. There were no new laws passed in year 2015 and year 2016.

During the 1st annual surveillance, it was found that the company has a list of legal requirements which is applicable to the company including legal requirements pertaining to health and safety, environmental, worker's welfare, and other regulations applicable to the company. The document includes a column for status of compliance and actions to be taken, which is currently all stated as compliant. However, the legal conformance register did not adequately include all information on applicable local legal requirements to be monitored, hence this was raised as a non-conformity. During this 2nd annual surveillance, it was found that BOPP has an updated list of legal conformances for year 2016. The BOPP List of Legal Conformance was prepared by Relations Manager - Ignatius and approved by Human Resource Manager - Mr. Victor. For Occupational Health and Safety the organization has subscribed to the following Act and Regulations:-

1. Factories, Offices and Shops Act, 1970 (Act 328)
2. Factories (Welfare) Regulations, 1959 (Abstract Regulations Order), 1960
3. Factories, Offices and Shop (Registration Certificate) Fees, Regulations 1997
4. Factories Prescribed Abstract Regulations 1970
5. Factories, Offices and Shops (First Aid) Regulations 1970
6. Factories, Offices and Shops (Boiler and Pressure Vessels) Safety Regulations 1970
7. Pesticide Control and Management Act 1966 (Act 528)
8. Ghana National Fire Service Fire Precaution (Premises) Regulations 2003
9. Workmen Compensation Law 1987
10. National Health Insurance Act 2012

However it still does not include the Land Commission Act, Act 767, (2008) and other regulations pertaining to land titles, Rivers Act, CAP 226 (1903) and a number of other applicable legal requirements as listed in the GH-NI 2015 Annex 3, such as (but not limited) to the Registration of Business Names (Amendment) Act, 2012 (Act 837),

Ghana Constitution 1992, Incorporated Private Partnerships (Amendment) Act, 2012, Economic and Organised Crime Act, 2010, Companies (Amendment) Act, 2012 Act, relevant Acts related to driving of tractors and lorries in the plantations, etc.

In addition, the description of clauses for some of the acts listed is not detailed or not a description of the actual requirement but instead only an action plan. For example:

- Pertaining to National Pensions (Amendment) Act 2014, description is to regulate the pension requirement age and benefits, but does not detail what are the specific pension requirement age and benefits to be regulated
- Pertaining to Labour Regulation 2007, description states "guideline to labour management regulation" but does not describe what needs to be complied with by the company
- Pertaining to Public Health Act 2012, stated that all workers are educated regularly to adhere basic healthcare, but specific requirement to be educated not stated
- Pertaining to Human Trafficking Act 694 (2005) and health Institutions and Facilities Act 2011, one description is to "respect the laws of the land".

Hence the non-conformity was raised to **Major non-conformance no. RSPO00541**.

In addition, the company's updated list of legal conformances for year 2016 does not list laws made pursuant to a country's obligations under international laws or conventions (e.g. the Convention on Biodiversity, CBD, ILO core Conventions, UN Guiding Principles on Business and Human Rights) as listed in Annex 2A of the RSPO GH-NI 2015. This was raised as **Minor non-conformance no. RSPO00542**.

Evaluation of Compliance based on the listed and subscribed Act and Regulations were available such as below:-

1. Factories, Offices and Shops Act, 1970 (Act 328)

Evidence of Compliance

Section 6 - Keeping of Register (all certificates, accident report, etc)

- A file named Permits / Cert / License was shown and certificates such as Letter of Confirmation-Re: Renewal of Fire Certificate;

Section 38. Sufficient training must be given to people on new jobs or machines

- Safety Induction Checklist reviewed: Employee Name: Safety Induction Checklist - Employee's Name:

Geoffery Nunyanu (14th Dec, 2013), Nicholas Kyesadah (6th May, 2014), Kofi Addo (2nd April, 2013), Rockson Essuman (6th April, 2014) & Fredrick Oppong (6th June, 2014).

- Personal Protective Equipment(s) provided such as cartridge filter respirators, safety goggles, chemical resistant gloves and Wellington Boots which is relevant to the nature of work carried out at estate harvesting, pruning, spraying pesticides, mixing of pesticides and operational works in the mill such handling and operating machineries and equipment(s).

2. Factories, Offices and Shops (First Aid) Regulations 1970

- First Aiders Refresher Training Attendance List - Dated: 17th June, 2016; Sampled Name: Yaw Adobeh (Edumasi),

3. Factories, Offices and Shops (Boiler and Pressure Vessels) Safety Regulations 1970 – Boilers and Pressure Vessel Inspection Reports by the local authority.

4. Ghana National Fire Service Fire Precaution (Premises) Regulations 2003

- Clause 1 - Letter of Confirmation-Re: Renewal of Fire Certificate from Ghana National Fire Service; Reference No: NFS/SK/278/VOL.XII/104; Dated: 29th June 2016.

5. National Health Insurance Act 2012

- Submission of Bills Letter dated 26th May, 2016 by National Health Insurance Authority to the Relations Manager Benso Oil Palm Plantation Ltd.

Information on legal requirements was written in the 2016 BOPP List of Legal Conformance under column brief description. For example brief description on Factories, Offices and Shops Act, 1970 (Act 328) was reflected as Sections and Title of the Sections. In addition law books for example Factories, Offices and Shops Act, 1970 (Act 328) and Fire Precaution (Premises) Regulations, 2003.

Mechanism for ensuring compliance was implemented. For example monitoring of renewal of the fire certificate on annual basis, refresher first aid training, training on pesticide application, periodic inspection of boilers and pressure by local authority and inspection and maintenance of van buses and tractors. In addition work place safety and health inspections were also conducted.

The organization has appointed Kendricks Law Firm to notify them on the changes in the law. Evidences of tracking of changes in the law sighted were Request For Legal Update in Compliance with Benso Oil Palm Plantation (B.O.P.P) Round Table For Sustainable Palm Oil (RSPO) Requirement; Ref No: KLF/FLT/0261/16; Dated: 9th June, 2016 which details the Acts of Parliament that has been passed for example Anti-Money Laundering (Amendment) Act 2014, Act 874 and Appropriation Act 2014 (Act 881) & Quarterly Report - Cases Pending in Court: Ref No: KLF/FLT/0165/16; Dated: 14th April, 2016.

During the 1st annual surveillance audit, it was found that there is limited documentation on the mechanism to ensure legal compliance to laws pertaining to employment (Labour Laws). There is a fragmented framework/SOP being used by the various divisions which is not collated as an effective tool to monitor contractor's and scheme smallholders' compliance with legal requirements, particularly for their employees. This was raised as a Minor non-compliance (**NCR 2015-02 of 07**). At time of this 2nd annual surveillance, It was informed by the company that representatives of SSNIT come to the company every few months to register 3rd party contract workers under SSNIT. The last registration was done for all 3rd party contract workers in February 2016. It was also sighted in sample contract renewal for engaged 3rd party contractor dated 1st January 2016 valid for one year for contractor named Ebenezer Obuobi supplying harvesting workers to BOPP under Clause 5 that it is stipulated that the contractor is solely responsible for his employees, subcontractor and subcontractor's employees' Social Security Fund Contribution, tax, workmen compensation, and other insurance claims against injuries or accidents during the duration of the contract, and also ensure that all third contract workers are insured under the National Health Insurance Scheme

However, there is still evidence of failure of the company to monitor the provision of benefits to 3rd party contract workers employed to worked at the estate as well as the scheme smallholders area, as it was informed consistently during interviews conducted with several groups of 3rd party contract workers that the benefits enjoyed by permanent workers are still not provided to 3rd party contract workers who have been consistently for the company (under their contractor) for over 6 months, mostly between 1 to 10 years and one loader for even up to 15 years. For example:

i) No paid annual leave, sick leave, maternity leave, no pay on rest days and public holidays, and no overtime pay for work on rest days or public holidays

ii) Inconsistent provision of medical benefits. Some workers informed that contractor only compensates in case of work related injuries, but not other illnesses. Some workers informed that they pay their own medical expenses completely

iii) No insurance coverage

iv) Rubbers boots are provided by their contractor but GH¢ 40 is deducted from their pay (compared to permanent workers of BOPP who are provided all PPE free)

Workers interviewed believe that they are registered under SSNIT and their contractor pays SSNIT for them accordingly. During interview with contractor named Ebenezer Obuobi, he was able to show record of SSNIT payment for several workers for months of January to April 2016, however the list of workers paid for did not include 4 out of 6 of his fertilizer applicators who were interviewed, i.e. Amelia Manku, Akua Hawa, Eunice Baidoo, and Francisca Garibu. Whereas for contractor named Kwaku Antwi, records showed SSNIT payments were not made since October 2015 and names of some workers under him who were interviewed on-site were not sighted in records of SSNIT payments in previous months.

Evidence of insurance payment made by Ebenezer Obuobi for his workers to Unique Insurance Company Ltd. Was sighted for period of 14 March 2016 to 13 March 2017 for amount of GH¢168 and sum insured of GH¢16,800, however namelist of workers covered was not provided and premium seems too low to cover all 16 of his fertilizers applicators. While for contractor names Kawku Antwi, no evidence of insurance payment for all his fertilizer applicators (16 workers), loaders, or loose fruit pickers, was provided.

Failure to ensure provision to relevant benefits to workers is not in accordance with the Labour Act 2003 Clause 75: Temporary Worker, which specifies that (1) a temporary worker who is employed by the same employer for a continuous period of six months and more shall be treated under this Part as a permanent worker, and (2) the provisions of this Act in respect of benefits including paid public holidays and sick leave are applicable to a contract of employment with a temporary worker and Clause 76 (5) which states that temporary workers are entitled to be paid for overtime work.. It is also not in accordance with the RSPO P&C Criterion 6.5 Scheme Smallholder guidance which specifies that "Scheme managers must ensure that workers employed to service smallholders enjoy the same rights, conditions and protections as estate and mill employees in accordance with RSPO P&C." As these workers have been working consistently for the company for over 6 months, they cannot be categorized as casual or temporary workers as defined in the Labour Act 2003 Clause 78, who are not entitled to such benefits.

Hence NCR 2015-02 of 07 was not closed and was raised to **Major Non-conformance no. RSPO00543.**

CR2.2

There are no new findings pertaining to the company's legal land ownership. As found during previous audits, BOPP has a land title under Land Register no.3058/1984 issued from Chairman of the Land Commission on behalf of the government of the Republic of Ghana signed on December 12, 1983 valid for 50 years starting from 23 September 1976 to 22 September 2026. This is in accordance with agreement dated 30 December 1975 made between Ghana Government and the previous company's name, i.e. United Africa Company (UAC) International Limited for total area 16,799.972 acres or 6,798.697 hectares (according to a Cadastral Plan No. Y 1011).

The company has other land titles i.e Executive Instrument No. E.I.121. given by Supreme Military Council according to State Land Act, 1962 (Act 125) amended by state lands (amendment decree, 1968 made on 23 September 1976), given for land area with total 6,750 acres. The instrument has been amended through Executive Summary no. E.I. 65 to revise the the total land title area to 16,750 instead of 6,750 acres.

Location of smallholder areas are within the company's area so that scheme manager can ensure that these land are not claimed. Smallholders interviewed during this annual surveillance confirmed there have been no claims made to smallholder land area by other communities.

There is a map entitled "Benso Site for Oil Palm Plantation – shewn edged pink (H53091 dated on April 5, 1982). The map shows all boundary pillars designated for the estate by chairman of the land of Ghana. There are 136 pillars installed along the company's boundaries. The pillars are made with stones/concrete with the pillar number indicated on the top of pillar, such as pillar no. SGW-2/76/1 to SGW-2/76/136 sighted in the field. The company continues to ensure their boundary stones are visible and well maintained, as sighted during field visits. Boundaries between smallholder areas with other smallholder areas are in the form of stacked palm fronds and each smallholder area is marked with the nameplate of the smallholder owner for easy identification of each smallholder block. Whereas, boundaries between company estate blocks are in the form of roads which are well-maintained and are passable.

Within the company's area, there is an area of 91 ha occupied by a local community i.e near block 18. Although

the company legally owns the land, there is no significant dispute between company and this community as the community has no plan to expand their occupied area and the company has accepted the presence of this community within their land area. The map of the company's estate included information on the occupied areas. Based on interview with the community leader, a corridor road serves as a boundary between the company's area and the community's occupied area. The company currently does not maintain any maps or documentation showing land allocations for scheme smallholders, however, the plots are individually marked on site with the name of the smallholder that it was allocated to.

As found during the previous annual surveillance audit, the company is currently involved in an ongoing land dispute case in which the Chief (Odikro) named Katakow/Asankama or also known as Nana Quaisie Bray sued the company due to claims that all of the land under BOPP as well as a wider area in the region within the Western Region of Ghana which is beyond the company's ownership is his ancestral land and that he was not compensated at all for the land when it was taken over by the company. As seen in the Writ of Summons issued on 26 February 2014 and statement of claims dated 27 January 2014, it was seen that the case was made against not only the company but also four other defendants, which are:

- Wilmar Africa Ltd. as the parent company of BOPP
- The Nana (chief) of Adum Bansa as the traditional owner of BOPP's land
- The Lands Commission of Sekondi as one of the statutory bodies mandated to regulate land registration acquisition management of lands generally and communa/public lands.
- The Administrator of Stool Lands as another one of the statutory bodies mandated to regulate land registration acquisition management of lands generally and communa/public lands.

The company had issued a statement of defense dated 2 April 2014 denying the allegations of ownership of their land made by the Nana Quaisie Bray. The person making the land claim and the company has endeavoured to continue to resolve the case through court and resolution of the case is still ongoing at the time of this audit. A status report on the law suit from BOPP's lawyer, Kendrick's Law Firm, dated 7 July 2015, was sighted. It was stated in the report that on 14 January 2015, the case was adjourned to allow the plaintiff's lawyers to file an application for directions which was fixed for 22 April 2014. However due to the passing of the lawyer of the 3rd defendant (The Nana (chief) of Adum Bansa) the case had to be postponed until the chief could get a new lawyer.

During this 2nd annual surveillance it was found there were two status report on the case from the company's lawyer, i.e.:

- Situational Report dated 11 November 2015 stating that the court had awarded GH¢ 1800 against the plaintiff in favour of Wilmar Africa Limited (as compensation for time taken by Wilmar Africa Limited since they were disjoined from the suit). The letter also stated that leave was requested by the Nana (chief) of Adum Bansa to file additional documents in relation to the trial. The chief had also applied for appointment of a surveyor to demarcate and delineate the boundaries of the land in dispute.
- Quarterly Report dated 14 April 2016 regarding cases of the company pending on court (currently only this land dispute case) stating that on 22/12/2015 the court directed the plaintiff to comply with orders dated 11/11/2015 concerning amendment of the suit title after Wilmar Africa Ltd. was disjoined from the suit. The letter states which defendants had or had not complied with these orders. The letter also states that the motion for appointment of surveyor by the chief of Adum Bansa was fixed for hearing on 11/11/2015 but the application was not argued yet. On 14/1/2016, it is stated that the pursuant to the court's order, the plaintiff filed an amended writ of summons and statement of claim. On 25/01/2016, the suit was adjourned 'sine die'.

The case is currently still pending until further action is taken by plaintiff.

There was no evidence found that the company has conducted their palm oil operations in a manner that engender violence in the current and planned operational area

CR2.3

There are no changes to the findings of the previous surveillance audit. The company maintains a map showing extent of recognized customary rights, entitled as Land Use Map with scale 1:60,000 showing that the community uses the land as a cemetery for Benso Village inside of smallholder area as a customary right of the community.

There is no document about negotiated process of the company's recognition of customary rights, however, according to interview results with several communities in Edumase and Benso villages and company's staff,

BOPP allows the community to access their plantation area for several cultural activities, such as visiting ancestral graves or other sacred places in BOPP area without disturbing its plantation activities, such as weeding of cemeteries or shrines within BOPP's area as seen in letter from Benso villagers.

Scheme managers can show that land for smallholders is within BOPP's land title area and does not diminish legal or customary rights, as stated on the agreement between community and BOPP management amended August 2006.

Compliance status:

Non-conformance no. RSPO00540 (Major)

There is evidence of legal non-compliances pertaining to labour as follows:

- 1) Some permanent workers pay are deducted for electricity charges, school fees, crèche fees as sighted in sampled pay slips in April, May and June 2016 for several workers, i.e. John Cobbina, Christopher Essien, Essoun Papa Arkoh, and Ebo Dankwa. However these deductions are not listed as types of deductions permitted with consent of worker under Labour Act 2003 Clause 70 and the company was not able to show any order from the Labour Commission with permission for such deductions.
- 2) 3rd party contract workers interviewed informed that they do not have contracts or did not receive a copy of their contracts with their contractors, and this was also confirmed by one contractor interviewer, i.e. Ebenezer Obuodi. This is not in accordance with Labour Act 2003 Clause 9 (f) where duty of employer includes furnishing the worker with a copy of the worker's contract of employment;
- 3) Inconsistent/missing information in contracts of 3rd party contract workers. Evidence: Sampled contracts between contractor name Ebenezer Obuobi and 3 of his contracted workers are missing information such as date and the period of validity of the contract. Sampled contracts for 5 workers under Kwaku Antwi was missing all information including period of contract, payment rate, job assigned and contracts were not signed.
- 4) 3rd party contract workers interviewed consistently informed that their pay is deducted by their contractor for provision of rubber boots. Deductions for PPE is not listed as one of the permitted deductions as per the Labour Act 2003.

Non-conformance no. RSPO00541 (Raised to Major from ASA1)

BOPP has an updated list of legal conformance for year 2016, however it still does not include the Land Commission Act, Act 767, (2008) and other regulations pertaining to land titles, Rivers Act, CAP 226 (1903) and a number of other applicable legal requirements as listed in the GH-NI 2015 Annex 3, such as (but not limited) to the Registration of Business Names (Amendment) Act, 2012 (Act 837), Ghana Constitution 1992, Incorporated Private Partnerships (Amendment) Act, 2012, Economic and Organised Crime Act, 2010, Companies (Amendment) Act, 2012 Act, relevant Acts related to driving of tractors and lorries in the plantations, etc.

In addition, the description of clauses for some of the acts listed is not detailed or not a description of the actual requirement but instead only an action plan. For example:

- Pertaining to National Pensions (Amendment) Act 2014, description is to regulate the pension requirement age and benefits, but does not detail what are the specific pension requirement age and benefits to be regulated
- Pertaining to Labour Regulation 2007, description states "guideline to labour management regulation" but does not describe what needs to be complied with by the company
- Pertaining to Public Health Act 2012, stated that all workers are educated regularly to adhere basic healthcare, but specific requirement to be educated not stated
- Pertaining to Human Trafficking Act 694 (2005) and health Institutions and Facilities Act 2011, one description is to "respect the laws of the land".

Non-conformance no. RSPO00542 (Minor)

The company's updated list of legal conformance for year 2016 does not list laws made pursuant to a country's obligations under international laws or conventions (e.g. the Convention on Biodiversity, CBD, ILO core Conventions, UN Guiding Principles on Business and Human Rights) as listed in Annex 2A of the RSPO GH-NI 2015

Non-conformance no. RSPO00543 (Raised to Major from ASA1)

There is still evidence of failure of the company to monitor and ensure the provision of benefits to 3rd party contract workers employed to worked at the estate as well as the scheme smallholders area, as it was informed consistently during interviews conducted with several groups of 3rd party contract workers that the benefits enjoyed by permanent workers are still not provided to 3rd party contract workers who have been consistently for the company (under their contractor) for over 6 months, mostly between 1 to 10 years and one loader for even up to 15 years. For example:

- i) No paid annual leave, sick leave, maternity leave, no pay on rest days and public holidays, and no overtime pay for work on rest days or public holidays
- ii) Inconsistent provision of medical benefits. Some workers informed that contractor only compensates in case of

work related injuries, but not other illnesses. Some workers informed that they pay their own medical expenses completely

iii) Rubbers boots are provided by their contractor but GH¢ 40 is deducted from their pay (compared to permanent workers of BOPP who are provided all PPE free)

Workers interviewed believe that they are registered under SSNIT and their contractor pays SSNIT for them accordingly. During interview with contractor named Ebenezer Obuobi, he was able to show record of SSNIT payment for several workers for months of January to April 2016, however the list of workers paid for did not include 4 out of 6 of his fertilizer applicators who were interviewed, i.e. Amelia Manku, Akua Hawa, Eunice Baidoo, and Francisca Garibu. Whereas for contractor named Kwaku Antwi, records showed SSNIT payments were not made since October 2015 and names of some workers under him who were interviewed on-site were not sighted in records of SSNIT payments in previous months.

Evidence of insurance payment made by Ebenezer Obuobi for his workers to Unique Insurance Company Ltd. Was sighted for period of 14 March 2016 to 13 March 2017 for amount of GH¢168 and sum insured of GH¢16,800, however namelist of workers covered was not provided and premium seems too low to cover all 16 of his fertilizers applicators. While for contractor names Kawku Antwi, no evidence of insurance payment for all his fertilizer applicators (16 workers), loaders, or loose fruit pickers, was provided.

Failure to ensure provision to relevant benefits to workers is not in accordance with the Labour Act 2003 Clause 75: Temporary Worker, which specifies that (1) a temporary worker who is employed by the same employer for a continuous period of six months and more shall be treated under this Part as a permanent worker, and (2) the provisions of this Act in respect of benefits including paid public holidays and sick leave are applicable to a contract of employment with a temporary worker and Clause 76 (5) which states that temporary workers are entitled to be paid for overtime work.. It is also not in accordance with the RSPO P&C Criterion 6.5 Scheme Smallholder guidance which specifies that "Scheme managers must ensure that workers employed to service smallholders enjoy the same rights, conditions and protections as estate and mill employees in accordance with RSPO P&C." As these workers have been working consistently for the company for over 6 months, they cannot be categorized as casual or temporary workers as defined in the Labour Act 2003 Clause 78, who are not entitled to such benefits.

See also observations no. 1, 2 and 3 in Appendix 5

Principle 3: Commitment to long-term economic and financial viability

Criteria assessed: CR3.1

Criteria not assessed: -

Findings:

CR3.1

BOPP has a documented Five year business plan for year 2014-2019: Political and Economic Overview which describes the following:

- The economic outlook for this period including GDP, inflation, interest rates, exchange rates, and electricity
- Key issues affecting the company such as availability of OPF, crop yields, cost of production, timing of replanting, RSPO certification and land for new planting
- Financial performance, including CPO prices, exchange rates, inflation, capital expenditure
- Operational and Technical summary of plantation activities
- Objectives and targets to improve OER and KER, loss reduction (oil and downtime), improvement in equipment capacity, 90% own power generation, best and best practices in SHE, zero fatalities and HR development.
- HR Development Plan
- 5 year strategy plan including projected FFB production from year 2014-2018, CPO extraction rate (ER), KER, PKO ER, Crude Palm Oil Volume, Palm Kernel, Palm kernel oil, sales of CPO and PKO, average prices, material costs, product costs, gross profits, balance sheet, cashflow summary, per unit cost analysis.

BOPP crops projection area is available in document Benso Oil Palm plantation five years plan. Information captured is as follows:

- Crop projection: 54000MT for year 2016-2017; 59000MT for year 2017-2018; and 74000 MT for year 2018-2019.
- Production area as follow: 4738Ha

- Yield projection for 2016-2017-14mt/Ha; 2017-2018-15mt/Ha; 2018-2019-15mt/Ha; and 2019-2020-16mt/Ha.

BOPP Oil mill: Palm mill Five years business plan are available from 2015 to 2019. Information captured is as follow:

CPO Production	Cost of the production (USD)	Oil Extraction rate:
Year 2016: 22822 MT	Year 2016: USD 547.42	Year 2016: 23%
Year 2017: 23576 MT	Year 2017: USD 587.12	Year 2017: 23%
Year 2018: 25241 MT	Year 2018: USD 526.88	Year 2018: 23%
Year 2019: 27584 MT	Year 2019: USD 507.33	Year 2019: 23%

A smallholder 5 year business plan (year 2014 to 2018) is also available with information on profitability forecast (FFB prices, revenue , total cost, profitability, profitability farmer and monthly profitability), FFB production or FFB yield trend and total cost production (fertilizer application (kg/ha)). Scheme managers have a documented management plan for scheme smallholders (minimum 3 years); the plan is shared with them in appropriate languages.

There is no replanting programme for the company-owned estate after year 2015 but the company has a replanting programme for the smallholder area starting from year 2020 till 2023 as per Table 5 above. The company reviews their replanting programme vs actual on an annual basis.

Compliance status: Compliance with observations

See observation no. 4 in Appendix 5

Principle 4: Use of appropriate best practices by growers and millers

Criteria assessed: CR4.1, CR4.2, CR4.3, CR4.4, CR4.5, CR4.6, CR4.7, CR4.8

Criteria not assessed: -

Findings:

CR4.1

Standard operation procedures (SOPs) dated October 2013 are still made available for Benso Oil Palm Plantation as per the company's planting manual (RSPO Version). The manual contains information for handling daily activities as follows: Nursery management, development/replanting, immature and mature area, harvesting, maintaining, pest and disease. The SOPs are dated October 2013 and approved by the General Manager, Mr. Samuel Avaala. The SOP contains information regarding safe working procedures for all the daily activities in the estate such as: use of Malayan knife (sickle), wheel barrow transport, transport of labour, cutting of FFB or fronds, harvesting, FFB collection, FFB loading, transport, spraying of pesticides and herbicides, chemical mixing, fertilizer application, POME application, digging of pits, lining and construction of terraces, road maintenance, etc.

At the mill, procedures for implementation of daily activities are available in the document, standard and safe operating procedures dated 6 September 2013. The content of the procedure includes the daily work activities such as loading ramp, weighbridge operation, sterilizer operation etc.). There are 31 topics included in the Standard Operation Procedures.

To check the effectiveness of the SOP and compliance, the company has established forms for SOP and PPE Checking date on 2.01.2015, although there are no clear written procedures regarding how to conduct the SOP and PPE Checking. Records of completed SOP and PPE implementation monitoring and checking forms are available. Last conducted on the 5/07/2016. Sampled records of monitoring by the company covered safety and PPE aspect. Based on the sample that has been taken, most are the result is in the compliance.

CR4.2

Company fertilizer application records for year 2015 until 2016 are available, as sighted as follows:

- 1) Area-049, year of planting 2013 covering 26 Ha: RP recommendation 2.25Kg/Palm tree was planted on January 2016.
- 2) Area-050, year of planting 2013 covering 30 Ha: Kieserite recommendation of 0.75kg/Palm was applied in April 2016.

The total amount used of Rock Phosphate at Ahinkrom Division was 151kg and total of Kieserite applied at

Ahinkrom division was 59.49 Kg.

Soil and leaf analysis has been done on 10 to 13 June 2015 for 229 samples. Soil and leaf analysis was conducted to establish fertilizer recommendation for 2015 to 2016. Sample results of the foliar analysis for sample of field 01/1998 are as follows: element of Nitrogen Content 2.72%, Phosphorus content 0.156%, Magnesium content 0.36%, Calcium content 0.70%, Kalium 1.27%.

Records of implementation of EFB are available as per fertilizer recommendation by agronomist. The company applied more at the immature area. Total application in the Ahinkrom Division of EFB was 1850mt. In the BMP Division, total applied was 1940 mt from January to June 2016. Land application of POME in the estate. Areas that where land application is conducted is at blocks 280 and 257.

Scheme Smallholder: Training for smallholder on subject of how to maintain soil fertility was done on 19.04.2016 that attended by 30 smallholder members. The topics covered included fertilizer application, type of fertilizer and safety and health of using chemical and fertilizer. Fertilizer application on smallholder plots is done by the company to ensure, proper implementation and accurate application. Fertilizer application records for Scheme smallholder areas in 2016 is available as follows: Total application of NPK in year 1995 planted area covering 184 Ha was 239.54 mt as of April 2016 and, total application of Urea at year 1996 planted area covering 174 Ha is 270.70mt as of June 2016

CR4.3

According to Soil Map reference No. HD3733/03-Soil/20140417/Ghana the soil type for all BOPP and its smallholder area is categorized as Soil type C (Forest Ochrosol-Oxysol Integrades, the type of this soil is not fragile and not peat. According to topography map, BOPP area and its smallholder area consists of flat to undulating (0-6 %) to undulating roll (6-12 %) area. Almost 97.5% from total area or 6,667.10 ha is categorized as flat undulating and only 2.5 % or 169.21 ha is categorized as undulating roll. This condition is secure and suitable for oil palm plantation activities.

The company maintains their policy not to develop land area with the slope above 30°, and any such areas will be excluded from productive area. However, this is not applicable to BOPP's area as there are no highly sloped areas. There is only a small area with undulating roll topography, while for the slightly sloped areas, the company has a strategy for planting by making terracing and water drainage system both in planted area and land clearing area. It was sighted on the field, the company also has a strategy to prevent erosion such as planting of vertiver grass along the open area, open riparian river buffer zones, cover crops, terrace, staking midrib and sloped areas, as observed during site visits to area planned for planting in year 2014 in 071 (Ahinkrom estate). The planting manual was established as seen from BOPP's planting manual year 2014. The manual includes information about plantation activities in all land categories including sloped areas.

BOPP has a yearly road maintenance program as seen from the documented road maintenance plan for year 2016 from January to March 2016 as follow:

- 1) Ahinkrom DIVISION -Total road maintenance is 53 KM.
- 2) Edumasi Division-Total road maintained is 72 KM
- 3) Smallholder-Total road maintained is 7.3 KM.

The company should conduct the program as planned to ensure that all roads are consistently maintained in good condition.

Based information above, there are no peat soil in estate so the auditee is not required to have a water level management program for subsidence of peat soils monitoring and drainability assessment. Moreover, there are no fragile soils identified in the estate so that the auditee is also not required to have a management strategy for other fragile and problem soils.

Scheme Smallholder: Total area in Small holder is 1650 ha, all 100% area is flat and underlating. Training for minimize any soil erosion has been conducted regularly through meeting with members.

CR4.4

BOPP has documented a water management plan made in June 2016. The document includes information about the present water utilization and resources both in the mill and plantation area for domestic and operational company's activities. The proposed water use plan for short, medium and long term period includes an emergency response plan for water availability and water resources. According to information on planning and as verified on

site, the source of water in BOPP is rainfall, water dams, and rivers.

The rainfall average been recorded from 1,332.78 mm to 1,945.8 mm distributed over 75 to 114 days with total annual consumption estimated between 300,000 m³ to 400,000 m³.

BOPP have come up with objectives of water management plan such as long term sustainability supply of drinking water, sufficient clean water, water storage for continuous mill activities, water supply during emergency, water for seedlings at nursery, water conversation under various laws and regulations. Confirmed from site visit to Ahinkrom division of BOPP estate that riparian river buffer zones are maintained by establishing red markers at the trees to indicate buffer zone areas where chemical application, including fertilizer application, is not allowed. A signage also sighted at the field where spraying activity, fertilizer application, weeding and washing of fertilizer bags are prohibited. Sprayer workers interviewed also confirmed that they do not carry out spraying at the marked areas. Smallholders interviewed also confirmed that the company informed them on the reason why the buffer zones are demarcated and protected.

BOPP has a water use permit (No. BOPPID217/2/15) from water Resources Commission, the permit valid for 3 years starting from January 1, 2016 to December 31, 2018. According to the permit the company is allowed to use 452,600m³ per annum for domestic and industrial purposes.

For all water consumed, BOPP has to pay retribution with amount GH¢ 0.003 per m³. The last payment document for water consumption is dated 13 June 2016; this is the payment for the whole year of 2016.

The company conducts daily water testing internally and monthly water testing by external laboratory i.e. Ghana Water Company Limited Examination Laboratory – Minerals Commission (Inspectorate Division – Takoradi). According to the analysis reports for analyses that were conducted in Sep 2015, Dec 2015, and Feb 2016 and May 2016 some water parameters at ANI Down had exceeded the government standard such as Colour and Iron. However, it is not used for domestic usage and complied with guideline values.

The mill monitors and documents their effluent production. The quality of effluent is monitored every month by external laboratory, Council of Scientific and Industrial Research (CSIR) Water Research Institute. There are 10 effluent water parameters which shall be monitored every month i.e. pH, Chemical Oxygen Demand (COD), Biochemical Oxygen Demand (BOD), Total Dissolved Solids (TDS), Total Suspended Solids (TSS), Oil and Grease, Conductivity (Cond), Phosphate, Nitrate, and Total Coliforms. All effluent wastewater is discharged for land application to blocks 257 and 280 only. There is no specific standard for effluent quality discharged for land application. As found during the certification audit, the Environmental Protection Agency of Ghana is still considering the request of oil palm companies to develop a specific standard for BOD of discharge from oil palm companies to a more achievable standard.

Mill water use per tonne FFB is monitored with trend of water usage for each year input in graphical form for easy analysis. It was sighted from the "Water (ton)/ton FFB trend" sheet that annual total water usage per tonne FFB was recorded for year 2010 until year 2016 (until June). The lowest water usage rate was 0.90 tonnes water per tonne FFB in year 2012, however this increased in subsequent years to the highest annual rate of 1.52 tonnes of water per tonne FFB in year 2014, while for year 2016 up to June 2016, the rate is 1.50 tonnes of water per tonne FFB.

CR4.5

BOPP still applies their IPM plan as per document named "BOPP Adum Bansa Estate Integrated Pest Management Plan, revised October 2013", which includes a description on management measures for the most common pests i.e. leaf miner and *Oryctes rhinoceros* (rhinoceros beetles), as well as nettle caterpillars and mammalian pests. The company also refers to BOPP Planting Manual RSPO version 2014 for IPM implementation.

Leaf miner monitoring records are summarized in daily monitoring sheets for Edumasi and Ahinkrom divisions as well as the smallholder division. The monitoring sheets include data on the blocks, year of planting, area, date samples, palms sampled, and number of leaf miner larvae found, including small larvae, large larvae, pupae, internal adults (which hide in the leaves), and external adults (who have migrated to the external environment). The total external adult (number of total live insects per palm) and external adult index (number of external adults per palm) is calculated. Action will be taken if the result of external live index is more than 2.00, which has been established as the threshold.

As only external live adults can be treated, if the external live index is over 2.0 (2 live external adult insects or more per frond.), then fogging of leaf miners with Evisect is carried out at a rate of 0.5 kg per ha. This is only

one quarter of the application dosage recommended in the company's Planting Manual RSPO version 2014, which is 2kg per ha. It was confirmed from the summary of monthly fogging report for year 2016 for January to June 2016 that there was fogging carried out only in March 2016 and where 11kg applied each time to 23 ha at Ahinkrom estate at block 217. It was confirmed from Leaf Miner and Beetle Census handwritten logbook for those months that the leaf miner attack rates at block 217 of Ahinkrom division had an external live index of 2.65 in March 2016. There is no record of chemical fogging carried out at areas where leaf miner attack rates were found below the threshold limit.

Rhinoceros beetle monthly reports for pheromone traps were sighted for January to June 2016. Result showed that in February 2016 (22/2/2016) 79 beetles were collected. Based on the SOP manual, if more than 5% control action needs to be taken through application of chemicals. The company has records of monthly chemical application carried out at blocks 261 to 283 (year 2012 plantings) using of Cypermetrin Super EC (a.i. Cypermetrin) at maximum application rate of 4.00 litres/ha, although actual application was seen to be frequently less than 0.25 litres/ha for each block. For example, for February 2016, actual applied was 4.00 litres or 0.25 litres/ha, May was 4.00 litres or 0.25 litres/ha, and June 2016 was 8.8 litres or 0.05 litres/ha. Rhinoceros beetle census is carried out every two weeks. Records showed that if attack is more than 5% threshold, chemical spraying will be applied. Records verified for field 261/2012 for spraying conducted on 12.02.2016 show that result is 13% of attack. Area in 283/2012 result is 11% and the estate had applied cypermetrin. After conducting chemical spray, company has been carried out another census to ensure effectiveness of the chemical spraying activity. The result show that in 20.02.2016 Field 261/2012 the threshold in 2% at the same area

IPM Training also has been conducted, for 2016 attended by 15 people from spraying date on 23 May 2016. Materials of training are available.

Scheme smallholders and executives interviewed explained that the company had provided them training on IPM techniques and how to identify signs of pest attacks. They explained that there was an outbreak of leaf miner attack ten years ago which periodically recurs and managed by the company as and when it happens. All IPM spraying is done by the company's workers.

CR4.6

The company's list of chemicals as seen from the company's agrochemical consumption summary include the following:

- Garlon 4 (a.i. trichlophyr 480g/l) - herbicide for control of broad leaved weeds and grasses
- Glisat (a.i. Glyphosat 480g/l)

The company is still mainly using only two type chemicals are registered under the EPA revised Register of Pesticide Part II of EPA Act 1994 (ACT 490). There are no chemicals used which are categorized as World Health Organisation type 1A or 1B, and there is no paraquat being used, as confirmed from chemical usage records and checks of the chemical store. For weed management, the company applies a mixture of glyphosate and trichlophyr (Garlon 4). The main chemicals applied are Glisat and Garlon 4 at a rate of 150ml of Glisat (a.i. 480 g of glyphosate) and 25ml of Garlon 4 in one 15 litre knapsack. This is within the recommended dosage stated on the chemical container labels.

Records of pesticide use (including active ingredients used, area treated, amount applied per ha and number of applications) are maintained at estate division offices.

As explained under CR4.5 above, there is no prophylactic use of pesticides. Pesticides are applied only when pest attacks are above the specified threshold.

It was confirmed that several sprayers interviewed in the field had participated in trainings on chemical spraying and fertilizer application. Training topics included usage of appropriate PPE and safety precautions, methods of application, riparian & buffer zones, handling of spillages, and basic first aid measures. Sprayers are provided with appropriate PPE, i.e. masks, goggles, aprons, rubber gloves and boots. However, it was informed that while boots are provided free for permanent workers of BOPP, third party contracted workers are provided rubber boots by their contractors but are deducted GH¢ 40 for the boots. This was raised a non-compliance under CR2.1. Scheme smallholders interviewed confirmed that they are aware of the company's requirements for workers to wear appropriate PPE, which has been explained to them by the company

BOPP has engaged a contractor, ZOIL Services Limited for the collection of scheduled wastes, including chemical containers. ZOIL Services Limited has a valid permit from the EPA for installation and operation of a waste oil treatment and disposal facility, and non-hazardous wastes with permit validity from 25 Feb 2015 to 24 Aug 2016

(Ref: CH0011840102) issued by the Environmental Protection Agency (EPA) under Environmental Assessment Regulations 1999 (LI 1652), including transporting of various types of hazardous wastes with valid permit issued by EPA from 6 June 2016 until 5 June 2017 (Ref: EPA/CCMC/WR/LHCT-14/16)

Pesticides are applied through chemical spraying using knapsacks with the spraying nozzle aimed to the target weeds. This is the most commonly applied method in the industry. There is no aerial application of pesticides.

As informed by 5 scheme smallholder representatives interviewed, all chemical application is carried out by the company at all scheme smallholders plots, and none is carried out by scheme smallholders in order to ensure consistency and proper management as well as safety of workers carrying out this high risk activity. The company provide regular briefings to the smallholders including on chemical management

Those exposed with use and handling of chemicals (pesticides) have undergone medical surveillance on 27th July 2015 as shown in the Report on Chemical Handlers Medical Examination Report 2015. These included Laboratory Technicians, Pesticide Mixers and Sprayers and Fertilizer Applicators.

All chemical (pesticides) sprayers engaged by the company are males, with no female sprayers. For the interviewed fertilizer applicators and those working in the laboratory that was females were found not to be pregnant and breast-feeding women. Female workers interviewed are aware of the requirement that pregnant and breast feeding women are not allowed to carry out work with chemicals. However, female 3rd party contract fertilizer applicators and well as contractors interviewed informed that for the purpose of safety, women workers who are pregnant and breast feeding until one year from the birth of their baby are prohibited from working. By right such women should be reassigned to work not involving chemicals until the time of delivery and be free to choose when they wish to return to work so not to significantly affect their livelihood. This was noted as an observation under CR 6.5.

CR 4.7

BENSO's Occupational Health & Safety Policy signed by Mr. Santosh Pillai - Managing Director and Wilmar Safety Policy signed by Mr. Kuok Khoon Hong – Chairman and Chief Executive Officer, Wilmar Group of Companies were in place. The BENSO Occupational Health & Safety Policy focuses on key conduct of its business such as compliance with the prevailing statutory occupational health and safety obligations and other requirements to which the Group subscribes, implement and maintain health & safety management system, establish and communicate to employees, contractors, clients and visitors worksite safety rules and safe-work methods, promote and develop awareness through adequate and regular training and periodic review of Occupational Health & Safety Policy (by Occupational Health & Safety Management Committee) to ensure it remains relevant and applicable to the business.

A risk assessment dated 18th April 2014 and Risk Assessment dated June 2016 was conducted covering all operations including plantations. Locations that were risk assessed were such as Factory Security Office and Surroundings, Mechanical Workshop and Water Treatment Plant And Surroundings for the Mill. For Risk Assessment - Estate the following activities such as Cutting of Fronds and Bunches, Carrying of Harvesting Sickle from tools room to the rack, Stacking of Palm Fronds, Mixing of Chemicals and Washing of Spraying Machine. From the risk assessment existing controls were recorded and used for further evaluation.

The following operational controls were sighted in the Mill and Estate:

- Personal Protective Equipment signages displayed.
- First aids kits were available and accessible.
- Fire extinguishing and prevention equipment(s) such as fire extinguishers, fire hose / hydrant and fire alarms were in place and serviced accordingly. These equipment(s) were accessible, location known and with training on the use of these equipment provided.
- Evacuation directions and assembly point identified.
- Material Safety Data Sheets were displayed at the places where the chemicals were handled and stored in the Mill and Estate Divisional Office Chemical Store. Access to the Chemical Store and Fertilizers store both in the Mill and Estate Divisional Office secured.
- Emergency eyewash and shower head facility accessible and maintained. In some areas such Divisional Office Chemical Store the portable eye wash facility was provided.
- Emergency stop buttons were fitted on the processing machines in the Mill. Some processing lines in the Mill were with warning hot signs.
- Electrical cabling in the Mill were adequately covered and protected. No exposed live wires were observed.

- Good housekeeping practices were observed in the maintenance workshop such as proper tool and equipment storage and no signs of oil / chemical spills.
- Confined spaces were identified clearly for reference with date of last maintenance and access indicated.

Employees involved in the operations such fertilizer application, mixing and handling of chemicals, safe harvesting handling machinery and equipment for example tractors and processing machinery in the mill were provided with training in performing the work safely. This was verified through selected interviews and reviewed training records with employees both in mill and estates. It was observed these employees were wearing adequate personal protective equipment(s) such as cartridge filter respirators, safety goggles, chemical resistant gloves and Wellington Boots which is relevant to the nature of work carried out at estate harvesting, pruning, spraying pesticides, mixing of pesticides and operational works in the mill such handling and operating machineries and equipment(s). However, 3rd party contract workers interviewed consistently informed that their pay is deducted by their contractor for provision of rubber boots. Deductions for PPE is not listed as one of the permitted deductions as per the Labour Act 2003. This was raised as part of **Non-conformance no. RSPO00540** under CR2.1. Scheme smallholders interviewed confirmed that they are aware of the company's requirements for workers to wear appropriate PPE, which was been briefed to the, by the company.

The organization has appointed SHE Committee Members to manage the Occupational Health and Safety. The latest Central SHE Committee Meeting was conducted on 9th May, 2016 at Seed Processing Unit (SPU) Training Center. Main issues discussed were such as use of PPE should enforced, monitoring of unsafe act, behaviours and good housekeeping are to be enforced. Previous SHE Committee Meeting was conducted on July and August 2015 respectively as reviewed from their minutes of meetings.

Benso Oil Palm Plantation Limited (BOPP) (Adum Banso Estate) Emergency Procedures; Revision No. 3; Revision Date: January 2014 was sighted. Based on the risk assessment conducted by the organization the probable major crises and emergencies that are likely to occur within or outside the factory and field were such as major fires in any part of the factory or field, major spillages, major release toxic materials from the agrochemical stores due to fire or explosions and any major epidemic threatening the lives of a large number of workers within the Estate.

The following evidences were sighted:-

- Fire Safety Training was conducted on 25th June, 2016 and 21st April 2016. Fire Fighting Exercise Dated: 22th June 2013.
- The safety induction was provided covering information such as on location and contents of first aid boxes, location of fire alarm, location of fire equipment and fire extinguishers, explain briefly accidents and sickness reporting and sick leave procedures.
- Safety Induction Checklist - Employee's Name: Geoffery Nunyanu (14th Dec, 2013), Nicholas Kyesadah (6th May, 2014), Kofi Addo (2nd April, 2013), Rockson Essuman (6th April, 2014) & Fredrick Oppong (6th June, 2014).
- Based on Emergency Dummy Run on 27th July 2015 the emergency simulation was on severe stomach pains.

However, the following issues were observed and raised as **Non-conformance no. RSPO00544**

1. Observed first aid kits in the estates and mill were with medications such as Paracetamol and Stomach Ache tablets. In addition inadequate first aid items were not in place for example, Castor Oil, eye drops and dropper. Sterilized eye pads in separate packets. This not in compliance with Factories, Offices and Shops (First Aid) Regulations 1970.
2. Emergency fire evacuation drills were not yet conducted in the mill and plantation.

There was record of the worker named George Arthur who had an accident on 2 July 2012 which resulted in the amputation of 3 of his fingers while working with a backhoe machine. The accident report was sighted in "Employer's Report of Occupational Diseases, Death or Injury Incapacitation from Work as a Result of an Accident to the Employee Out of And In the Course of His/Her Employment". There is evidence of compensation to the workers as required under the Workmen's Compensation Law 1987 for amount of GH¢4533.80 as seen from receipt signed by the worker on 3 July 2015.

Employees in the Mill were covered with medical care (i.e. the National Health Insurance Scheme) as sighted from Submission of Bills Letter dated 26th May, 2016 by National Health Insurance Authority to the Relations Manager Benso Oil Palm Plantation Ltd. This was confirmed with the interviews with selected employees.

Occupational injuries are recorded and the details such as Lost Time Injury (LTI), Severity Injury (SI), RWI (Restricted Work Injury) and Medically Treated Injury (MTI) was indicated. For year to date (YTD) 2016 the LTI is 4 (LTIR: 0.58), RI is 4 (RIR: 0.58). For year 2015 the LTA is 3, MTC is 1.

Scheme Smallholder plantations were managed by the organization i.e. BOPP through the use of contract employees. As reviewed from the selected Safety Induction Checklist and training records these contract employees were trained adequately. Records of regular meeting between Eugene Opuni-Nimako (Scheme Smallholder Manager) and Smallholder farmers were shown, indicates in general health, safety and welfare issues such as on proper use of personal protective equipment(s), first aid kit availability and chemical exposure monitoring. Monitoring of the implementation of health and safety procedures were by the appointed field supervisors and HSE Team.

CR4.8

The procedure of the developing training programme is through the input from Performance Appraisal and Evaluation which details the recommendations for the Manager assessing the staff on the Personal Development Plan. Then the Annual Training Calendar is developed.

The following evidences were sighted:-

- Performance Appraisal Form For Unionised Staff - January 2015 to December 2015
 - Stephannie Becky Mensah: Early Childhood Education Training; Dated: 21st Dec, 2015
 - Stephen Manford: Fertilizer Application and Headman Training; Dated: 9th Dec, 2015
- Performance Evaluation (For Supervisory Roles): Training on Supervisory Skills and Financial Awareness; Dated: 12th August, 2014

BOPP 2016 Training Calendar was reviewed. The following topics of trainings for Standard Operating Procedure & Risk Assessment Training was indicated:-

- Lock-Out, Tag Out
- High Pressure Vessels Training for Operators
- Household Refuse & Health
- Waste Management
- Safe & Standard Operating Procedure
- Field Demonstration
- Integrated Pest Management (IPM)
- Chemical Handling Training
- Field Demonstration (Fertilizer Application Standards)

Records of training of employees were retained accordingly. There was no retention period defined on how long the records of training of employees to be kept. The following training records were sighted:

- Training on "Behavioural Safety Auditing"; Dated: 8th Feb, 2016 and 9th Jan, 2014.
- Integrated Pest Management Training; Dated: 22nd June, 2016
- Training For Chemical Handlers; Dated: 16th April, 2016
- 1st Aiders Refresher Training For 2016; Dated: 15th June 2016
- Training on Labour Law; Dated: 10th Sept, 2015
- Training on Risk Assessment: Dated: 13th July, 2015
- Training for Chemical Handlers: Dated: 27th April, 2016
- Training for Fertilizer Applicators; Dated: 19th April, 2016
- Training for Standard Operating Procedures on Dispensing of Medicines; Dated; 13th April, 2015
- Training on Preventive Maintenance and Work Order System; Dated: 10th June 2016

For Scheme Smallholder plantations were managed by the organization i.e. BOPP through the use of contract employees and the above trainings were attended by them.

Compliance status: Non-compliance

Non-conformance no. RSPO00544

Statement of Nonconformity:

First aid kit requirement and emergency response procedures were inadequately implemented.

Requirements:

As per RSPO P&C 4.7.5 & Factories, Offices and Shops (First Aid) Regulations 1970, and Benso Oil Palm Plantation Limited (BOPP) (Adum Banso Estate); Revision No. 3; Revision Date: January 2014. 12.0 Training Practice

Drills and Liasion with Outside Emergency Services

Evidence:

1. Observed first aid kits in the estates and mill were with medications such as Paracetamol and Stomach Ache tablets. In addition inadequate first aid items were not in place for example, Castor Oil, eye drops and dropper. Sterilized eye pads in separate packets. This not in compliance with Factories, Offices and Shops (First Aid) Regulations 1970.
2. Emergency fire evacuation drills were not yet conducted in the mill and plantation.

See also observations no. 5 – 20 in Appendix 5

Principle 5: Environmental responsibility and conservation of natural resources and biodiversity

Criteria assessed: CR5.1, CR5.2, CR5.3, CR5.4, CR5.5, CR5.6

Criteria not assessed: -

Findings:

CR5.1

As found during the certification audit, the company has an Environmental Management Plan (EMP) dated August 2012 valid for period August 2012 to July 2015, which covers both the mill and estates, however it was informed by the representative of the EPA that the company is required to obtain a new Environmental Permit for the estates, not only for the mill due to new requirement of the EPA to have separate permits for mills and estates, and the EPA issued a letter that the deadline for the EMP submission was 16 May 2014. As the company was already aware of the issue at that time, it was raised as an observation. During the 1st Surveillance Audit, it was found that the company has taken action to prepare a new Environmental Impact Assessment which is in document entitled “Environmental Management Plan Benso Oil Palm Plantation – Estate and Smallholder Divisions” revised May 2014. The document explains that input on environmental management activities is received from smallholders during quarterly meetings with the scheme smallholders, and this was confirmed during interviews with smallholder representatives that they had participated in the impact assessments.

During this 2nd annual surveillance, it was confirmed that the Environmental Management Plan (EMP) for estate and smallholder operations dated September 2015 been established by the BOPP with validity period from January 2016 to December 2018. The objectives of the EMP includes optimize use of the resources such as re-use, recovery and recycling, ensure self-regulation to comply with environmental requirements, adopt improved technology and meeting regulatory requirements of such relevant institutions.

The revised EMP been submitted to the Environmental Protection Agency (EPA) as sighted (Ref: BOPP/EM/6/003/16) dated 30 June 2016. An acknowledgement letter from the EPA dated 11 July 2016 (Ref: CU/WR/8/VOL.1/064) has been received by BOPP as proof of receipt of the copy of the revised EMP and the processing fees

There are 3 environmental aspects that have been identified which can impact the environment including chemical containers, chemical fertilizer and poly bags. The potential environmental impacts are land and water contamination/pollution. The control procedures for chemical containers by sending to Zoil Services Limited for disposal, quality monitoring of river courses, avoid washing the fertilizer bags from water bodies and collected & recycled the poly bags. However, the documented Environmental Impact Assessment (EIA) of BOPP does not adequately cover impacts related to other activities sighted for example chemical mixing, diesel/chemicals store and landfill. These activities are however covered in the company's Environmental Management Plans for the estate and the mill. This also been highlighted in the Environmental Assessment Regulations 1999 that “adverse effect on the environment or public health” means any change that an undertaking may cause to the environment and includes the effect of any change on health, socio-economic and cultural conditions.

The company provided an EMP dated Sep 2015, determined that activities in smallholder area are similar with the activities implemented within the nucleus estate; therefore the impacts to the environment will be the same. It is stated on page 22 description of environmental management plan from smallholder activities which evidence participation of the smallholder from EMP meeting on May 15, 2014. However, there is no evidence that the EMP about forest reserve (Neung Forest Reserve), zero burning, chemical spraying & fertilizer application, rivers &

water bodies have been highlighted to the smallholders since last meeting conducted in May 2014. Sighted from the Smallholders/Farmers Meeting Minutes with the latest meeting conducted on 7 July 2016 has not mentioned or highlighted about the EMP to the smallholders. This was noted as an observation.

CR5.2

Identification of conservation status (e.g. IUCN status), legal protection, population status and habitat requirements of rare, threatened, or endangered species which could be significantly affected by the grower or miller was done and integrated with the HCV assessment that was conducted for the entire company's nucleus and smallholder's area. The assessment was conducted by Proforest in year 2013. The identification result stated on HCV document stated that two species found are known to be vulnerable i.e. Geoffroy's Pied Colobus (*Colobus vellerosus*) and the African Grey Parrot (*Psittacus erithacus*). All the other species are of 'Least Concern' status on the IUCN's Red List. The identification result in BOPP nucleus area for mammal species with the 'Low Risk/near threatened' status are consisting of 3 Carnivora species, 7 Rodents, 1 primates species; 2 ungulates species, 14 species of birds, 5 butterfly species, 1 reptiles species, while in smallholders area, species with the 'Low Risk/near threatened' status consist of 5 carnivora species, 10 Rodents, 7 primates species, 3 ungulates species, 8 species of birds, 3 butterfly species, 1 reptile species, and 2 amphibian species.

The presence of protected areas that could be significantly affected by the grower or millers are clearly explained on the HCV document, Although the concession of BOPP does not contain any protected area, part of the concession (the smallholders area) share direct boundaries with Nueng South Forest reserve which is a Globally Significant Biodiversity Area (GSBA). The southern part of the Subri River Forest reserve which is close to the north-eastern boundaries of BOPP also knows to be a GSBA. That makes both areas considered as present HCV 1.1 areas, i.e. protected areas.

According to the assessment result there 4 identified HCVs within BOPP's area i.e.

1. HCV 1.1. Protected strip of buffer zone along the edges of Nueng South Forest Reserve.
2. HCV 4.1 Areas critical to water catchments, which are all rivers in the concessions.
3. HCV 4.2 Area critical to erosion control are varied but diffused in the concession.
4. HCV 6 Areas critical to the traditional/cultural identity of communities i.e. two specific area, Bemeneso shrine and ancestral burial grounds(cemetery) which are considered to be of deep traditional and religious to the community to the community at Benso

The company made a HCV management and monitoring plan for year 2014 to 2018 for all identified HCV areas as documented in BOPP estate's HCV management and monitoring plan for 2014-2018. Some monitoring of HCV actions were conducted on January 20 2016 where the results of monitoring reported included the following results:

- Manual weeding was conducted around palms in buffer zones
- Labels at various water sampling points are still intact
- No encroachment was observed around social HCVs
- No disturbance at Ani Kokow Up and Ani Kokow down
- Cover crop still available and manual weeding at Butre Up, Benso cemetery was maintained
- Bemeneso shrine is well protected and Benso cemetery was maintained
- Buffer around river in good shape and no spraying or fertilizing application detected at Butre up (block K8)
- Buffer zones demarcated, no chemical application done and re-paint marking has been done at river ben (block K21)
- The African grey parrot is still present at the golf course.

There are no cases found of capture, harming, collecting or killing of these rare, threatened or endangered (RTE) species. Monitoring report done every month includes information on the HCV and RTE species status. Results of monitoring shows that HCV areas and RTE species are maintained in good condition and well-controlled so that the HCV management and monitoring plan is not required to be changed.

There were no HCV areas set aside pertaining to existing rights of local communities, therefore negotiated agreements with local communities for such areas are not available.

Scheme smallholder representatives interviewed confirmed that the company had provided them training and information on protected species in the area, which included species of deer, antelope and primates. The smallholders have been informed by the company that hunting of such protected species is restricted.

CR5.3

A waste management plan dated June 2016 been sighted which includes EFB, POME, domestic waste, pesticide containers, medical waste, fertilizer sacks, scrap metal, boiler ash, scheduled waste and from boiler emissions.

The plan was prepared by Maintenance Engineer, checked by Estate Manager and approved by the Group Manager.

BOPP has established "Implementation Guide - Waste Management" dated 13 March 2009 which emphasized on the effort to reduce risks to people and environment. A waste management should be in place based on "reduce, reuse and recycle" hierarchy. The guide has also stated that fertiliser bags, fluorescent tubes and batteries should be treated in a proper way as it contains hazardous substances i.e. heavy metals (batteries and fluorescent tubes)

The waste management plans apply for the mill, estate and smallholder estate as well. Although the company previously had a plan for segregation of organic and inorganic wastes, it was noted during on-site visit to Edumase housing area that there is no waste segregation carried out. The company has prepared seven public waste bins for the whole housing area. Workers at housing area interviewed informed that they are not permitted to burn their wastes as informed by the company.

BOPP has engaged a contractor, Zoomlion Limited for the collection of domestic wastes. BOPP has also engaged Zoil Services Limited for collection and disposal of scheduled wastes, including chemical containers, waste oil, used filters, plastic rubbers. ZOIL Services Limited has a valid permit from the EPA for installation and operation of a waste oil treatment and disposal facility, and non-hazardous wastes with permit validity from 25 Feb 2015 to 24 Aug 2016 (Ref: CH0011840102) issued by the Environmental Protection Agency (EPA) under Environmental Assessment Regulations 1999 (LI 1652), including transporting of various types of hazardous wastes with valid permit issued by EPA from 6 June 2016 until 5 June 2017 (Ref: EPA/CMMC/WR/LHCT-14/16) Wastes or by-products that are recycled include EFB, which is applied to the field and mulched in one layer in the field, fertilizer bags which are washed and reused for loose fruit collection, fibre which is used as boiler fuel, and shell which is used to line roads.

CR5.4

The company has a documented continuous improvement plan for the estate, smallholders and mill, which includes identified key performance areas, departmenty, objectives, short term and long term targets, actual implementation for year 2016, reporting, persons-in-charge and status. The key performance areas listed pertaining to environmental improvement electricity use reduction per unit production, green energy use increase as a share of total energy use and fuel (diesel usage). Status of target achievement is monitored, for example, target to increase green energy (energy produced by the mill) was defined as 80% for short term and 95% for long-term, the current rate achieved being 65%. For electricity usage, short term target is defined as 22.00 kwh/ton and long term target 20.00 kwh/tonne and current level is 23.10 kwh/tonne.

The mill carries out monitoring of annual energy (kWh/tonne) improvement trends and total energy outputs are recorded in graphical form for easy analysis. The energy improvement trend sheet shows that energy usage has gradually decrease since year 2010 to year 2016, where in year 2010, total energy usage was 26.68 kWh/tonne, with gradual decrease in subsequent years. The monthly breakdown of data for each year is maintained in Factory Energy Consumption Monitoring Sheets, e.g. as sighted for year 2015 and 2016, which shows monthly records of electricity consumption for the ECG, generator, turbine, total/kWh, turbine/total power, FFB milled, CPO, total energy/tonne FFB, renewable energy/tonne CPO and other energy/ton CPO.

CR 5.5

The company continues to apply their zero burning policy, which is signed by the General Manager. As seen during site visit to replanted areas in year 2012 to 2014, there was no evidence of burning or use of fire for clearing of the area prior to replanting. It was also confirmed during interviews with scheme smallholder representatives that they are aware of the zero burning policy and have been informed by the company not to carry out any burning at their smallholder plots.

CR5.6

In the EMP dated September 2015, there are plans to reduce pollution and emission by activities such as waste management, zero burning, energy management, wastewater monitoring and wastewater spillage/leakage.

BOPP also has a documented plan to reduce greenhouse gas emissions (GHGs) as documented in “Measures to reduce methane gas emissions”. Methane gas treated as pollutant. There are 6 action plans will be taken within 6 years starting from year 2014 to 2020 i.e.:

1. Reduction in effluent volume per ton FFB milled from 0.8m³ in year 2014 to be reduced gradually by 0.05m³ every year.
2. Continue to use effluent for land application, by the end of year 2017, total land application area will be increased to 30 ha and 100% use of effluent for land application will be ensured from 2018 to 2020
3. Negotiate with EPA for new effluent quality parameter for land application to be revised to 5000ppm.
4. Increase the renewable energy /total energy percentage starting from 60% in year 2014, to be increased gradually 5% every year.
5. Undertake an annual tree planting exercise from year 2014 until 2020
6. Install a plant for methane capture from effluent pond by year 2019 (feasibility study to be done in year 2018).

The company a monitoring system in place for greenhouse gas (GHG) emissions, which are calculated using the RSPO endorsed Palm GHG tool version 2.1.1. As seen from the company’s Palm GHG Summary report dated for year 2015, the total emissions calculated were 1.26 tCO₂e/t product for both CPO and PK, with no emissions for palm kernel oil (PKO) and palm kernel expeller (PKE). Total field emissions was calculated to be 4858.87 tCO₂e from own crop plus 7652.96 tCO₂e from group (smallholders) and 2874.11 tCO₂e from out-growers, while total mill emissions was determined to be 16229.95 tCO₂e. The field emission sources included fertilizer transport, N₂O from fertilizers, fuel consumption, and land conversion, with no emissions for peat oxidation as the company as the company’s land area has no peat. While for the mill, the emission sources include palm oil mill effluent (POME), fuel consumption, and grid electricity utilization. The company has no palm kernel crusher and therefore has no emissions from this source. The company monitors and records data used for PalmGHG calculation as per the company’s procedure, i.e. ‘Monitoring System for GHG Emissions’

Compliance status: Compliance with observations

See observations no. 21, 22 and 23 in Appendix 5

Principle 6: Responsible consideration of employees and of individuals and communities affected by growers and mills

Criteria assessed: CR6.1, CR6.2, CR6.3, CR6.4, CR6.5, CR6.6, CR6.7, CR6.8, CR6.9, CR6.10, CR6.11, CR6.12, CR6.13

Criteria not assessed: -

Findings:

CR6.1

There is a social impact assessment for Benso Oil Palm Plantation (BOPP) prepared by FISAMO Development Associates Ltd (FD Associates) dated January 2014. The report is a detailed assessment which includes a profile of BOPP and its stakeholders, assessment methodology, sampling, identification of positive and negative social impacts and mitigation of the identified impacts. The direct social impacts observed and/or anti-

pated, include those arising from BOPP's smallholder scheme, are as follows:

1. Physical displacement impacting structures and sites of religion significance
2. Economic displacement impacting agricultural land and natural resources, and artisanal mining opportunities
3. Creation of employment opportunities
4. Food crop scarcity and food security impacts.
5. Increase in business opportunities in local services
6. Improved services and community development potential
7. Access restrictions to services and developments
8. Company-community conflicts resulting in social tension.
9. Population influx resulting in social tensions and an increase in teenage pregnancies and sexually transmitted diseases
10. Increase in health, traffic and safety hazards
11. Water quantity and quality

All impacts above are currently rated as having high or medium significance before mitigation, and mitigation measures have been identified for all the aspects above to enhance the positive impacts and mitigate the negative ones.

There is evidence of stakeholders' participation during the assessment as observed in the list of participants and record of input from stakeholders in the SIA. During the 1st annual surveillance, the audit team had randomly sampled some actual questionnaires not appended in the SIA to confirm participation of the various stakeholders mentioned in the report. The sampling methodology adopted was sound and adequate for the SIA. The respondents sampled in the SIA are from 14 communities totalling 313 persons, 269 male, 44 female, including smallholders from nine communities. Internal stakeholders such as the GAWU local union executives, Contractors Association and employees from various divisions were interviewed in this study. Structured questionnaires and focus group interviews were used to elicit information from these respondents. The following is a summary of the communities within the catchment area of BOPP:

- A. BOPP Electoral Area (Mpohor District): 7 villages
- B. Dominase Electoral Area (Mpohor District): 8 villages
- C. Benso Electoral Area (Tarkwa Nsuem Municipal): 5 villages
- D. Adum Bansa Electoral Area (Mpohor District): 4 villages
- E. Manso Electoral Area (Mpohor District): 3 villages

The company's Social Impact Management Plan last developed in January 2015 for mitigation and monitoring of identified social impacts has been reviewed and updated in June 2016. The SIA management plan is based on a timetable outlined as follows:

1. Issues raised
2. Recommendations and action that should be taken
3. Action and mitigation plan
4. Persons-in-charge for implementation of actions
5. Time-line
6. Status

The management plan covers all impacts identified above and include an additional two impacts pertaining to smallholders, i.e. (1) Complaints of smallholders farmers about FFB weighing at farm gate and (2) FFB Pricing Mechanism for smallholders.

Evidence of implementation of the Social Impact Management Plan is as follows:

1) Issue raised in SIA: Economic displacement of the local communities. The corresponding mitigation plan was to:

a. Create a Community Employment Desk to facilitate local employment (natives). Evidence of implementation is as follows:

- Appointment of a Community Employment Desk Officer as seen in a Memorandum from Estate Manager to Ignatius Asaa Mensah titled, 'Additional Responsibility as a Community Employment Desk Officer' dated 27 July 2014. The Terms of Reference states that the officer is to facilitate employment opportunities for local communities at BOPP, identify, create local labour pool and establish employment contacts within the catchment areas and surrounding communities at BOPP. The officer is also responsible for developing local employment guidelines to improve local content of BOPP recruitment needs and opportunities.
- The Guidelines for the Employment Desk is a seven-step procedure from announcement of vacancy for

employment to the communication of results of the interview to the applicants and the Assemblymen.

b. Develop a plan to engage the communities on a periodical basis. Evidence of implementation is evident from the following documentation:

- Establishment of the following Village Committees: a. Ahinkrom, b. Mill village and c. Edumasi
- Timetable for Quarterly Meetings with Communities/Catchment Area. Catchment communities include Adum Banso, Benso, BOPP Estate, K3, K9, Essaman, Ebusam, Amantin, Manso, Trebuom/Dominase, Go Slow/Ampeasem
- Latest reports on quarterly community engagement meetings conducted were sighted as follows:
 - i) Report on the 2015 4th Quarter Community Engagement Meeting from 9 - 25 November 2015, participated by the Adum Banso Community on 9 November 2015, Benso Community on 18 November 2015, and K3 & K9 community on 25 November 2015
 - ii) Report on the 1st quarter community engagement meeting from 19th May to 1st June 2016, participated by the BOPP community on 19th May 2016, Adum Banso community and Benso community on 20th May 2016 and K3 community on 1st June 2016
 - iii) Report on the 2nd quarter community engagement with catchment communities, participated by the K3, Essaman and Adum Banso community on 21st June 2016 and the Benso and Ebusam community on 22nd June 2016.

c. BOPP periodically accepts graduates and artisans from catchment communities for practical attachment. At time of this 2nd Annual Surveillance, there was a female Agriculture student doing her internship at the company

d. BOPP has developed grievance handling procedures which has been communicated to the catchment communities and still being applied at time of this annual surveillance

2) Complaints of smallholders farmers about FFB weighing at farm gate and FFB Pricing Mechanism for smallholders. The corresponding mitigation plan was to constitute a committee to discuss how FFB can be weighted at farm gate for smallholder farmers and to constitute a FFB pricing committee. This has already been done as confirmed through interviews with smallholder farmers and executives. However, several scheme smallholder (non-executives) interviewed complained that they do not understand the FFB pricing mechanism as they are only informed that pricing is based on global market prices, but they have no ability to access such information or crosscheck how determination of FFB prices are done. FFB pricing mechanism is currently only discussed between the smallholder executives and BOPP management, where feedback from other smallholders show there is lack of information provided by the smallholder executives to the other farmers on the pricing mechanism. This was noted as an observation.

However, the timelines and status of majority of the action/mitigation plans stated in the SIA Management plan are outdated (most stated timelines for completion in year 2014 and status as 'done'), which does not indicate which activities are ongoing and require continued monitoring. The reviewed action plan therefore does not incorporate any new or ongoing activities for continued management and monitoring of the social impacts identified. For example:

- i) Under Impact 1 regarding "Economic displacement impacting agricultural land and natural resources, and artisanal mining opportunities".
 - Action plan: Acceptance of graduates and artisans from catchment communities for practical attachment. Timeline is July – September 2014 with no update to current period of monitoring.
- ii) Under Impact 2 regarding Creation of Employment Opportunities
 - Action plan: Creation of employment desk to liaise with catchment communities to submit letters of applications for job placements. Timeline is January 2014 and status is done, but no revised monitoring plan to determine the effectiveness of the employment desk. This should be done as there was feedback to the audit team from scheme smallholders and Asaman community members that they were not receiving information on job vacancies from the company.
- iii) Under Impact 4 regarding increase in business opportunities in local services
 - Action plan: BOPP will liaise with local businesses and develop and training plan. Time stated as December 2014, and status stated as "In progress". If the activity is in progress, the timeline should be updated.

This was raised as non-conformity.

CR6.2

The company maintains open and transparent methods for communication and consultation between BOPP and local community and other affected or interested parties i.e. communication and consultation procedure of BOPP, approved by Estate manager on 3 February 2014 with no update to the procedure at time of this audit. The mechanism is:

A. Communication from community to BOPP:

1. Letter from community through the Assemblyman with the substantive chief's or Assemblyman's endorsement will be submitted to the Relations Manager (the nominated person contact for BOPP).
2. Their Relations Manager (RM) sends letter to registry to be received on the same day
3. Letter is sent to the addressee for action
4. HRM responds to the letter within three days
5. HRM/RM organize meetings/consultations
6. HRM gives final written response within 5 working days from the date of the first response if applicable.

B. Communication from BOPP to Community:

To ensure uniformity, all letters leaving the company to the community must pass through the registry.

1. Letter to the community is sent through the Relation Manager (RM)
2. RM sends to registry to be recorded in the dispatch book.
3. RM ensures that the letter is accompanied with a dispatch book sent to the recipient/s through the Assemblyman/an Elder or legitimate chief of the town (note: the dispatch book is to ensure that recipient signs to indicate receipt).
4. Recipient submits a written response through the Assemblyman within 5 working days
5. Assemblyman submits letter to the company through the RM on the same day.
6. RM sends a registry and provides feedback to concerned department for appropriate action.

The company also has a Communications Policy signed September 2010 by the General Manager with statement commitment to open communication with all stakeholders. The policy has Section A which defines and specifies handling of public information vs. confidential and proprietary information, and Section B regarding Communication which specifies that the all communication are to be guided by the principles of truthfulness and transparency and that all BOPP employees are responsible to ensure the accuracy, authenticity and timeliness of the information that is being disseminated and communicated to stakeholders.

There is evidence of regular communication and consultation with surrounding local communities as follows:

- Establishment of the following Village Committees: a. Ahinkrom, b. Mill village and c. Edumasi
- Timetable for Quarterly Meetings with Communities/Catchment Area. Catchment communities include Adum Banso, Benso, BOPP Estate, K3, K9, Essaman, Ebusam, Amantin, Manso, Trebuom/Dominase, Go Slow/Ampeasem
- Latest reports on quarterly community engagement meetings conducted were sighted as follows:
 - iv) Report on the 2015 4th Quarter Community Engagement Meeting from 9 - 25 November 2015, participated by the Adum Banso Community on 9 November 2015, Benso Community on 18 November 2015, and K3 & K9 community on 25 November 2015
 - v) Report on the 1st quarter community engagement meeting from 19th May to 1st June 2016, participated by the BOPP community on 19th May 2016, Adum Banso community and Benso community on 20th May 2016 and K3 community on 1st June 2016
 - vi) Report on the 2nd quarter community engagement with catchment communities, participated by the K3, Essaman and Adum Banso community on 21st June 2016 and the Benso and Ebusam community on 22nd June 2016.

The reports describe all issues and requests made by the communities, with requests in general including increase of SHS (high school) scholarships for their children, provision of clean pipe water, repairs or new construction of buildings, schools, amenities, roads and culverts. The report states complaints raised by local communities as their repeated requested have not been met, and explanations by the company that while they are endeavouring to meet the needs of the communities, it is a challenge due to the falling price of CPO, increase in production costs, and the planned upgrading of the mill.

During this 2nd surveillance audit, one of the settler villages of Benso, i.e. Asaman Village, located at the east border of the estate was visited and interviews conducted with at least 52 members of the community. The village assemblyman informed of several requests made to BOPP management, including for increase in scholarships, a need for a new 6 unit classroom, request to rehabilitate the village road going to Benso Town, request for BOPP to provide a clean water source due to the uncleanliness of their borehole water, and a recent

request for street lamp bulbs. The assemblyman informed that BOPP has recently (2 weeks prior) started rehabilitation of the village road at an estimated cost of GH¢ 12,000. The assemblyman of the village also informed that he represented a total of 7 small communities surrounding BOPP's area and confirmed that BOPP hold quarterly engagement meetings with the communities, including his represented communities and the main villages.

A management official has been nominated to be responsible for these issues as Relation Manager as seen from the appointment letter on November 2nd, 2010. The duties and responsibilities of the relations manager are:

1. To develop and maintain community and external relations to enhance BOPP corporate image and business sustainability
2. To liaise with chiefs and community leader to identify the community needs and advise the HRM to develop CSR annual budget. Focus areas are health and nutrition, environmental hygiene and sanitation, and to develop a CSR strategic plan and annual programme to ensure its implementation.

The relations manager represents the company in all CSR issues with the communities and monitors programmes and projects that BOPP undertakes to support such community/catchment areas. Based on memorandum letter dated 27 July 2014, the community employment desk officer has an additional responsibility whose main objective is to facilitate employment opportunities for local communities at BOPP.

BOPP maintains a list of stakeholders, records of all communications and records of actions taken in response to input from stakeholders. The latest list of stakeholders was updated June 2016 and includes name, telephone numbers and position, consisting of local union executives, the chief & elders of Adum Bansa village, the chief & elders of Benso village, the chief & elders of Manso, schools, hospital, police, NGOs, smallholder executives, other agencies, mill village head, Ahinkrom village head, Edumasi village head, banks, suppliers, IT equipment suppliers, field contractors for Ahinkrom and Edumasi Division, transporters oil palm trees felling and road construction, and building and construction contractors. It was found that the

The scheme smallholders (SS) are represented by a 15-member elected executive which at the time of this audit is down to 9 members only due to passing of several members, with elections to assign new executives to be done soon. There is a nominated officer, i.e. smallholders' scheme manager who represents both estates at BOPP. There are quarterly meetings as well as ad-hoc meetings between BOPP and the smallholders' association or all smallholders, which is confirmed by the smallholder executives during an interview on 13 July 2016. During such meetings, BOPP regularly disseminates information relevant to the smallholder executives and smallholders. BOPP established a communication procedure to facilitate regular communications and consultations with SS. The company also quarterly meetings with all 438 scheme smallholders, usually separate meetings for the Adum Bansa community and the Benso community. The company maintains a written logbook entitled "Farmer's Community Meeting" which includes attendance lists with signatures or thumbprints of participants and meeting minutes for meetings held with number of participants at each meeting ranging between 30 to 80 participants. As seen from the meeting minutes, the common topics discussed in each meeting includes crop yield performance, FFB pricing, fertilizer application status, field maintenance activities, and issues raised by the smallholders to the company. The company also holds annual general meetings where all smallholders from every community are gathered, as well as ad hoc meetings with several smallholder representatives (executives) which are the BABBSA team.

Several scheme smallholder (non-executives) interviewed complained that they do not understand the FFB pricing mechanism as they are only informed that pricing is based on global market prices, but they have no ability to access such information or crosscheck how determination of FFB prices are done. FFB pricing mechanism is currently only discussed between the smallholder executives and BOPP management, where feedback from other smallholders show there is lack of information provided by the smallholder executives to the other farmers on the pricing mechanism. This was raised as an observation. In addition, the smallholders informed that their planted area is due for replanting within 4 years but there is no clear plan from the company yet on whether they will continue with the smallholder scheme, which is causing some concern among the smallholders on whether they will still receive income from their plots. They hope that the company can confirm on the plan for replanting as soon as possible. The progress of this issue will be followed up in the coming audits.

CR6.3

BOPP has a grievance mechanism which is documented, i.e. an HR Policy on Grievance Handling Procedures dated January 2014 which outlines BOPP's commitment to developing and maintaining an effective,

timely, fair and equitable grievance handling procedure which is easily accessible to all complainants or parties. According to the policy, the grievance mechanism is divided into two, internal and external. Internal disputes shall be subjected to the grievance handling procedures as stipulated in the employee's Collective Agreement. An employee is encouraged to seek timely redress from his/her immediate superior or management representative. For a unionised worker, there is a Joint Consultative Committee (Standard Negotiation Committee) with the Local Union Executives which discusses grievances put forth by union executives. If the issue is not resolved, the Local Union Executive member shall refer the case to the Local Union Secretary who shall seek redress from the appropriate Departmental Head of the Company. Should an agreement still not be reached, the complaint should be put in writing and referred to the Human Resource Business Partner and the Regional Industrial Relations Officer to the Union for settlement within one week. Failure to reach an agreement necessitates the issue to be referred to the Standing Negotiating Committee for settlement as stated in Article XXXV of the Company's Collective Bargaining Agreement (CBA).

BOPP management also conducts a periodical employee briefing which is a communication platform for the BOPP management to convey company policies and updates but also functions as a platform for permanent employees to voice their grievances.

For external stakeholders, the complaint is first directed at line managers of Human Resource Department. If the issue is not resolved, then the affected party can proceed to submit a grievance in writing to the Management within 5 working days of which receipt of the grievance will be acknowledged in writing. The grievance handling process will commence within three (3) working days of the receipt of the formal grievance. A written report shall be provided to the complainant on the steps taken to address the grievance, including reasons for the decision. If a complainant is not satisfied with the outcome of the settlement, an appeal can be made to the Board of Directors of the Company within ten (10) working days of the receipt of the outcome. The board will appoint an appropriate person or committee to investigate the complaint. In the event that the complainant is still dissatisfied with the outcome, redress can be sought from the National Labour Commission of Ghana. Other platforms to channel grievances are the establishment of working committees such as the BOPP HIV/AIDS Peer Educators/Councillors Committees and Villages Committees for Ahinkrom, Mill village and Edumasi.

Scheme managers have a documented procedure, i.e. a 'Farmers' Complaints Book' to resolve disputes concerning scheme smallholdings in an effective, timely and appropriate manner. The Farmers' Complaints book clearly shows the process by which a grievance was resolved and the outcome showing the process was open to the smallholders.

This dispute resolution mechanism has been established through open and consensual agreements with smallholders. As determined on the procedure in case a dispute cannot be resolved between the affected parties, an intermediate person who will be chosen by the affected parties may be invited.

CR6.4

BOPP established a procedure for identifying legal and customary rights for identifying people entitled to compensation. The procedure was signed by estate manager on 3 February 2014 consists of method for compensation calculating and distribution. The procedure includes a mechanism for calculating and distributing fair compensation (monetary or otherwise).

It was informed during this 2nd surveillance at a meeting with one of the settler communities, i.e. Asaman village, that during the establishment of BOPP in 1976, the company had cleared some of the land on which the settlers had planted cocoa, not only in Asaman Village but in several other surrounding communities which were established by settlers. It was confirmed by the community that the company had compensated the community at a rate of 84 pesos per cocoa tree cleared, and this rate had been approved by the Ghana Land Valuation Board, hence the compensation was made was legally appropriate but was very low. It was also confirmed by the village assemblyman that BOPP was the legal owner of the land and not the settlers, however the land clearing and low compensation amount had severely impacted the communities resulting in loss of income and impacting the communities until this day, as informed by the interviewed Asaman community members who recollected the hardship of their parents resulting for the land clearing by BOPP. The community has requested the company to consider provision of additional compensation. This was noted as an observation.

CR6.5

BOPP maintains documented contracts for permanent staff, both senior (management level) and junior staff.

The contract stipulates the need for the contract worker to comply with waste reduction/elimination, continuous improvement, use of best practice, compliance with all legislations, commitment to transparency etc. Statutory deductions such as contributions to the SSNIT by the employer (13% of basic pay), employee contribution of 5.5%, requirement that the employee keeps at all times a valid National Health Insurance (NHIS) card, benefits such as Group Personal Accident Insurance coverage and entitlement to 15 working days as leave with pay after one year of service are all stipulated in the contract. The provision of Personal Protective Equipment or Personal Protective Clothing by BOPP is also included in the contract.

However, while third party contractors are required by the company to have written contracts with their worker, some 3rd party contract workers interviewed informed that they do not have contracts or did not receive a copy of their contracts with their contractors, and this was also confirmed by one contractor interviewer, i.e. Ebenezer Obuodi. This is not in accordance with Labour Act 2003 Clause 9 (f) where duty of employer includes furnishing the worker with a copy of the worker's contract of employment. In addition, inconsistent/missing information in contracts of 3rd party contract workers. Evidence: Sampled contracts between contractor name Ebenezer Obuodi and 3 of his contracted workers are missing information such as date and the period of validity of the contract. Sampled contracts for 5 workers under Kwaku Antwi was missing all information including period of contract, payment rate, job assigned and contracts were not signed. This was raised as part of **Non-conformance no. RSPO00540 (Major)** under CR2.1.

In addition, female 3rd party contract fertilizer applicators and well as contractors interviewed informed that for the purpose of safety, women workers who are pregnant and breast feeding until one year from the birth of their baby are prohibited from working. By right such women should be reassigned to work not involving chemicals until the time of delivery and be free to choose when they wish to return to work so not to significantly affect their livelihood. This was noted as an observation.

The employment contract for staff is detailed in the basic standard information for e.g. particulars of employee, terms on working hours & days, terms on overtime work and terms on annual and medical leave day entitlement and etc. This employment contracts were signed by both the representative from the employer and the respective employee of whom the contract referred to. Sample appointment letters sighted were signed by HRM and the employee states that the employee contributes 8% of his salary whilst the company contributes 7% to the provident fund scheme, which is a statutory deduction. Other statutory deductions include income tax and SSNIT. In addition, the appointment letter states that the employee is bound by the Collective Bargaining Agreement between the GAWU of Trade Union Congress (TUC) and Palm Oil Producers Group (POPEG) and will serve six months' probation. The letter also outlines benefits such as free medical treatment for oneself, one registered spouse and four children under the age of 18 years.

However, the following issues pertaining to deductions were found:

- 1) Some permanent workers pay are deducted for electricity charges, school fees, crèche fees as sighted in sampled pay slips in April, May and June 2016 for several workers, i.e. John Cobbina, Christopher Essien, Essoun Papa Arkoh, and Ebo Dankwa. However these deductions are not listed as types of deductions permitted with consent of worker under Labour Act 2003 Clause 70 and the company was not able to show any order from the Labour Commission with permission for such deductions.
- 2) 3rd party contract workers interviewed consistently informed that their pay is deducted by their contractor for provision of rubber boots. Deductions for PPE is not listed as one of the permitted deductions as per the Labour Act 2003.

These were raised as part of **Non-conformance no. RSPO00540 (Major)** under CR2.1.

For unionised workers, i.e. permanent junior staff who are members of GAWU local union, there is a collective bargaining agreement between Palm Oil Producers Employers Group (POPEG) of Ghana Employers' Association (GEA) and the General Agricultural workers union (GAWU) of trade union congress (TUC) of Ghana dated 17 July 2013. The agreement includes details of payments and conditions of employment i.e. working hours, deductions, overtime, sickness, holiday entitlement, and maternity leave, reasons for dismissal, period of notice, housing condition and other welfare issues. The documents are available in English and Ghanaian languages. The collective bargaining agreement is reviewed once in three years with an annual salary review. The information in the collective bargaining agreement is conveyed to workers during induction.

The benefits accrued to the workers are accommodation for all permanent employees partially provided to BOPP contractors), free clean water supply, availability of medical facility, hospital (7.30am-3pm), scheduled nurse after 6.30m to attend to emergencies (Edumasi Clinic: Operating hours 7am-10am, there is a vehicle on standby to attend to emergencies), Schools (from kindergarten to Junior High School, JHS), scholarship

scheme for wards of employees, school play fields, golf course. Maternity leave entitlement for women is three months and in addition, while nursing mothers are entitled to come one hour late to work within three months after the completion of maternity leave. Paternity leave entitlement is 10 days to be taken within 6 months from the date of birth of the baby.

BOPP also has an annual appraisal system which allows automatic progression within band, based on a five-point scale comprising the following aspects: Attendance, Appearance, Attitude, Knowledge of work, Work performance, Behaviour, Entrepreneurship (five-point scale).

Workers are given incentives according to their work performance. The incentive rates for employees are updated and communicated to the employees.

Apart from statutory deductions as per Section 70 of the Labour Act, Act 651 (2003) such as SSNIT, income tax and overtime tax as observed from the payslips of employees, there are various other deductions, including provident fund contribution, union dues (GH¢ 5/month), Ahinkrom & Dev welfare (GH¢ 2), welfare contribution (GH¢ 5), Cooperative Credit Union, BOPP Credit Union loan, leave contribution (15% of pay), provident insurance and funeral contributions. For all these deductions, there is evidence of consent of workers for these deductions, e.g. consent for credit union loans were sighted in loan application forms signed by workers. It was also confirmed from interviews with the BOPP union, i.e. GAWU and several permanent workers (4 male harvesters) that all workers have given their consent for the relevant deductions made to them. For welfare contribution, it is a mandatory deduction for all unionized workers which is agreed by the workers as stated in the BOPP Welfare Association Constitution dated 31 December 2012 for the purpose of having a welfare scheme to assist members in times of difficulty, i.e. in the event of death of a family member. The constitution defines the amount of donations to be given to members for loss of their spouse, parent or child. In the original constitution, the amount deductible for welfare was GH¢ 0.50/month, which has been agreed by welfare association members to be increased to GH¢ 5/month as of January 2015 as per letter dated 5th January 2016. For deductions for leave contribution of 15% of pay, it was confirmed that it is a type of savings fund for workers which is optional and they can claim for this deducted amount at times when they need the money, as sighted in letter of request for leave contribution from worker named Kofi Appenteng dated 6th June 2016 after which he received a cheque for GH¢ 529.44 dated 9 June 2016 which is equivalent to 4 months of his leave contribution deducted. Leave contribution amount was also made to worker named Richmond A. Ofori as seen from cheque dated 6 June 2016 for amount of GH¢ 687.76.

However, some permanent workers pay are deducted for electricity charges, school fees, crèche fees as sighted in sampled pay slips in April, May and June 2016 for several workers, i.e. John Cobbina, Christopher Essien, Essoun Papa Arkoh, and Ebo Dankwa. However these deductions are not listed as types of deductions permitted with consent of worker under Labour Act 2003 Clause 70 and the company was not able to show any order from the Labour Commission with permission for such deductions. This was raised as part of **Non-conformance no. RSPO00540 (Major)** under CR2.1.

It was observed from samples worker's pay slips that some total deductions were significantly high and up to 60% of the worker's gross salary, e.g. pay slip dated April 2016 for worker named John Cobbina where gross salary was GH¢ 1078.40 and total deductions was GH¢ 640.66 resulting in net pay of GH¢ 437.74. While there is no legal requirements on maximum permitted deductions, and confirmed that some deductions are optional, or are for funds which can later be claimed by workers or welfare which can be claimed under specific conditions, it is noted as an observation that the amount of deductions is significantly high.

There are also pay slips for each permanent employee. Workers' pay slips are based on the check-roll which is filled in by the respective supervisors of the workers whereas staff have a fixed monthly salary, the amount is stated in the employment contract. Workers work eight hours a day for 5 days a week. The audit team confirms that workers do not work on public holidays and weekends days and that the overtime working hours and payments are in accordance with the Labour Act, Act 651 (2003).

There is evidence that all permanent staff, both senior and junior are insured as per the Workmen's Compensation Act 1987 (PNDCL 187) and there is evidence of compensation to the workers who had accidents as required under the Workmen's Compensation Law 1987, e.g. for worker named George Arthur who had an accident on 2 July 2012 which resulted in the amputation of 3 of his fingers while working with a backhoe machine. The worker was compensated for amount of GH¢4533.80 as seen from receipt signed by the worker on 3 July 2015.

There are several ways whereby BOPP regulates contract managers in terms of complying with relevant legis-

lation related to employment, especially the Labour Act, Act 651 (2003), Labour Regulations, LI 1833 (2007) and the Social Security Law, PNDCL 247 (1991) with special attention to statutory deductions such as SSNIT.

1. There are written agreements between BOPP and contractors (contract managers). One example is a contract titled, 'Articles of Agreement for Various Activities In the Factory between BOPP and Sadap Enterprise' effective 1 September 2014-31 August 2015 (Contract No: FMC/0/6/2014). The contract clearly stipulates the obligations of the contractor to register his staff with the Social Security and National Insurance Trust (SSNIT) and produce evidence of monthly SSNIT contribution to the Company contact person monthly. According to the contract, "The Contractor shall make statutory payments for Social Security Fund (SSF) and taxes, i.e. 13.5% on the basic payment on Contractor's contribution to the SSF of his employees and 5% as Employees' contribution to SSF.
2. BOPP invites SSNIT and the contractors, as sighted in a 'Minutes of the Meeting between BOPP Contractors and SSNIT' to ensure payment of SSNIT on behalf of contract workers at BOPP.
3. BOPP requires documented proof of SSNIT contribution by the contract managers for every contract worker with BOPP. Several contract workers under contractor named Kawku Antwi were interviewed and confirmed that their wages were deducted for SSNIT as well.

The contracts between BOPP and the contract managers also explicitly spell out other relevant obligations the contractor has towards the employees in keeping with Ghanaian legislation such as:

- 5% deductions as tax payment on the Contractors' Allowance.
- Personal insurance coverage for his staff and this should cover a period of not less than the agreed duration of this contract.
- Medical treatment of his staff. The service of the company clinic is available at a cost to the contractor.
- To encourage his staff to register with the National Health Insurance Scheme.
- The Contractor shall not undertake any decision or action which will lead to discrimination against workers in terms of Gender, Caste or Religion.
- Fifteen (15) working days period of leave after one year of work for employees
- Extra hours worked will attract 10% supervision allowance and 5% tax deduction. 13% SSF does not affect the extra hour worked.
- Each hour worked above the normal 8 hours will attract the same hourly rate during normal days, weekends and holidays."

BOPP also has a mechanism to ensure that the contract workers are paid as the company requires their contractors to furnish them with bank statements of payments made to workers. This is confirmed through interviews with some third party contracted workers at the estate, engaged by contractor named Kawku Antwi, who informed that they are paid monthly and usually the payment amount is correct. However, the interviewed contract workers informed that although they are supposed to receive their wages on the 1st week of the month, usually this is delayed up to 2 weeks and occurs frequently. This was noted as an observation.

During an interview with the scheme smallholder executives on the last annual surveillance, it was revealed that workers directly employed by the SS have no contractual agreements, SSNIT contribution and conditions and protection (e.g. insurance) as enjoyed by the estate and mill employees. This was raised as a Minor non-conformity. During this 2nd annual surveillance, there is still evidence of failure of the company to monitor and ensure the provision of benefits to 3rd party contract workers employed to worked at the estate as well as the scheme smallholders area, as it was informed consistently during interviews conducted with several groups of 3rd party contract workers that the benefits enjoyed by permanent workers are still not provided to 3rd party contract workers who have been consistently working for the company (under their contractor) for over 6 months, mostly between 1 to 10 years and one loader for even up to 15 years. For example:

- i) No paid annual leave, sick leave, maternity leave, no pay on rest days and public holidays, and no overtime pay for work on rest days or public holidays
- ii) Inconsistent provision of medical benefits. Some workers informed that contractor only compensates in case of work related injuries, but not other illnesses. Some workers informed that they pay their own medical expenses completely
- iii) Rubbers boots are provided by their contractor but GH¢ 40 is deducted from their pay (compared to permanent workers of BOPP who are provided all PPE free)

In addition, there was found evidence of inconsistencies in SSNIT payment and insurance payments made for workers engaged by contractors. Contracted workers interviewed believe that they are registered under SSNIT and their contractor pays SSNIT for them accordingly. During interview with contractor named Ebenezer Obuobi, he was able to show record of SSNIT payment for several workers for months of January to April 2016, however the list of workers paid for did not include 4 out of 6 of his fertilizer applicators who were in-

interviewed, i.e. Amelia Manku, Akua Hawa, Eunice Baidoo, and Francisca Garibu. Whereas for contractor named Kwaku Antwi, records showed SSNIT payments were not made since October 2015 and names of some workers under him who were interviewed on-site were not sighted in records of SSNIT payments in previous months. In addition, evidence of insurance payment made by Ebenezer Obuobi for his workers to Unique Insurance Company Ltd. was sighted for period of 14 March 2016 to 13 March 2017 for amount of GH¢168 and sum insured of GH¢16,800, however namelist of workers covered was not provided and premium seems too low to cover all 16 of his fertilizers applicators. While for contractor names Kawku Antwi, no evidence of insurance payment for all his fertilizer applicators (16 workers), loaders, or loose fruit pickers, was provided.

The above issues were collectively raised as a **Major Non-conformance no. RSPO00543** under CR 2.1.

During the last surveillance audit, it was also found that workers directly employed by the scheme smallholders have no contractual agreements, SSNIT contribution and conditions and protection (e.g. insurance) as enjoyed by the estate and mill employees. During this audit, it was found that this issue was still ongoing. However, it was informed during interviews with scheme smallholders that workers engaged by them are on temporary basis on not working continuously for months for the same smallholder due to the seasonality of the work. The same worker may be directly employed by different smallholders at different times. Under the Labour Act 2003 clause 78, such workers that are employed for seasonal or intermittent work and not for a continuous period of more than six months are casual workers for which their entitlement as defined under Clause 74 (2) is as follows,

- (a) be given equal pay for work of equal value for each day worked in that organization;
- (b) have access to any necessary medical facility made available to the workers generally by the employer;
- (c) be entitled to be paid for overtime work by his or her employer in accordance with section 35; and
- (d) be paid full minimum remuneration for each day on which the worker attends work, whether or not the weather prevents the worker from carrying on his or her normal work and whether it is possible or not, to arrange alternative work for the worker on such a day.

The entitlement of casual workers as above does not include benefits such as SSNIT contribution and conditions and protection (e.g. insurance) as enjoyed by the estate and mill employees. In addition, the contracts of employment of a casual workers need not be in writing as stated under the Labour Act Clause 74 (1). On this basis, there is no need for written contracts for casual workers as specified by law.

BOPP has established a Housing & Environmental Committee to regulate housing and environmental conditions in the three housing (villages) within BOPP. Site visit by the audit team to the Mill Village on during this surveillance audit confirmed that the housing is generally well-maintained. Interviews with the housing community reveal that the housing facility is adequate and that communal clean-ups are conducted once a month. Running water supply is available and is usually clean and sufficient although it occasionally runs out during droughts (not frequently). The housing sometimes experience issues where electricity is frequently cut off, which is due to issues with the Ghana National Grid (not due to the company) which now usually only supplies electricity 12 hours a day. To resolve this issue, the company has prepared a generator to supply electricity from 6pm to 12am for worker's housing. Other amenities provided by the company include a clubhouse with television, football field, and crèche for children.

However, current housing conditions as observed as Edumase Division are in need of further improvement due to the following:

- i) Each family is provided one room (with 2 rooms/2 families allocated in one house) where space is limited and as result, the space is insufficient for families with several children. Sighted a schedule for Housing Renovation & Upgrade Year 2015 – 2020 including renovation works to be done at management area, AM/supervisors area, police quarters, and renovation and new housing construction planned for Ahinkrom Division, Edumasi Division and Mill Village. Sighted that for Ahinkrom, there is plans to construct one new G10 housing in years 2016, 2018, 2019 and 2010, in Edumasi, planned for one new G10 housing in year 2016, 2018, and 2020 and in the mill village, one new housing planned for year 2018, 2019 and 2010. The progress of this will be checked at next surveillance audits.
- ii) There is only one shared public shower available for all housing occupants with 4 cubicles for females and 4 cubicles for males which is low compared to the number of workers and their dependents at the division housing

This was noted as an observation. The company also informed that they have plans to construct new housing for their workers, which was also informed to workers who were interviewed.

The company's workers have access to adequate, sufficient and affordable food as many wives of the company's workers as well as villagers from the surrounding area come to the estate everyday to sell food and there is sufficient competition that prices of food are kept at an affordable price.

CR6.6

There is a Public statement on freedom of association in English and explained in local languages updated in December 2013. The statement says that "every worker, irrespective of his/her class or status has the right to form or join any association of his/her choice for the promotion and protection of his/her economic and social interest at the workplace" and that the "Management has respect for human rights and freedom of association". The unionised workers interviewed on 30 July 2015, especially the local union executives are aware that BOPP upholds Freedom of Association in accordance with Ghana's Labour Legislations and the Labour Act, 2003 (Act 651). The unionised workers are junior permanent staff. However, 3rd party contract workers as well as the BOPP GAWU union members informed that third party contract workers are not allowed to join the union as it is not permitted. There does not seem to be evidence of communication to 3rd party contract workers of their rights to form a trade union if they so wish, as allowed under the Labour Act 2003 Clause 79 and also as stated in BOPP's statement on freedom of association. This was noted as an observation. However scheme smallholder executives informed that they are in progress to form a worker's organization for their workers. The progress of this will be evaluated during next surveillance audit.

The HRM and Local Union Executives generally meet on the first Thursday of every month whereas a meeting with HRM, Local Union Executives and the Shop Stewards is convened twice every two months on the first Thursday of ensuing month.

During this 2nd annual surveillance, GAWU executives interviewed informed of disagreement with the management where the union needs to request permission to the company to conduct meetings and sighted responses from the management stating that union meetings are not permitted during normal working hours, i.e.:

- Letter dated 9 November 2015 from the Union Secretary to the HR manager regarding permission for Union Stewards normal two weekly union meeting to be held on 11 November 2015 at 2.30pm.
- A response was sent from HR was sent on 16 November 2015 stating that in accordance with Labour Act 2003 Section 131(2), trade union members shall not have meetings during normal working hours, and article 34(a) of the CBA stipulates that only management has the right to grant permission to any employee or union to meet on the premises of the employer. The letter ends stating that management shall comply with this directive.
- Letter dated 30 November 2015 from the Union Secretary to the HR manager requesting permission for executives quarterly union meeting to be held on 1 December 2015

The company management informed that it was a company rule that union activities were not permitted during working hours, but the union was free to have meetings outside working hours. Due to lack of time to check previous union meeting minutes, it could not be verified if previous meetings were held during working hours or not. The GAWU has also claimed that they were not allowed to have meetings between November 2015 and February 2016. However, the company was able to provide evidence of letters of approvals for meetings to be conducted within this period outside of office hours. Due to the discrepancy in claims and evidence sighted, it could not be concluded if the GAWU's claims were true. It is however noted that there is apparent tension between the management and the union which should be resolved amicably.

The GAWU executives interviewed also informed of certain changes implemented by BOPP management which were not discussed and agreed by the GAWU although the executives feel these should have been transparently discussed with the union before implementation, i.e.:

- Annual revisions made to worker's tasks to increase the daily targets which reduces incentives received by the workers. Failure to discuss such revisions with the union is not in accordance with Article XXV of the CBA which states that productivity-based incentives/bonus schemes are to be determined by the employer and the union.
- Prior to November 2015, electricity deductions were at a rate of GH¢ 1.80 but it was increased to GH¢ 10 and only informed to the workers without any prior negotiation or agreement with the union.

The company management informed that the above changes were the management decisions and not negotiable hence no negotiation with the GAWU was necessary. Nevertheless, this was noted as an observation.

CR6.7

There is documented evidence that minimum age requirement is met. Random checks of staff and workers' employment contracts and personal details at BOPP office as well as on-site visits demonstrate compliance to the minimum age requirement of Ghana, i.e. 15 years, as per Children's Act, Act 560, 1998. Moreover, BOPP has a Child Labour Policy, updated in December 2010 and signed by the general manager and the HRM which clearly stipulates that children under the age of 15 are not permitted to work in the estate. The Child Labour Policy states that the "company will not tolerate the use of child or forced labour, nor exploitation of children in its operations. In the policy, BOPP expects that its business partners and associates to uphold similar standards failing which it will take serious action and even discontinue business with non-compliant partners.

During site visits and interviews with staff and contractors, there was no evidence found of underaged workers being employed as all workers were observed to be of minimum working age. Scheme smallholders and their representatives (executives) interviewed also confirmed that they are aware of requirements to ensure no workers engaged are below the minimum age.

CR6.8

There is an equal opportunity policy, updated on September 2010 and signed by General Manager and Human Resource Manager in October 2013. The BOPP Recruitment and Selection Policy also echoes the equal opportunities policy and states that the company shall adhere to meritocracy in its recruitment process, emphasizing that "the company shall offer all applicants equal opportunity for employment regardless of sex, religion, family background, tribal and political affiliation except that all things being equal, applicants from the surrounding Communities such as Adum Bansa Community may be given preference", i.e. positive discrimination to uplift the economic status of the local communities displaced by BOPP.

According information from the workers, it was confirmed that workers come from different regions and towns in Ghana, and workers comprised those of different religions. BOPP ensures that there is no discrimination in the recruitment and employment of workers employed to service smallholders. BOPP can demonstrate that the allocation of smallholdings or recruit smallholders were not in a discriminatory way, all respective smallholders have been provided smallholdings in accepting the establishment of schemes on their lands. BOPP demonstrates that women and local people and minorities participate in negotiating processes.

However, scheme smallholder representatives (who also represent their communities), the local assemblyman representing 7 communities and community members of Asaman Village informed they do not receive any notice of available job vacancies from the company and would like to receive such information to increase employment opportunities of their people. It is noted that BOPP has developed an employment desk to inform communities of job vacancies, however, based on this feedback, it is evident that communication from the employment desk to the communities requires further improvement. This was noted as an observation.

CR6.9

There is a BOPP Sexual Harassment Policy dated December 2013 policy designed to protect all employees from sexual harassment. This policy encourages the reporting to HRM of all incidents of sexual harassment experienced by any individual regardless of gender or age as a result of his or her work with the company. The policy states that BOPP endeavours to take all necessary measures to prevent such incidences and deal promptly and fairly with any reports of sexual harassment in a confidential and discreet manner. In addition, there is also a document titled, 'BOPP Gender Committee Policy On Governance Handling Procedures' which is essentially a mechanism to enforce and implement the policy.

To facilitate the implementation of this policy, there is a gender committee appointed, as sighted from a memo from the Human Resource Manager to the General Manager titled, 'Gender Committee' dated 8 January 2014. The gender committee was established to address family and social challenges confronting residents in the Estate Community, mainly issues pertaining to sexual harassment and all forms of violence against women in the estate. The committee comprises eight members. The gender committee has the following responsibilities to:

- Develop sexual harassment and violence against women form
- Handle all matters relating to sexual harassment and any forms of violence against women
- Provide Counselling and Support to Victims of Sexual Harassment and all forms of violence
- Provide family and social challenges in the Estate
- Provide Counselling and Guidance to people in specific social and family challenges, especially women and children.

- Provide social support and protection to women and children in the Estate

BOPP does not have a specific reproductive rights policy but is applying Wilmar's general policy entitled 'Sexual Harassment, Violence, and Abuse, Reproductive Rights Policy dated June 2014, where it is stated that reproductive rights are the legal rights and freedom relating to reproduction and reproductive health as couples and individuals, and it is the right of the worker to decide freely and responsibly the number, spacing and timing of their children and to make decisions concerning reproduction free of discrimination, coercion and violence. All workers interviewed during this surveillance informed that there was no restriction by the company on the number of children they could have or when. The company has also provide a crèche for children of workers.

The policies and its grievance mechanism are publicly available and posted on the notice board at the office and have been communicated during muster call to all employees. The names and telephone numbers of gender committee members (Chairman, Secretary and members) are posted on the notice board for easy access to the employees and relevant stakeholder. Most workers interviewed including contracted workers were aware of the sexual harassment policy and knew who they could report to in the event of such cases. However, one housewife of a harvester interviewed at Edumase housing was not aware of the sexual harassment policy and did not know who were aware of the gender committee members. She informed that she had been invited for briefings regarding this topic but could not attend.

During the 1st annual surveillance, an interview with the scheme smallholder executives revealed that the scheme managers have not adequately disseminated the sexual harassment and reproductive rights policy to the SS. This was raised as a Minor non-conformity. During this surveillance, it was found that in record book of discussion on sexual harassment and reproductive rights with smallholders, it was sighted a record of discussion on 4 August 2015 regarding sexual harassment and reproductive rights. However, 9 scheme smallholders and executives interviewed were still not very familiar with the policies but aware who in the company they could raise complaints to in case of such issues and informed that there were no cases of sexual harassment and no restriction of reproductive rights and are aware that the company conducts occasional awareness briefings to workers on issues of sexual health. The company should regularly disseminate the policies to their smallholders. This was noted as an observation.

CR6.10

BOPP's commitment to fair pricing is demonstrated through its pricing formular developed and adopted for use by the Ghana Oil Palm Development Association (GOPDA) which states that:

1. 10% of the Crude Palm Oil (CPO) price per ton is payable per ton of FFB
2. The CPO price taken from the Public Ledger on the last working day of the month and used for the ensuing month.
3. The inter-bank exchange rate is applied.

BOPP revises the FFB prices once or twice a year due to frequent fluctuations of the global CPO prices and at times, market forces. Current and past prices paid for FFB are publicly available. Discussions on FFB pricing are also done on a quarterly basis with smallholder executives interviewed who confirmed that FFB prices are changed every 6 months based on world market trends. During interviews with scheme smallholders, it was informed by scheme smallholders that the previous payment rate was GH¢ 170 per tonne of FFB, and GH¢ 187 per tonne of loose fruit, while a new rate was applied since July 2016 of GH¢185 per toone of FFB and GH¢ 203.83 per tonne of loose fruit. This rate was just changed after 2 years.

However, several scheme smallholder (non-executives) interviewed complained that they do not understand the FFB pricing mechanism as they are only informed that pricing is based on global market prices, but they have no ability to access such information or crosscheck how determination of FFB prices are done. FFB pricing mechanism is currently only discussed between the smallholder executives and BOPP management, where feedback from other smallholders show there is lack of information provided by the smallholder executives to the other farmers on the pricing mechanism. This was noted as an observation.

There are written agreements between BOPP and contractors (contract managers) and suppliers. Interviews with the contractors and suppliers confirm that they understand the contractual agreement they enter into, contracts are fair, legal and transparent, and payments are made in a timely manner.

CR6.11

BOPP can demonstrate their contributions to local development. The company has records of list of CSR contributions made so far in year 2016 including activities and amount paid. Interviews with one of the local com-

munities confirmed that the CSR contributions are based on the results of consultation with local communities. During this annual surveillance, one of the small villages surrounding the company, Asaman village was visited and it was confirmed that the company holds regularly meetings with them and other communities to discuss on community issues and requests. The assemblyman representing Asaman Village and 6 surrounding settler villages informed that a number of requests were made to the company for assistance including supply of clean water, repairs to be made to their main road heading to Benso Town, a new 6-unit classroom to replace their current school which is in disrepair and a recent supply of light bulbs for street lamps. The assemblyman informed that the company has recently started repairs on the main road at a cost of GH¢1.2 million (it was informed by the company was actually lower). The community also confirmed that the company has provided scholarships to students from surrounding communities but only to the indigenous communities of the larger villages, e.g. Adum Bansa and Benso Village, but not to settler villages such as Asaman Village. The community requests for the company to extend their SHS (high school) scholarships to the children of their village. In addition to these, BOPP also has internship programmes for students from surroundings areas, as confirmed on-site through interview with a female intern doing her studies in agriculture. The company has informed the villagers that they are unable to meet all their requests due to the low price of FFB. In addition, it is noted that the company also receives many requests for assistance from surrounding villages and it is understandable that the company has to divide their contributions fairly.

CR6.12

Based on review of contracts, payment documents and interviews with permanent as well as contract staff, there was no evidence of forced, trafficked labour or contract substitution found during this audit. The company has a statement non-discriminatory practices as per their equal opportunities policy as explained under CR6.8 above. All workers employed are Ghanaians, with no employment of migrant workers, hence there is no re-issuing of passports or other identification documents.

CR6.13

The company has a public statement on freedom of association dated December 2013 which includes statements that the company upholds freedom of association and has respect for human rights. The statement is signed by the General Manager and Human Resource Manager. The statement currently lacks a reference to any guiding principles that define human rights, and this noted as an opportunity for improvement. During this annual surveillance audit, there is no evidence of infringement of human rights by the company.

Compliance status: Non-compliance

Non-conformance no. RSPO00545

The timelines and status of majority of the action/mitigation plans stated in the SIA Management plan are outdated (most stated timelines for completion in year 2014 and status as 'done'), which does not indicate which activities are ongoing and require continued monitoring. The reviewed action plan therefore does not incorporate any new or ongoing activities for continued management and monitoring of the social impacts identified. For example:

- i) Under Impact 1 regarding "Economic displacement impacting agricultural land and natural resources, and artisanal mining opportunities".
 - Action plan: Acceptance of graduates and artisans from catchment communities for practical attachment. Timeline is July – September 2014 with no update to current period of monitoring.
- ii) Under Impact 2 regarding Creation of Employment Opportunities
 - Action plan: Creation of employment desk to liaise with catchment communities to submit letters of applications for job placements. Timeline is January 2014 and status is done, but no revised monitoring plan to determine the effectiveness of the employment desk. This should be done as there was feedback to the audit team from scheme smallholders and Asaman community members that they were not receiving information on job vacancies from the company.
- iii) Under Impact 4 regarding increase in business opportunities in local services
 - Action plan: BOPP will liaise with local businesses and develop and training plan. Time stated as December 2014, and status stated as "In progress". If the activity is in progress, the timeline should be updated.

See also observations no. 24 – 32 in Appendix 5

Principle 7: Responsible development of new plantings

Criteria assessed: -

Criteria not assessed: CR7.1, CR7.2, CR7.3, CR7.4, CR7.5, CR7.6, CR7.7

Findings:

Principle 7 is not applicable as the company has not developed any new planting areas. The company has carried out replanting every year since November 2005 at previously planted areas. The most recently replanted site in year 2014 covering area of 616 ha at Athinkrom division was visited and there was no evidence of clearing of primary forests in this area.

Compliance status: Not applicable

Principle 8: Commitment to continuous improvement in key areas of activity

Criteria assessed: CR8.1

Criteria not assessed: -

Findings:

The company has evidence of continuous improvement plans established for the following aspects:

- Reduction in use of pesticides (criterion 4.6): The company mainly uses only Garlon and Glisat according to recommended dosage as per the supplier recommendations. As explained under CR4.5, there is also no prophylactic use of chemicals to handle leaf pests. Spraying of pests is only done when leaf pest attacks are found to exceed the external live index of 2.00
- Environmental impacts (Criteria 4.3, 5.1 and 5.2): Part of the company's efforts to reduce erosion is their policy not to develop land area with the slope above 30°, where any such areas will be excluded from productive area. It was sighted on the field, the company also has a strategy to prevent erosion such as planting of vertiver grass along the open area, open riparian river buffer zones, cover crops, terrace, staking midrib and sloped areas, as observed during site visits. The company also has Environmental Management Plans for the mill and estate. For the estate, the revised EMP been submitted to the Environmental Protection Agency (EPA) as sighted (Ref: BOPP/EM/6/003/16) dated 30 June 2016 and is pending approval (see CR5.1). The company also made a HCV management and monitoring plan for year 2014 to 2018 for all identified HCV areas as documented in BOPP estate's HCV management and monitoring plan for 2014-2018 (see CR5.2).
- Waste reduction (criterion 5.3): A waste management plan dated June 2016 been sighted which includes EFB, POME, domestic waste, pesticide containers, medical waste, fertilizer sacks, scrap metal, boiler ash, scheduled waste and from boiler emissions. See CR 5.3 for further details
- Pollution and greenhouse gas emissions (criterion 5.6):
- Social impacts (criterion 6.1): The company's Social Impact Management Plan last developed in January 2015 for mitigation and monitoring of identified social impacts has been reviewed and updated in June 2016. The SIA management plan is based on a timetable outlined as follows:

1. Issues raised
2. Recommendations and action that should be taken
3. Action and mitigation plan
4. Persons-in-charge for implementation of actions
5. Time-line
6. Status

The management plan covers all impacts identified above and includes an additional two impacts pertaining to smallholders, i.e. (1) Complaints of smallholders farmers about FFB weighing at farm gate and (2) FFB Pricing Mechanism for smallholders. See CR 6.1 for further details

- Optimising the yield of the supply base: The company has plans to improve the oil yield of the plantation, i.e. a planned BOPP seed garden for high yielding drought tolerant Afro-Asian palms.

Compliance status: Full compliance

Description of Supply Chain Management System:

The source of FFB of BOPP Oil Palm mill comprises the two divisions of BOPP estate (Ahinkrom division and Edumasi division), the smallholder estate and Outside Purchased Fruit (OPF). When FFB is sent to the mill, the security post will take note of the vehicle number, driver and commodity being sent.

The operations of BOPP Palm Oil Mill were assessed against Module E of the RSPO Supply Chain Certification Systems (SCCS) document (November 2014). The scope of the Supply Chain Certification System assessment covers the implementation of the Mass Balance supply chain model of BOPP palm oil mill. This is not a multi-site certification.

The following is a description of the findings pertaining to the company's supply chain management system according to the RSPO SCCS requirements, including status of compliance of the company and their outsourced third parties to RSPO SCCS requirements.

No non-compliances to the Supply Chain requirements were raised during this surveillance audit.

E.1 Definition

Findings:

BOPP Mill is located in Western Region – Republic of Ghana. BOPP mill has production capacity of 60 tonnes/hours and the location of BOPP Mill inside of Edumasi estate but actual mill throughput year 2014 is 19.85 tonnes FFB/hours.

The mill processes Fresh Fruit Bunches (FFB) from BOPP Estate (Edumasi estate, Ahinkrom estate, and Smallholders) and Independent suppliers (OPF). Certified raw materials are FFB from BOPP nucleus estate and BOPP scheme smallholder areas and non-certified raw material are FFB from Outside Purchased Fruit (OPF) or independent suppliers.

The mill has a mechanism to receive FFB both from certified sources and non-certified sources. When receiving RSPO certified FFB, security will register and record in the Security Log Book/Computer database by mill security guard including the FFB supply base & vehicle registration number. The driver shall proceed to the weighbridge together with FFB dispatch chit to the weighbridge operator for endorsement. Incoming certified FFB will have documents such as FFB waybill from BOPP owned estate; BOPP smallholder weighing check list for FFB from Smallholder. Whereas, incoming non-certified FFB will have documents such as FFB collection waybill or FFB Dispatch Waybill from OPF.

Data for January 2015-December 2015

Sustainable FFB	68233.100mt
Non-Sustainable FFB	28741.070mt
Sustainable CPO	14172.033mt
Sustainable PK	3384.125mt

The company implements SCC-RSPO with "Mass Balance (MB)" model according to the nature of mill FFB supply condition.

Compliance status : Full Compliance

E.2 Explanation

Findings:

The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill is as

recorded in Table 3 above:

	Amount (MT)		
	FFB	CPO	PK
Projected output for year 2016	117,000	24,453	5,850
Projected conversion rate for year 2016	-	OER: 20.9%	KER: 5.0%
Projected Certified Production for year 2016 (Certified tonnages claimed)	81,000	16,929	4,050

The company has registered in eTrace with member ID is RSPO_PO1000001677 but up until 2nd surveillance audit, the company has not sold any certified product. BOPP is not registered in green palm as they are not using book and claim.

Compliance status : Full Compliance

E.3 Documented procedures

Findings:

The company has list of procedures for implementation of SCCS such as:

1. BOPP –SC/record/001 RSPO Supply Chain and Traceability (Management records)
2. BOPP – SC/IA/001 RSPO Supply Chain and Traceability (Internal Audit)
3. BOPP-SC/Review/001 RSPO Supply Chain and Traceability (management review)
4. BOPP-SC/MB/001 RSPO Supply Chain & Traceability (Mass Balance Model)
5. BOPP-SC/Trace/001 Supply Chain & Traceability (Traceability)
6. During this 2st surveillance audit, it was found that there is a revision in BOPP –SC/record/001 RSPO Supply Chain and Traceability (Management records) where information was added regarding on the overproduction procedure which states that the company needs to inform Certification body when overproduction happens.

The company’s supply chain procedures are available as stated in Standard operating procedure for supply chain (BOPP-SC/MB/001) dated September 2015 and also RSPO Supply Chain Traceability procedure dated on 4 September 2015. The procedure mentions about the supply chain management, for handling incoming and outgoing material and also mass balance calculation. The mill also has a person in charge who is responsible for the implementation RSPO SCCS. Based from interviews, the person understands implementation of RSPO in the Mill.

The mill has mechanism to receive FFB both from certified sources and non-certified sources. When receiving RSPO certified palm oil, security shall be registered and recorded in the Security Log Book/Computer database by mill security guard included the FFB supply base & vehicle registration number. The driver shall proceed to the weighbridge together with FFB dispatch chit to the weighbridge operator for endorsement.

Compliance status : Full Compliance

E.4 Purchasing and goods in

Findings:

The mill has a mechanism to receive FFB both from certified sources and non-certified sources. When receiving RSPO certified FFB, security shall be registered and recorded in the Security Log Book/Computer database by mill security guard included the FFB supply base & vehicle registration number. The driver shall pro-

ceed to the weighbridge together with FFB dispatch chit to the weighbridge operator for endorsement. Incoming certified FFB will have documents such as FFB waybill from BOPP owned estate; BOPP smallholder weighing check list for FFB from Smallholder. Whereas, incoming non-certified FFB will have documents such as an FFB collection waybill or FFB Dispatch Waybill from OPF.

Production for 2015 is as follows:

Sustainable FFB	68233.100mt
Non-Sustainable FFB	28741.070mt
Sustainable CPO	14172.033mt
Sustainable PK	3384.125mt

During this 2nd surveillance audit, it was found that there was no projected over-production of certified tonnages. If there is any such condition of overproduction of certified material, the auditee has a procedure to inform the certification body by email that has been stated in the procedure of BOPP –SC/record/001 RSPO Supply Chain and Traceability (Management records)

Compliance status : Full Compliance

E.5 Record keeping

Findings:

The company has established a mechanism for control and maintenance of the data and documents used in production process, as stated on SOP BOPP-SC/record/001 dated April 25, 2014. All records related to certified sustainable palm oil (CSPO) & certified sustainable palm kernel (CSPK) products will be maintained for 5 years.

The material balance report year 2015 includes information about incoming FFB from company's estate, smallholder and OPF, FFB produced, CPO result including OER, PK result including KER, product dispatch and balance product in the storage tank, included information about CPO & PK production from certified FFB has been balance in 3-month basis

All volumes of palm oil that are delivered are deducted from the material accounting system according to actual daily conversion rate. The material balance can show delivery of product sales from a positive stock.

Compliance status : Full compliance

3.2 Status of Previously Identified Non-conformities

During the previous audit, i.e. 1st annual surveillance assessment, 7 non-compliances were found, comprising 5 minor nonconformities assigned against the RSPO Generic P&C 2013 and 2 major findings against the RSPO SCCS 2014. 12 observations or opportunities for improvement were identified. During this surveillance assessment, it was found that while some non conformities could be closed, there was lack of evidence to close several nonconformities.

The following is a description of the evidence of action taken to close the non-conformities raised during the previous assessment, as well as auditor's conclusions on the status of the non-conformities.

Indicator 2.1.2 (Minor): A documented system, which includes written information on legal requirements, shall be maintained

Non-conformance 2015-01 of 07 (Minor non-conformity)

The company has a legal conformance register dated 17 April 2014, however the register does not adequately include all information on all applicable legal requirements to be monitored, because:

- 1) Not all regulations applicable to the company are listed in the legal conformance register, e.g.
 - Wild Animals Preservation Act, Act 43 and its related regulations
 - Land Commission Act, Act 767, (2008) and other regulations pertaining to land titles
 - Rivers Act, CAP 226 (1903)
 - Labour Act 2003 (Act 651) and other applicable labour regulations
- 2) Some applicable clauses for some legal requirements identified are extracts of the actual clauses and do not include parts of the clause which still applicable to the company, while for other listed legal requirements, no clauses from the listed regulation are listed.

Correction:

The Company's legal conformance register will be updated to include all relevant legal requirements

Corrective Action:

There will be a biannual update of our legal register in consultation with the Company's legal firm as this forms part of the contractual agreement with the company's legal firm.

Verification Result in ASA2:

There is evidence of improvements done as BOPP has an updated list of legal non-conformances for year 2016 which is more comprehensive now includes the following laws and regulations and brief description of the applicable clauses, i.e.:

- Environmental Protection Agency Act 1994
- Environmental Assessment Regulations 1999
- Environmental Permit Regulations 1, 24 and 25
- Factories, Offices and Shops Act 1970 and relevant clauses pertaining to health and safety,
- The Food Factories (Welfare) Regulations 1959
- Factory offices and shop (Registration Certificate) fees Regulations 1997
- Factories Prescribed Abstract Regulations 1970
- Factories Offices and Shops (First Aid) Regulations 1970
- Factories Offices and Shops (Boiler and pressure vessels) Regulations 1970
- Pesticide control and management Act 1996
- Water Resource Commission Act 1996
- Water Use Regulations 2001
- Ghana National Fire Service Fire Precautions Regulations 2003
- Labour Decree 1967
- National Labour Act 2003
- Labour Regulations 2007
- National Labour Commission Regulation
- National Pensions (Amendment) Act 2014
- Fair Wages and Salaries Act 2008
- Workmen's Compensation Law 1987
- Person with Disability Act 2006
- Social Security Law 1991

- National Health Insurance Act 2012
- Weights and Measure Act 1975
- Public health Act 2012
- Wild Animal Preservation Act 1961 and amendments
- Wildlife Conservation Regulations 1971 and amendments
- Wetland Management Regulation 1997
- Timber Resource Management Act
- Biodiversity Strategies and Action Plan 1998
- Environmental Quality Standard applied for Akoben rating
- Energy Commission Act 1997
- Renewable Energy Act 2011
- Management of Ozone Depleting Substance and products Regulations 2005
- Alternative Dispute Resolution Act 2010 and amendment
- Human Trafficking Act 694 (2005)
- Public Holidays Act 2001
- Health Institutions and Facilities Act 2011

However, list still does not include the Land Commission Act, Act 767, (2008) and other regulations pertaining to land titles, Rivers Act, CAP 226 (1903) and a number of other applicable legal requirements as listed in the GH-NI 2015 Annex 3, such as (but not limited) to the Registration of Business Names (Amendment) Act, 2012 (Act 837), Ghana Constitution 1992, Incorporated Private Partnerships (Amendment) Act, 2012, Economic and Organised Crime Act, 2010, Companies (Amendment) Act, 2012 Act, etc.

In addition, the description of clauses for some of the acts listed is not detailed or not a description of the actual requirement but instead only an action plan. For example:

- Pertaining to National Pensions (Amendment) Act 2014, description is to regulate the pension requirement age and benefits, but does not detail what are the specific pension requirement age and benefits to be regulated
- Pertaining to Labour Regulation 2007, description states “guideline to labour management regulation” but does not describe what needs to be complied with by the company
- Pertaining to Public Health Act 2012, stated that all workers are educated regularly to adhere basic healthcare, but specific requirement to be educated not stated
- Pertaining to Human Trafficking Act 694 (2005) and health Institutions and Facilities Act 2011, one description is to “respect the laws of the land”.

Auditor Conclusions: Open and Raised to Major Non-conformance no. RSPO00541

Indicator 2.1.3 (Minor): A mechanism for ensuring compliance shall be implemented

Non-conformance 2015-02 of 07 (Minor non-conformity)

There is a fragmented framework/SOP being used by the various divisions which is not collated as an effective tool to monitor contractor's and scheme smallholders' compliance with legal requirements, particularly for their employees.

Due to this, there were found instances of failure of contractors and scheme smallholders to makes deduction for SSNIT, fair wage payment, overtime, and other requirements related to pay conditions and terms and conditions of employment as per the Ghana Labour Law.

Correction:

A formal meeting will be held with 3rd party contractors on their obligations as per the Ghana Labor Law. The Agenda for the meeting included;

- Employment Records for contract workers
- SSNIT Deduction / payment
- Discussions on Contract Rates
- Insurance / Health care for Contract workers

Corrective Action:

We will develop an SOP for monitoring payments of benefits due to contract workers and quarterly meetings will be held with 3rd party contract Managers & Scheme smallholder executives.

Verification Result in ASA2:

It was informed by the company that representatives of SSNIT come to the company every few months to register 3rd party contract workers under SSNIT. The last registration was done for all 3rd party contract workers in February 2016. It was also sighted in sample contract renewal for engaged 3rd party contractor dated 1st January 2016 valid for one year for contractor named Ebenezer Obuobi supplying harvesting workers to BOPP under Clause 5 that it is stipulated that the contractor is solely responsible for his employees, subcontractor and subcontractor's employees' Social Security Fund Contribution, tax, workmen compensation, and other insurance claims against injuries or accidents during the duration of the contract, and also ensure that all third contract workers are insured under the National Health Insurance Scheme

However, there is still evidence of failure of the company to monitor the provision of benefits to 3rd party contract workers employed to worked at the estate as well as the scheme smallholders area, as it was informed consistently during interviews conducted with several groups of 3rd party contract workers that the benefits enjoyed by permanent workers are still not provided to 3rd party contract workers who have been consistently for the company (under their contractor) for over 6 months, mostly between 1 to 10 years and one loader for even up to 15 years. For example:

- i) No paid annual leave, sick leave, maternity leave, no pay on rest days and public holidays, and no overtime pay for work on rest days or public holidays
- ii) Inconsistent provision of medical benefits. Some workers informed that contractor only compensates in case of work related injuries, but not other illnesses. Some workers informed that they pay their own medical expenses completely
- iii) No insurance coverage
- iv) Rubbers boots are provided by their contractor but GH¢ 40 is deducted from their pay (compared to permanent workers of BOPP who are provided all PPE free)

Workers interviewed believe that they are registered under SSNIT and their contractor pays SSNIT for them accordingly. During interview with contractor named Ebenezer Obuobi, he was able to show record of SSNIT payment for several workers for months of January to April 2016, however the list of workers paid for did not include 4 out of 6 of his fertilizer applicators who were interviewed, i.e. Amelia Manku, Akua Hawa, Eunice Baidoo, and Francisca Garibu.

Failure to ensure provision to relevant benefits to workers is also not in accordance with the Labour Act 2003 Clause 75: Temporary Worker, which specifies that (1) a temporary worker who is employed by the same employer for a continuous period of six months and more shall be treated under this Part as a permanent worker, and (2) the provisions of this Act in respect of benefits including paid public holidays and sick leave are applicable to a contract of employment with a temporary worker and Clause 76 (5) which states that temporary workers are entitled to be paid for overtime work. It is also not in accordance with the RSPO P&C Criterion 6.5 Scheme Smallholder guidance which specifies that "Scheme managers must ensure that workers employed to service smallholders enjoy the same rights, conditions and protections as estate and mill employees in accordance with RSPO P&C." As these workers have been working consistently for the company for over 6 months, they cannot be categorized as casual or temporary workers as defined in the Labour Act 2003 Clause 78, who are not entitled to such benefits.

Note: The 3rd party contract workers interviewed included 6 loaders, and 13 fertilizer applicators under contractor named Kwaku Anki, 6 fertilizer applicators under Ebenezer Obuobi, 3 loose fruit pickers under contractor named Johnson, and 4 fertilizer applicators and 1 slasher under contractors named Agnes Amoh and 2 loose fruit pickers under contractor named John Mensah.

Auditor Conclusions: Open and raised to Major Non-conformance no. RSPO00543

Indicator 4.1.2 (Minor): A mechanism to check consistent implementation of procedures shall be in place

Non-conformance 2015-03 of 07 (Minor non-conformity)

There was evidence found that the company's mechanism to check consistent implementation of procedures was not effectively implemented, i.e. the company implements BOPP's Planting Manual RSPO Version 2014 as a reference for IPM implementation, in which page 126 regarding Control of *Oryctes* (Rhinoceros Beetles) at Young Palms states that fields that are observed and reported to be significantly attacked by *Oryctes* should be demarcated for Rhinoceros beetle damage census. The company has records of monthly chemical application carried out at blocks 41 to 48 of Ahinkrom division (year 2011 plantings) using Pawa 2.5 EC (a.i. lambda cyhalothrin) at average application rates of 0.05 – 0.06 litres/ha between January to June 2015.

However, there is no evidence that the company carried out any Rhinoceros beetle damage census at this area prior to chemical treatment, which is not in accordance with the manual.

Correction:

A Rhinoceros beetle damage census has been carried out for the demarcated areas i.e. Block 041 – 048 at Ahinkrom Division.

Corrective Action:

Training on Rhinoceros Beetle treatment will be carried out for pest & diseases (P&D) team.

Verification Result in ASA2:

Rhinoceros beetle census has been carried out every two week. Result show that chemical spraying will be applied on if attack is more than 5% threshold,

Record verified in the block no. 261/2012 where spraying was conducted on 12.02.2016 show that result of eettle attack rates is 13% of attack. Block no. 283/2012 result is 11% of beetle attack rates. The estate applied cypermetrin. The company has records of monthly chemical application carried out at blocks 261 to division 283 (year 2012 plantings) using of Cypermetrin Super EC (a.i. Cypermetrin) at maximum application rate of 4.00 litres. After conducting chemical spray, the company has been carried out another census to ensure effectiveness of the chemical spraying activity. The result showed that in 20.02.2016 at field 261/2012 the threshold was only 2% at the same area.

Auditor Conclusions: Closed

Criterion 6.5 Scheme Smallholder Guidance: Scheme managers must ensure that workers employed to service smallholders enjoy the same rights, conditions and protections as estate and mill employees in accordance to RSPO P&C.

Non-conformance 2015-04 of 07 (Minor non-conformity)

An interview with the scheme smallholder executives reveals that workers directly employed by the scheme smallholders have no contractual agreements, SSNIT contribution and conditions and protection (e.g. insurance) as enjoyed by the estate and mill employees.

Correction:

During the next quarterly meeting with the scheme smallholder executives, the obligations of scheme smallholders farmers and their workers will be communicated to them.

Corrective Action:

A policy will be developed in consultation with the scheme smallholder farmers on the obligations of scheme smallholder farmers and their workers.

Verification Result in ASA2:

It was informed during interviews with scheme smallholders that workers engaged by them are on temporary basis on not working continuously for months for the same smallholder due to the seasonality of the work. The same worker may be directly employed by different smallholders at different times. Under the Labour Act 2003 clause 78, such workers that are employed for seasonal or intermittent work and not for a continuous period of more than six months are casual workers for which their entitlement as defined under Clause 74 (2) is as follows,

- (a) be given equal pay for work of equal value for each day worked in that organization;
- (b) have access to any necessary medical facility made available to the workers generally by the employer;
- (c) be entitled to be paid for overtime work by his or her employer in accordance with section 35; and
- (d) be paid full minimum remuneration for each day on which the worker attends work, whether or not the weather prevents the worker from carrying on his or her normal work and whether it is possible or not, to arrange alternative work for the worker on such a day.

The entitlement of casual workers as above does not include benefits such as SSNIT contribution and conditions and protection (e.g. insurance) as enjoyed by the estate and mill employees. In addition, the contracts of employment of a casual workers need not be in writing as stated under the Labour Act Clause 74 (1).

Auditor Conclusions: Closed

Criterion 6.9 Scheme Smallholder Guidance: Scheme managers must ensure that this provision (under Criterion 6.9) applies to personnel employed to service smallholders, as well as those working in mills and estates as well as smallholders and those they employ.

Non-conformance 2015-05 of 07 (Minor non-conformity)

An interview with the scheme smallholder executives reveals that the scheme managers have not adequately disseminated the sexual harassment and reproductive rights policy to the scheme smallholders.

Correction:

A formal briefing on our Sexual Harassment and Reproductive Rights policy will be held with the Smallholder farmers especially the executives.

Corrective Action:

During meetings with Smallholder executives we will have formal briefings on company policies.

Verification Result in ASA2:

In record book of discussion on sexual harassment and reproductive rights with smallholders, it was sighted a record of discussion on 4 August 2015 regarding sexual harassment and reproductive rights. However, 9 scheme smallholders and executives interviewed were not very familiar with the policies but aware who in the company they could raise complaints to in case of such issues and informed that there were no cases of sexual harassment and no restriction of reproductive rights and are aware that the company conducts occasional awareness briefings to workers on issues of sexual health. The company should regularly disseminate the policies to their smallholders.

Auditor Conclusions: Closed with observations

SCCS E.3.1: The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements.

Non-conformance 2015-06 of 07 (Major non-conformity)

All weighbridge tickets for dispatched products (CPO & PK) for the period of January to June 2015 are stamped as RSPO certified, even though there is no evidence of orders for certified products from their purchaser (Wilmar's refinery) and no sales of certified products from the company through eTrace.

Correction:

- To cancel out the stamping on the stamped WB tickets.
- Issue declaration letter to invalidate all weighbridge tickets stamped.

Corrective Action:

- Crossing out the stamping on the stamped WB tickets
- Hold a meeting on the SCCS for key stakeholders

Verification Result in ASA2:

From sampled weighbridge tickets it was been found that there are no declarations of RSPO certified CPO for tickets of non-certified CPO dispatched.

Auditor Conclusions: Closed

SCCS E.5.1:

- a) The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.***
- b) All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.***
- c) The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.)***

Non-conformance 2015-07 of 07 (Major non-conformity)

The mill's Mass balance report for year 2015 is not balanced on a three monthly basis

Correction :

To generate quarterly mass balance report.

Corrective Action:

Quarterly mass balance report generated

Verification Result in ASA2:

Mass balance has been sighted from January to December 2015 and has been summarized on a 3-monthly basis.

Auditor Conclusions : Closed

3.3 Identified Non-conformances, Corrective Actions Taken and Auditors Conclusions

The following is the list of non-compliance found during this 2nd annual surveillance audit and the actions taken by the company to close the issues raised. The closure of all Major non-conformances was verified by document review as well as on-site verification on 14 September 2016 as per the agenda mentioned under Section 2.3. The company provided an action plan for closure of minor non-conformances which will be reviewed during the next surveillance audit.

Indicator 2.1.1 (Major): Evidence of compliance with relevant legal requirements shall be available.

Non-conformance no. RSPO00540 (Major non-conformity)

There is evidence of legal non-compliances pertaining to labour as follows:

- 1) Some permanent workers pay are deducted for electricity charges, school fees, crèche fees as sighted in sampled pay slips in April, May and June 2016 for several workers, i.e. John Cobbina, Christopher Essien, Essoun Papa Arkoh, and Ebo Dankwa. However these deductions are not listed as types of deductions permitted with consent of worker under Labour Act 2003 Clause 70 and the company was not able to show any order from the Labour Commission with permission for such deductions.
- 2) 3rd party contract workers interviewed informed that they do not have contracts or did not receive a copy of their contracts with their contractors, and this was also confirmed by one contractor interviewer, i.e. Ebenezer Obuodi. This is not in accordance with Labour Act 2003 Clause 9 (f) where duty of employer includes furnishing the worker with a copy of the worker's contract of employment;
- 3) Inconsistent/missing information in contracts of 3rd party contract workers. Evidence: Sampled contracts between contractor name Ebenezer Obuobi and 3 of his contracted workers are missing information such as date and the period of validity of the contract. Sampled contracts for 5 workers under Kwaku Antwi was missing all information including period of contract, payment rate, job assigned and contracts were not signed.
- 4) 3rd party contract workers interviewed consistently informed that their pay is deducted by their contractor for provision of rubber boots. Deductions for PPE is not listed as one of the permitted deductions as per the Labour Act 2003.

Cause analysis:

- 1) Previous discussions with our lawyers & labor experts indicate that these deductions can be done with the consent of the workers with permission from the labor commission. BOPP has gone ahead to seek clarification from the Labor Commission and they confirm the above as per the attached letter from the Labor commission.
- 2) The non-existence of a formal mechanism to ensure that our third party contractors issue their employees with contracts.
- 3) The non-existence of a documented guideline for the engagement of contract workers by contractors
- 4) Some 3rd party contract workers vacate their post during the first couple of months with their PPE to be used for their private farms. Thereby, resulting in economic loss to the contractor. Thus, the contractors tend to charge their workers for their rubber boots to defray the cost for such instances.

Correction:

- 1) Clarification on the law permitting BOPP to make these deductions with the consent of the workers was obtained from the Labor commission.
- 2) A memo has been issued to all contractors directing them to issue all their workers with written contracts and give copies to the divisional managers
- 3) A new contract will be issued to all 3rd party contract workers stating the validity period and all other necessary terms and conditions.
- 4) The cost of the rubber boots provided to 3rd party workers will be refunded to the workers after 6 months of service effective from August 10, 2016.

Corrective Action:

- 1) Evidence: Letter from Labor Commission
- 2) There will be a biannual verification of contract workers having been issued contracts. This will be captured in the attendance log book. Also, verification will be done at the SHE induction of employees of contractors.
- 3) A memo has been issued to all contractors providing a guide on the contents of the contract letters. Compliance to these guidelines will be checked at least once in the life of the contract.
- 4) Quarterly monitoring of compliance.

Verification result:

1. BOPP has sought clarification from the Labour Commission and it has been confirmed that such deductions are permissible by the law. Following this a letter from the Industrial relations Officer of the National Labour Commission dated 15 July 2016 was obtained permitting BOPP to make these deductions with the consent of the workers.

A further call to the office of the Labour Commission, on the 15th of September 2016 revealed that the clarification was based on section 70 of the Labour Act 2003 (Act 651), and that the employer is permitted to make deductions from the workers' remuneration with the consent of the workers involved, without the permission and authorization of the commission.

2. Ten 3rd party contract workers interviewed during the verification audit on 14 September 2016, confirmed having signed and received copies of their contract from their contractors. The said workers work for Ebenezer Obuobi, Kwaku Antwi Enterprise and Wofa Yaw Bofo Ventures
3. Sampled contracts between contractors Ebenezer Obuobi, Kwaku Antwi, and Wofa Yaw Bofo Enterprise and their workers have detailed information regarding name of the worker, job assigned, validity period of the contract, employment terms including daily pay rate, payment of social security contributions, tax deductions, annual leave, sick leave, health insurance, and group personal accident insurance as well as provision of Personal Protective Equipment.
4. Interviewed 3rd party contract workers revealed that there are deductions from their pay for the provision of rubber boots for up to 3 months and if the worker works consistently for 6 months the total amount deducted will be refunded to the worker. Rubber boots are replaced every 6 months if they are worn out.

Auditor Conclusions: Closed

Indicator 2.1.2 (Minor): A documented system, which includes written information on legal requirements, shall be maintained.

Non-conformance no. RSPO00541 (Raised to Major non-conformity)

BOPP has an updated list of legal conformances for year 2016, however it still does not include the Land Commission Act, Act 767, (2008) and other regulations pertaining to land titles, Rivers Act, CAP 226 (1903) and a number of other applicable legal requirements as listed in the GH-NI 2015 Annex 3, such as (but not limited) to the Registration of Business Names (Amendment) Act, 2012 (Act 837), Ghana Constitution 1992, Incorporated Private Partnerships (Amendment) Act, 2012, Economic and Organised Crime Act, 2010, Companies (Amendment) Act, 2012 Act, relevant Acts related to driving of tractors and lorries in the plantations, etc.

In addition, the description of clauses for some of the acts listed is not detailed or not a description of the actual requirement but instead only an action plan. For example:

- Pertaining to National Pensions (Amendment) Act 2014, description is to regulate the pension requirement age and benefits, but does not detail what are the specific pension requirement age and benefits to be regulated
- Pertaining to Labour Regulation 2007, description states "guideline to labour management regulation" but does not describe what needs to be complied with by the company
- Pertaining to Public Health Act 2012, stated that all workers are educated regularly to adhere basic healthcare, but specific requirement to be educated not stated

- Pertaining to Human Trafficking Act 694 (2005) and health Institutions and Facilities Act 2011, one description is to "respect the laws of the land".

Cause analysis:

The company's legal conformance register was updated in 2016 but inadvertently excluded some other applicable legal requirements.

Correction:

The company's legal conformance register will be updated to include all relevant legal requirements.

Corrective Action:

There will be a biannual update of our legal register in consultation with the company's legal firm as this forms part of the contractual agreement with the company's legal firm

Verification result:

The company provided their list of legal conformances updated in August 2016 which now includes the Land Title Registration Act, 1986 PNDCL 152, Registration of Business Names (Amendment) Act, 2012 (Act 837), Ghana Constitution 1992, Incorporated Private Partnerships (Amendment) Act, 2012, Economic and Organised Crime Act, 2010 and other applicable acts and regulations.

In addition, the description of clauses for some of the acts which were previously not detailed specific, has been updated to state the requirement to be complied with pertaining to that regulation, e.g. for the National Pensions (Amendment) Act 2014, Labour Regulation 2007, Public Health Act 2012, Human Trafficking Act 694 (2005) and health Institutions and Facilities Act 2011.

Auditor Conclusions: Closed

Indicator 2.1.2 (Minor): A documented system, which includes written information on legal requirements, shall be maintained.

Non-conformance no. RSPO0542 (Minor non-conformity)

The company's updated list of legal conformances for year 2016 does not list laws made pursuant to a country's obligations under international laws or conventions (e.g. the Convention on Biodiversity, CBD, ILO core Conventions, UN Guiding Principles on Business and Human Rights) as listed in Annex 2A of the RSPO GH-NI 2015

Cause analysis:

The Company's legal conformance register was updated in 2016 but inadvertently excluded some other applicable legal requirements.

Correction:

The Company's legal conformance register will be updated to include all relevant legal requirements

Corrective Action:

There will be a biannual update of our legal register in consultation with the Company's legal firm as this forms part of the contractual agreement with the company's legal firm.

Auditor Conclusions: Correction and corrective action plan accepted. Effectiveness of implementation will be verified at next surveillance

Indicator 2.1.3 (Minor): A mechanism for ensuring compliance shall be implemented.

Non-conformance no. RSPO00543 (Raised to Major non-conformity)

There is still evidence of failure of the company to monitor and ensure the provision of benefits to 3rd party contract workers employed to worked at the estate as well as the scheme smallholders area, as it was informed consistently during interviews conducted with several groups of 3rd party contract workers that the benefits enjoyed by permanent workers are still not provided to 3rd party contract workers who have been consistently for the company

(under their contractor) for over 6 months, mostly between 1 to 10 years and one loader for even up to 15 years.

For example:

- i) No paid annual leave, sick leave, maternity leave, no pay on rest days and public holidays, and no overtime pay for work on rest days or public holidays
- ii) Inconsistent provision of medical benefits. Some workers informed that contractor only compensates in case of work related injuries, but not other illnesses. Some workers informed that they pay their own medical expenses completely
- iii) Rubbers boots are provided by their contractor but GH¢ 40 is deducted from their pay (compared to permanent workers of BOPP who are provided all PPE free)

Workers interviewed believe that they are registered under SSNIT and their contractor pays SSNIT for them accordingly. During interview with contractor named Ebenezer Obuobi, he was able to show record of SSNIT payment for several workers for months of January to April 2016, however the list of workers paid for did not include 4 out of 6 of his fertilizer applicators who were interviewed, i.e. Amelia Manku, Akua Hawa, Eunice Baidoo, and Francisca Garibu. Whereas for contractor named Kwaku Antwi, records showed SSNIT payments were not made since October 2015 and names of some workers under him who were interviewed on-site were not sighted in records of SSNIT payments in previous months.

Evidence of insurance payment made by Ebenezer Obuobi for his workers to Unique Insurance Company Ltd. Was sighted for period of 14 March 2016 to 13 March 2017 for amount of GH¢168 and sum insured of GH¢16,800, however namelist of workers covered was not provided and premium seems too low to cover all 16 of his fertilizers applicators. While for contractor names Kawku Antwi, no evidence of insurance payment for all his fertilizer applicators (16 workers), loaders, or loose fruit pickers, was provided.

Failure to ensure provision to relevant benefits to workers is not in accordance with the Labour Act 2003 Clause 75: Temporary Worker, which specifies that (1) a temporary worker who is employed by the same employer for a continuous period of six months and more shall be treated under this Part as a permanent worker, and (2) the provisions of this Act in respect of benefits including paid public holidays and sick leave are applicable to a contract of employment with a temporary worker and Clause 76 (5) which states that temporary workers are entitled to be paid for overtime work.. It is also not in accordance with the RSPO P&C Criterion 6.5 Scheme Smallholder guidance which specifies that "Scheme managers must ensure that workers employed to service smallholders enjoy the same rights, conditions and protections as estate and mill employees in accordance with RSPO P&C." As these workers have been working consistently for the company for over 6 months, they cannot be categorized as casual or temporary workers as defined in the Labour Act 2003 Clause 78, who are not entitled to such benefits.

Note: The 3rd party contract workers interviewed included 6 loaders, and 13 fertilizer applicators under contractor named Kwaku Anki, 6 fertilizer applicators under Ebenezer Obuobi, 3 loose fruit pickers under contractor named Johnson, and 4 fertilizer applicators and 1 slasher under contractors named Agnes Amoh and 2 loose fruit pickers under contractor named John Mensah.

Cause analysis:

There have been several informal meetings on the obligations of the contractors on the Labour Law but follow up on actions required by contractors have not been rigorous. Insurance premiums are determined based on the risk level and with the low frequency of accidents within this plantation, insurance premiums paid are generally low. Insurance premiums are taken to cover the number of workers and the namelist of workers are not required as namelist varies within the insured period as new workers join and some old workers exit.

Correction:

A formal meeting will be held with 3rd party contractors on their obligations as per the Ghana Labor Law. An attendance book will be opened at the various divisions to track attendance of all 3rd party contract workers. This is to ensure that all third party workers who work for a minimum of 200 days in a year are granted an annual paid leave of 15 days.

The list of all 3rd party workers whose SSNIT contributions are paid within the month will be submitted in addition to the receipt from SSNIT to the HR department for reconciliation with the attendance book.

There will be monthly reconciliation of sampled 3rd party workers who visited the clinic to confirm if they were deducted the cost of their medical bills.

All third party contract workers will enjoy all statutory benefits as per the conditions of service

Corrective Action:

Quarterly monitoring of compliance to the terms of the contracts of the contractor's employees

Verification result:

A meeting was held on the 21st of July 2016 between the management of BOPP and the 3rd party contractors on their obligations as per the Ghana Labour Law. As per the minutes and discussion held with three 3rd party contractors during the verification audit on the 14th of September 2016, issues discussed included; Maternity leave, annual leave with pay, payment of medical bills of contract workers, NHIS and SSNIT contributions, as well as other legal obligations such as sick leave. As a follow up to the discussions held during the meeting, an attendance book has been opened at the various divisions to track attendance of all 3rd party contract workers in order to ensure that all third party workers who work for a minimum of 200 days in a year are granted an annual paid leave of 15 days. The list of all 3rd party workers whose SSNIT contributions are paid within the month and the receipt from SSNIT is also now submitted to the HR department for reconciliation with the attendance book.

A follow up memo was sent on the 2nd September 2016 by BOPP to the 3rd Party Contractors with the subject "Directive to Reinforce Service Conditions for Contract Workers & SOP on Verification of Issuance of Contracts to Contract Workers." The memo further reiterated issues discussed in the meeting of 21st July and systems put in place among which included a statement in (b) 'wellington/rubber boots are to be provided to all contract workers and cost of boots to be deducted over a three month period. This amount will then be refunded to workers who remain in service for 6 months....'

Contract workers interviewed during the verification audit explained all changes and new improvements to their contract terms in details showing their in depth understanding of contract recently signed. The workers also explained that their medical bills are paid by their various contract managers.

Samples of receipts of SSNIT payments by 3rd Party Contactors namely Wofa Yaw Bofo Ventures, Ebenezer Obuobi, and Kwaku Antwi Enterprise were verified during the verification audit and payments were up to August 2016 with list of workers attached.

Contract workers interviewed were; 3 pruners (2 working for Ebenezer Obuobi, and 1 for Kwaku Antwi), 2 harvesters, 2 carriers, and 1 loose fruit picker all working for Wofa Yaw Bofo Ventures, as well as 3 Fertiliser applicators working for Kwaku Antwi Enterprise.

Auditor Conclusions: Closed

Indicator 4.7.5 (Minor): Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations and first aid equipment should be available at worksites. Records should be kept of all accidents and periodically reviewed.

Non-conformance no. RSPO00544 (Minor non-conformity)

Statement of Nonconformity:

First aid kit requirement and emergency response procedures were inadequately implemented.

Requirements:

As per RSPO P&C 4.7.5 Factories, Offices and Shops (First Aid) Regulations 1970 Benso Oil Palm Plantation Limited (BOPP) (Adum Bansa Estate); Revision No. 3; Revision Date: January 2014. 12.0 Training Practice Drills and Liaison with Outside Emergency Services

Evidence:

1. Observed first aid kits in the estates and mill were with medications such as Paracetamol and Stomach Ache tablets. In addition inadequate first aid items were not in place for example, Castor Oil, eye drops and dropper, sterilized eye pads in separate packets. This not in compliance with Factories, Offices and Shops (First Aid) Regulations 1970.
2. Emergency fire evacuation drills were not yet conducted in the mill and plantation.

Cause analysis:

The contents of the first aid kits is approved by a licensed medical doctor and inspection on our site by the Regional Factory Inspector finds them adequate and in line with current practice. BOPP has an ambulance and a

clinic on the site and as per regulation 4 of Factories, Offices and Shops (First Aid) Regulations 1970 must seek exemption from the Chief Inspector on the contents of the first aid box.

BOPP undertakes monthly fire training for its fire fighters and has not conducted a simulation for fire emergencies in the mill and plantation even though we have done other emergency evacuation drills. The last fire emergency drill was conducted in 2014 subsequently we have conducted other drills to test our emergency procedures yearly.

Correction:

BOPP will request for an exemption from the Regional Chief Inspector based on regulation 5 of Factories, Offices and Shops (First Aid) Regulations 1970. The Regional Inspector of Factories is Mr. Ben Y. Frimpong and he can be contacted by e-mail (benfrimp2000@yahoo.com) and on phone (+233249887464)

BOPP will conduct an emergency fire drill in the mill and the plantation.

EVIDENCE: Letter to the Regional Factory Inspector for exemption based on regulation 5 of Factories, Offices and Shops (First Aid) Regulations 1970 & Factories, Offices and Shops (First Aid) Regulations 1970 (LI 655).
A Response letter from the the Regional Factory Inspector. Dummy Run Report - Monday August 8, 2016

Corrective Action:

BOPP will request for an exemption from the Regional Chief Inspector based on regulation 5 of Factories, Offices and Shops (First Aid) Regulations 1970.

Will review the emergency response procedures based on the current risk level of our operations.

Auditor Conclusions: Correction and corrective action plan accepted. Effectiveness of implementation will be verified at next surveillance

Indicator 6.1.4 (Minor): The implementation and monitoring work plan shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties.

Non-conformance no. RSPO00545 (Minor non-conformity)

The timelines and status of majority of the action/mitigation plans stated in the SIA Management plan are outdated (most stated timelines for completion in year 2014 and status as 'done'), which does not indicate which activities are ongoing and require continued monitoring. The reviewed action plan therefore does not incorporate any new or ongoing activities for continued management and monitoring of the social impacts identified. For example:

- i) Under Impact 1 regarding "Economic displacement impacting agricultural land and natural resources, and artisanal mining opportunities".
 - Action plan: Acceptance of graduates and artisans from catchment communities for practical attachment. Timeline is July – September 2014 with no update to current period of monitoring.
- ii) Under Impact 2 regarding Creation of Employment Opportunities
 - Action plan: Creation of employment desk to liaise with catchment communities to submit letters of applications for job placements. Timeline is January 2014 and status is done, but no revised monitoring plan to determine the effectiveness of the employment desk. This should be done as there was feedback to the audit team from scheme smallholders and Asaman community members that they were not receiving information on job vacancies from the company.
- iii) Under Impact 4 regarding increase in business opportunities in local services
 - Action plan: BOPP will liaise with local businesses and develop and training plan. Time stated as December 2014, and status stated as "In progress". If the activity is in progress, the timeline should be updated.

Cause analysis:

Actions completed in year 2014 were maintained in the SIA plan which was updated in July 2016.

Correction:

The SIA plan will be updated in line with the current activities for continuous management and monitoring.

Corrective Action:

Quarterly reviews of the SIA plan

Verification result:

The company provided their updated Social Impact Management Plan which now includes a column for year 2016 mitigated actions and status which has been updated for all planned action items. For example:

- i) Under Impact 1 regarding "Economic displacement impacting agricultural land and natural resources, and artisanal mining opportunities".
 - Action plan: Acceptance of graduates and artisans from catchment communities for practical attachment. Timeline is July – September 2014. The 2016 mitigated actions state that 22 graduates were offered the opportunity to do attachment with BOPP with 15 of them being out of the catchment area. This activity is going from July to September 2016.
- ii) Under Impact 2 regarding Creation of Employment Opportunities
 - Action plan: Creation of employment desk to liaise with catchment communities to submit letters of applications for job placements. Mitigated 2016 actions now stated that the company has discussed to communicate employment opportunities through the local employment committee in year 2016 1st and 2nd quarterly meetings.

Impact no. 4 has been deleted from the management plan but the plan includes 12 issues raised with corresponding action item including revised action plans/status for year 2016, including:

- Food crop scarcity and food security. Year 2016 action plan and status: Demarcate areas allocated to individuals for food crop cultivation (Sept 2016) and farmers are advised whenever necessary to desist from farming at unauthorized areas (weekly)
- Improved services and community development potential. Year 2016 action plan and status: Liase with DATA BANK to train smallholder farmers to be self-reliant during replanting (ongoing). Meetings were held on 1st and 2nd quarter to discuss year 2016 projects.
- Access restriction to services and development. Year 2016 action plan: Ongoing meetings with surrounding communities to discuss development projects.
- Company-community conflicts resulting in social tension: Year 2016 action plan: Various security measures stated including posting of security personnel at main posts, good declaration, records of incoming and outgoing vehicles, regular patrols, etc.
- Population influx resulting in social tensions and an increase in teenage pregnancies and sexually transmitted diseases. Year 2016 action plan: Meeting with HIV/AIDS peer educators on monthly basis to develop plans to step up awareness and outreach programs planned for November and December. Employment opportunities also provided to minimize influx and meetings organized to educate on BOPP Conflict prevention management plan
- Increase in health, traffic and safety hazards. Year 2016 action plan: Central Safety Committee meets quarterly to discuss general SHE concerns on the estate including traffic related issues, establishment and education of drivers on road signs, fire fighting training and risk assessment and emergency management plan
- Water quality and quantity impacts. Year 2016 action plan: As per water management plan for year 2016
- Physical displacement impacting built structures and sites of religious significance. Year 2016 action plan: Compensation for cash crops and structures (done)
- Complaints of smallholder farmers about FFB weighing at the farm gate. Year 2016 action plan: Agreement on FFB weighing to be discussed and agreed before transport
- Pricing of FFB for smallholders. Year 2016 action plan: Meetings held to review FFB prices as required.

Auditor Conclusions: Correction and corrective action plan accepted. Effectiveness of implementation will be verified at next surveillance

3.4 Noteworthy Positive Components

No.	Criterion	Comments
1.	-	Very good commitment of all BOPP staff and relatively quick retrieval of documents was observed throughout the audit. Very good cooperation of the company staff and commitment to comply with RSPO requirements is evident.
2.		Good labeling/signage sighted at the workshop, CPO tanks, and technical store 1 & 2
3.	6.2	There is evidence and records of regular quarterly meetings held with surrounding local communities and the assemblyman of 7 surrounding communities informed that the communities are grateful for the opportunities given by BOPP to have regular discussions on how the company can assist them. Although most of the requests from the communities have not been met by BOPP due to low CPO price and other matters, there is evidence of actions taken to assist the communities, e.g. repair of the main road to Benso Town for Asaman Village
4.	-	Monthly Midwife Report used in practice was found to be comprehensive to detail the information on birth in the plantation. Example of information sighted were births in the month, condition of birth (normal or surgery), post-partum conditions, breastfeeding time after delivery, etc.
5.	4.7.2	Clear information displayed on crude oil storage tanks and air compressor related their maintenance status, machine type, capacity and etc. In addition observed clear identification on the items located in the each storage racks.

3.5 Issues Raised by Stakeholders and Findings Pertaining to Issues

Issues Raised during Stakeholder Interviews On-site

No.	Issues Raised	Audit Verification
1.	Although the price of FFB has been revised recently from GH¢ 170/ tonnes of FFB and GH¢ 187/ tonnes of loose fruit to GH¢ 185/ tonne of FFB and GH¢203.83/ tonne of loose fruit, the scheme smallholder farmers interviewed requested for BOPP to review and increase the price further due to increased cost of living to assist the farmers. Currently the farmers receive an average of GH¢ 400 a month.	For management consideration of this request.
2.	Several scheme smallholder (non-executives) interviewed complained that they do not understand the FFB pricing mechanism as they are only informed that pricing is based on global market prices, but they have no ability to access such information or crosscheck how determination of FFB prices are done. FFB pricing mechanism is currently only discussed between the smallholder executives and BOPP management, where feedback from other smallholders show there is lack of information provided by the smallholder executives to the other farmers on the pricing mechanism	This has been noted as an observation as it seems discussions on FFB pricing are usually only between the company and the smallholder executives, which the company informed includes those with financial background and can understand the technicalities of the FFB pricing which farmers without this background may find difficult to understand. Nevertheless communication to other farmers on the pricing calculation could be improved further since this is a concern to them.
3.	During meeting with one of the settler communities, i.e. Asaman village, that during the establishment of BOPP in 1976, the company had cleared some of the land on which the settlers had planted cocoa, not only in Asaman Village but in several other surrounding communities which were established by settlers. It was confirmed by the community that the company had compensated the community at a rate of 84 pesos per cocoa tree cleared, and this rate had been approved by the Ghana Land Valuation Board, hence the compensation was made was legally appropriate but was very low. It was also confirmed by the village assemblyman that BOPP was the legal owner of the land and not the settlers, however the land clearing and low compensation amount had severely impacted the communities resulting in loss of income and impacting the communities until this day, as informed by the interviewed Asaman community members who recollected the hardship of their parents resulting for the land clearing by BOPP. The community has requested the company to consider provision of additional compensation.	Verbal feedback from the company confirmed that compensation had been made according to the amount required by the Ghana Land Valuation Board. The company also mentioned that they are providing other forms of CSR improvements to the villages and hopes that this will be considered as a form of indirect compensation. The assistance provided by the company has also been confirmed by the village assemblyman
4.	GAWU executives interviewed informed of disagreement with the management where the union needs to request permission to the company to conduct meetings and sighted responses from the management stating that union meetings are not permitted during normal working hours.	The company management informed that it was a company rule that union activities were not permitted during working hours, but the union was free to have meetings outside working hours. Due to lack of time to check previous union meeting minutes, it could not be verified if previous meetings were held during working hours or not. The GAWU has also claimed that they were not allowed to have meetings between November 2015 to February 2016. However, the company was able to provide evidence of letters of approvals

		<p>for meetings to be conducted within this period outside of office hours. Due to the discrepancy in claims and evidence sighted, it could not be concluded if the GAWU's claims were true. It is however noted that there is disagreement between the management and the union which should be resolved amicably.</p>
5.	<p>Several BOPP GAWU executives interviews informed of certain changes implemented by BOPP management which were not discussed and agreed by the GAWU although by right these should have been transparently discussed with the union before implementation, i.e.:</p> <ul style="list-style-type: none"> - Annual revisions made to worker's tasks to increase the daily targets which reduces incentives received by the workers. Failure to discuss such revisions with the union is not in accordance with Article XXV of the CBA which states that productivity-based incentives/bonus schemes are to be determined by the employer and the union. - Prior to November 2015, electricity deductions were at a rate of GH¢ 1.80 but it was increased to GH¢ 10 and only informed to the workers without any prior negotiation or agreement with the union. 	<p>The company management informed that the above changes were the management decisions and not negotiable hence no negotiation with the GAWU was necessary. Nevertheless, this was noted as an observation.</p>

3.5 Acknowledgements of Internal Responsibility and Formal Sign-Off by Client

It is acknowledged that the assessment visit was carried out as described in this report and we accept the assessment findings and report content.

Signed on behalf of Benso Oil Palm Plantation Ltd.

Signed on behalf of PT TUV Rheinland Indonesia



Name: **SAMUEL AVAALA AWONNEA**
 Position: **GENERAL MANAGER**
 Date: **24th NOVEMBER 2016**



Carol Ng Siew Theng
 Lead Auditor
 Date: 14 November 2016

APPENDICES

Appendix 1: Details of Certificate

Certificate

Standard : The Ghana National Interpretation of the RSPO Principles and Criteria for Sustainable Palm Oil (GHNI 2015) and RSPO Supply Chain Certification Systems: 2014

Certificate Registr. No. 824 502 14004

Certificate Holder : PT TUV Rheinland Indonesia certifies :
Benso Oil Palm Plantation Ltd.
 Adum Banso Estate, P.O.BOX 470,
 Takoradi, Ghana, West Africa




and its company owned estates according to the annex

RSPO number : -

Scope : Palm Oil Production, Palm Kernel Production and Plantation Management System

An audit was performed, Report No. ASA2_82450214004. Proof has been furnished that the requirements according to the Ghana National Interpretation of the RSPO Principles and Criteria for Sustainable Palm Oil (GHNI 2015) and RSPO Supply Chain Certification Systems: 2014 are fulfilled.

Validity: The certificate is valid from 24 August 2014 until 23 August 2019.
 The certificate shall remain valid for period stipulated above provided that the certificate holder mentioned here continues to comply with the RSPO P&C requirements. Status of compliance of the certificate holder shall be based on the annual inspections conducted by PT TUV Rheinland Indonesia.

RSPO registered parents company* : Wilmar International Limited (RSPO Member No. : 2-0017-05-000-00)

* Name of the RSPO registered member company of which the certificate holder is a subsidiary (if applicable)

Date of first certificate : August 24, 2014


 PT TUV Rheinland Indonesia
 Director

Indonesia, 29-11-2015

The certificate remains property of PT TUV Rheinland Indonesia and can be withdrawn in case of terminations as mentioned in the contract or in case of changes or deviations of the above-mentioned data. The licensee is obliged to inform PT TUV Rheinland Indonesia immediately of any changes in the above-mentioned data. Only an original and signed certificate is valid.

140001-4-0000-001 - TÜV Rheinland Indonesia reg. no. 82450214004

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Annex to certificate

Standard : **The Ghana National Interpretation of the RSPO Principles and Criteria for Sustainable Palm Oil (GHNI 2015) and RSPO Supply Chain Certification Systems: 2014**

Certificate Registr. No.: 824 502 14004

Location: **Benso Oil Palm Plantation Ltd.**
 Address : **Adum Banso Estate, P.O.BOX 470, Takoradi, Ghana, West Africa**

The palm oil mill and supply base covered in certification scope are :

Name of groups	Location	GPS locations	
		Latitude	Longitude
Benso Oil Palm Plantation Palm Oil Mill	Adum Banso Estate, P.O. BOX 470, Takoradi, Ghana, West Africa.	001°54.821	05°06.643
Benso Oil Palm Plantation Estate (Nucleus)	Adum Banso Estate, P.O. BOX 470, Takoradi, Ghana, West Africa.	001°54.821	05°06.643
Benso Oil Palm Plantation Smallholder	Adum Banso Estate, P.O. BOX 470, Takoradi, Ghana, West Africa.	001°54.821	05°06.643

CPO Tonnage Total Productions*:	24,453	tonnes
PK Tonnage Total Productions*:	5,850	tonnes
Company Nucleus Estates FFB Tonnages*:	54,000	tonnes
Scheme Smallholder FFB Tonnages*:	27,000	tonnes
Total certified FFB Tonnages*:	81,000	tonnes
FFB Tonnages from other sources*:	36,000	tonnes
CPO Tonnage claimed for certification:	16,929	tonnes
PK Tonnage claimed for certification:	4,050	tonnes

*Projection for year 2016

Scope of SCCS & supply chain model assessed : FFB receipt, produce and delivery of CPO & PK with implementation of the following SCCS :

Identity Preserved
 Mass Balance

Indonesia, 29-11-2016

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 PT TUV Rheinland Indonesia
 Director

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Appendix 2: 2nd Annual Surveillance Audit Plan

Date / Time ⁽¹⁾	Organizational Unit and Processes	Auditor / Ab- brev.	Interviewee	Procedure - EM/QM Element - Standard Chapter
Monday, 11 July 2016	3 auditors travel from Malaysia → Dubai → Accra: EK 343 – EMIRATES: 07:30 – 11:35 Travel from Accra to BOPP site	Azizan Za- karia (AZ), Suniljit Singh (SS), Rizal Kassim (RK),		
	Travel from Norpalm to BOPP (6pm on- wards)	Carol Ng (CN), Ivy Osei-Sampah (IO)		
Tuesday, 12 July 2016 – Opening Meeting and start audit at BOPP Estate				
08.00- 09.00	<ul style="list-style-type: none"> Opening Meeting at BOPP Estate Introduction by TUV audit leader. Update on company background and source of FFB by respective managers Explanation on actions taken to close previous NCs and review of evidence Finalization of audit plan 	All Auditors	Top Manage- ment and Re- lated Manag- ers	
09.00- 12.30	Estate production data <ul style="list-style-type: none"> Area statements FFB supply information Replanting program Legal Requirements (social), workers, local communities, communication, CSR <ul style="list-style-type: none"> Land legality & land disputes (if any) Transparency & ethical conduct Workers/ Contractor interviews & personnel records Labour policies Trade union representatives & records Housing Local communities Communication & consultation procedures/ complaints Contracts Working hour & overtime records, pay slips SEIA (if applicable) Verification of previously raised NCs Field visit (as required) 	CN & IO	Estate man- ager / assis- tants/ workers representa- tives/ local communities	RSPO Principle 1 : all Principle 2 : CR 2.1 (social), 2.2, 2.3 Principle 6 : all Principle 7 (if ap- plicable): CR 7.1 (social), 7.5 & 7.6 Principle 8 (Social)
09.00- 12.30	SOPs, Best practices, and HCV <ul style="list-style-type: none"> SOPs & Internal audit Integrated Pest Management (IPM) Management plan & replanting program Soil fertility & management (sloped areas, marginal soils, peat areas, EFB application, etc.) High Conservation Value assessment and management Use of fire for replanting (if applicable) New plantings best practices (if applicable) Training & PPE issuance Verification of previously raised NCs 	RK	Estate man- ager / assis- tants	RSPO Principle 3 : all Principle 4: CR4.1, 4.2, 4.3, 4.5 Principle 5: CR 5.2, 5.5 Principle 7 (if appli- cable): CR 7.2, 7.3, 7.4, 7.7

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Date / Time ⁽¹⁾	Organizational Unit and Processes	Auditor / Ab-brev.	Interviewee	Procedure - EM/QM Element - Standard Chapter
	<ul style="list-style-type: none"> Field visit (as required) 			
09.00-12.30	Legal Requirements, environment <ul style="list-style-type: none"> Legal compliance (environment) Field operations (spraying, harvesting, manuring) Water management plan & river protection EIA/ Aspect & Impact Analysis Waste management Fossil fuel and renewable energy usage SEIA & GHG monitoring for new plantings (if applicable) Continuous improvement plan Verification of previously raised NCs Field visit (as required) 	AZ	Estate manager / assistants/ workers	RSPO Principle 2 : IN 2.1.1 (environment) Principle 4: CR4.4 Principle 5: CR5.1, 5.3, 5.4, 5.6 Principle 8: all
09.00-12.30	Legal Requirements, OSH, Training, SOPs, <ul style="list-style-type: none"> Legal compliance (OSH) Mechanism for monitoring legal compliance Worker interviews Chemical stores Workshops HIRARC OSH Committee & safety records Accident records Training plan & records 	SS	Estate manager/ assistant manager/ local communities / workers	RSPO Principle 2: CR 2.1 & IN 2.11 (OSH) Principle 4: CR4.1, 4.6, 4.7, 4.8
12.30-13.30	Break and lunch			
13.30-17.00	Continue document checks at estate office - all aspects	All auditors	Estate manager / assistants	
17:00	End of Day 1	All Auditors		

Wednesday, 13 July 2016, BOPP Smallholder

08.00-12.30	Smallholder scheme production data <ul style="list-style-type: none"> Area statements FFB supply information Replanting program Smallholder/ outgrower certification plan Legal Requirements (social), workers, local communities, communication, CSR <ul style="list-style-type: none"> Land legality & land disputes (if any) Transparency & ethical conduct Workers/ Contractor interviews & personnel records Labour policies Trade union representatives & records Housing Local communities Communication & consultation procedures/ complaints Contracts Working hour & overtime records, pay 	CN & IO	Smallholder scheme manager / assistants/ workers representatives/ local communities	RSPO Principle 1 : all Principle 2 : CR 2.1 (social), 2.2, 2.3 Principle 6 : all Principle 7 (if applicable): CR 7.1 (social), 7.5 & 7.6 Principle 8 (Social)
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	slips <ul style="list-style-type: none"> • SEIA (if applicable) • Verification of previously raised NCs • Field visit (as required) 			
08.00-12.30	SOPs, Best practices, and HCV <ul style="list-style-type: none"> • SOPs & Internal audit • Integrated Pest Management (IPM) • Management plan & replanting program • Soil fertility & management (sloped areas, marginal soils, peat areas, EFB application, etc.) • High Conservation Value assessment and management • Use of fire for replanting (if applicable) • New plantings best practices (if applicable) • Training & PPE issuance • Verification of previously raised NCs • Field visit (as required) 	RK	Smallholder scheme manager / assistants	RSPO Principle 3 : all Principle 4: CR4.1, 4.2, 4.3, 4.5 Principle 5: CR 5.2, 5.5 Principle 7 (if applicable): CR 7.2, 7.3, 7.4, 7.7
08.00-12.30	Legal Requirements, environment <ul style="list-style-type: none"> • Legal compliance (environment) • Field operations (spraying, harvesting, manuring) • Water management plan & river protection • EIA/ Aspect & Impact Analysis • Waste management • Fossil fuel and renewable energy usage • SEIA & GHG monitoring for new plantings (if applicable) • Continuous improvement plan • Verification of previously raised NCs • Field visit (as required) 	AZ	Smallholder scheme manager / assistants	RSPO Principle 2 : IN 2.1.1 (environment) Principle 4: CR4.4 Principle 5: CR5.1, 5.3, 5.4, 5.6 Principle 8: all
08.00-12.30	Legal Requirements, OSH, Training, SOPs, <ul style="list-style-type: none"> • Legal compliance (OSH) • Mechanism for monitoring legal compliance • Worker interviews • Chemical stores • Workshops • HIRARC • OSH Committee & safety records • Accident records • Training plan & records 	SS	Smallholder scheme manager / assistants	RSPO Principle 2: CR 2.1 & IN 2.11 (OSH) Principle 4: CR4.1, 4.6, 4.7, 4.8
12.30-13.30	Break and lunch			
13.30-17.00	Continue document checks at smallholder estate office - all aspects	All Auditors		
17.00	End of 2nd day audit			

Thursday, 14 July 2016 – BOPP Mill P&C and Supply Chain audit & Closing Meeting

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Date / Time ⁽¹⁾	Organizational Unit and Processes	Auditor / Ab-brev.	Interviewee	Procedure - EM/QM Element - Standard Chapter
08.00-12.30	<p>Supply Chain audit – BOPP Mill</p> <ul style="list-style-type: none"> • Interview of BOPP smallholder group manager and group management documentation • Document review. • Review of supply chain management system • Check of supply chain related documentation • Interviews with supply chain personnel <p>Management plan & financial viability Mill Standard Operating Procedures</p>	RK	BOPP Smallholder Group Manager and Mill Manager	<p>Supply Chain Certification Standard 2014 Module E – CPO Mills: Mass Balance</p> <p>RSPO Principle 3: all Principle 4: CR4.1</p>
08.00-12.30	<p>Mill supply base & production records</p> <ul style="list-style-type: none"> • FFB reception records • CPO & PK production records • OER & KER <p>Social aspects – Workers, local communities, communication, CSR</p> <ul style="list-style-type: none"> • Transparency & ethical conduct • Workers/ Contractor interviews & personnel records • Labour policies • Trade union representatives & records • Housing • Local communities • Communication & consultation procedures/ complaints • Contracts • Working hour & overtime records, pay slips • SEIA (if applicable) • Verification of previously raised NCs • Worker interviews (as required) 	CN & IO	Mill manager / assistants/ workers	<p>RSPO Principle 1 : all Principle 2: IN 2.1.1 (social) Principle 6: all Principle 8 (Social)</p>
08.00-12.30	<p>Environment, GHG, Legal Requirements</p> <ul style="list-style-type: none"> • Legal requirements (environment) • Water management plan & river protection • EIA/ Aspect & Impact Analysis • Waste management • Fossil fuel and renewable energy usage • SEIA & GHG monitoring for new plantings (if applicable) • Continuous improvement plan • Verification of previously raised NCs • Mill site visit & worker interviews (as required) 	AZ	Mill manager / assistants	<p>RSPO Principle 2 : IN 2.1.1 (environment) Principle 4: CR4.4 Principle 5: CR5.1, 5.3, 5.4, 5.6 Principle 8: all</p>
08.00-12.30	<p>Legal Requirements, OSH, Training, SOPs</p> <ul style="list-style-type: none"> • Mill inspection • Workshops & stores • HIRARC • OSH Committee & safety records • Accident records • Training & PPE issuance 	SS	Mill manager / assistants	<p>RSPO Principle 2: IN2.1.1 (OSH) Principle 4: CR4.6, 4.7, 4.8</p>

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Date / Time ⁽¹⁾	Organizational Unit and Processes	Auditor / Abbrev.	Interviewee	Procedure - EM/QM Element - Standard Chapter
	<ul style="list-style-type: none"> • SOPs & Internal audit • Verification of previously raised NCs • Field visit & smallholder/worker interviews (as required) 			
12.30-13.30	Break and lunch			
13.30-15.00	Continue document check at mill	All auditors		All
15.00-16.00	Preparation for Closing Meeting	All auditors		
16.00-17.00	Closing meeting <ul style="list-style-type: none"> • Presentation of findings by the audit team. • Questions and answers. Final summary by team leader.	All auditors	Top Management/ Managers/ assistants	
17.00	End of audit			

Appendix 3: List of Abbreviations

BABBSA	Benso, Adum Benso, BOPP Smallholder Association
BOD	Biological Oxygen Demand
BOPP	Benso Oil Palm Plantation
CBA	Collective Bargaining Agreement
CFC	Chlorofluorocarbons
CSIR	Council of Scientific and Industrial Research
CSR	Corporate Social Responsibility
COD	Chemical Oxygen Demand
CPO	Crude Palm Oil
CPO	Crude Palm Oil
EDO	Employment Desk Officer
EIA	Environmental Impact Assessment
ERTs	Endangered, Rare & Threatened species
EMP	Environmental Management Plan
EPA	Environmental Protection Agency
ESH	Environmental Safety & Health
FFB	Fresh Fruit Bunches
EFB	Empty Fruit Bunches
GEA	Ghana Employers' Association
GAWU	General Agricultural Workers Union
GM	General Manager
GSBA	Globally Significant Biodiversity Area
GSOPP	Golden Star Oil Palm Plantations
HCV	High Conservation Value
HIRARC	Hazard Identification, Risk Assessment and Risk Control
HRM	Human Resources Manager
IPM	Integrated Pest Management
IUCN	International Union for Conservation of Nature
JHS	Junior High School
KG	Kindergarten
KPI	Key Performance Index
KVIP	Kumasi Ventilated Improved Pit-Latrines
LCC	Leguminous Cover Crops
LTA	Lost Time Accident
LTI	Lost Time Injury
MOP	Muriate of Potash
MSDS	Material Safety Data Sheets
MTI	Medically Treated Injury
NGO	Non-Government Organization
NHIS	National Health Insurance Scheme
OPF	Outside Purchased Fruit
OSH	Occupational Safety & Health
P&D	Pests & Diseases
PKO	Palm Kernel Oil
POME	Palm Oil Mill Effluent
POPEG	Palm Oil Producers Employers Group
PPE	Personal Protective Equipment
RM	Relation Manager
RTE	Rare, Threatened and Endangered
RWI	Restricted Work Injury
SHE	Safety Health and Environment
SI	Severity Injury
SIA	Social Impact Assessment
SS	Smallholder Scheme
SSF	Social Security Fund
SSNIT	Social Security and National Insurance Trust
SOA	Sulphate of Ammonia

SOP	Standard Operating Procedure
SPH	Stand Per Hectare
SPU	Seed Processing Unit
TDS	Total Dissolved Solids
TSS	Total Suspended Solids
TUC	Trade Union Congress
UAC	United Africa Company
YTD	Year To Date
WB	Weighbridge
WRC	Water Resources Commusion

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Appendix 4: List of Stakeholders Interviewed and Contacted

No.	Name of Stakeholder	Institution / Position
Stakeholders Interviewed On-Site		
1.	Samuel Avaala	General Manager
2.	Kwasi Baah	Estate Manager
3.	Edward Amankrah	Mill Manager – Safety
4.	Stella Akyere-Takyi	Admin. Officer RSPO/Sustainability
5.	Charles Anderson	Safety Officer
6.	Sylvia Onsonyameye Armoo	Estate Supervisor – Nursery and Research
7.	Ignatius Asaah Mensa	Relations Manager
8.	Victor Atta-Ampomah	HR Manager
9.	Eugene Opuni-Nimakoo	SHD/OPF – Scheme Smallholder Manager
10.	Marian Gyamfua Boateng	Site SHE/ lect. Eng
11.	De-Graft Quartey	Asst Div Mgr Edumasi
12.	Evans Gyabeng	Maintenance Engineer
13.	Edward Dagadu	Divisional Mgr Edumasi
14.	Kwame Kwakye Kumi	Assistant Divisional Manager Akd
15.	John Korankye	Quality Control / Lab Supervisor
16.	Yaw Adobeh	Headman – Sprayer
17.	Kwame Kwalaye	Supervisor – Muster
18.	Charles Anderson	Safety, Health & Environment
19.	Robert Damoah Arthur	Ahinkrom Estate Manager
20.	Isaac Blay	FFB loader
21.	Nat Osei	FFB loader
22.	Theophilus Ampong	FFB loader
23.	Jeremiah Agbezo	FFB loader
24.	Samuel Sachy	FFB carrier
25.	Florence Appom	Housewife (husband is a harvester)
26.	Ebenezer Obobi	Contractor supplying labour
27.	Kwaku Antwi	Contractor supplying labour
28.	Mercy Akono	Contracted worker (under Ebenezer Obobi)
29.	Cecelia Ntaawu	Contracted worker (under Ebenezer Obobi)
30.	Comfort Yanbon	Contracted worker (under Ebenezer Obobi)
31.	Amelia Manku	Contracted worker (under Ebenezer Obobi)
32.	Eunice Acquah	Contracted worker (under Ebenezer Obobi)
33.	Akua Hawa	Contracted worker (under Ebenezer Obobi)
34.	Eunice Baidoo	Contracted worker (under Ebenezer Obobi)
35.	Mary Acquah	Contracted worker (under Ebenezer Obobi)
36.	Francisca Gariba	Contracted worker (under Ebenezer Obobi)
37.	Comfort Ansah	Contracted worker (under Kwaku Antwi)
38.	Sarah Abban	Contracted worker (under Kwaku Antwi)
39.	Gifty Akwety	Contracted worker (under Kwaku Antwi)
40.	Comfort Yankson	Contracted worker (under Kwaku Antwi)
41.	Abena Esaah	Contracted worker (under Kwaku Antwi)
42.	Cecelia Ntaame	Contracted worker (under Kwaku Antwi)
43.	Mercy Akonu	Contracted worker (under Kwaku Antwi)
44.	Hawa Annoful	Contracted worker (under Kwaku Antwi)
45.	Margaret Essilfie	Contracted worker (under Kwaku Antwi)
46.	Solomy Glaku	Contracted worker (under Kwaku Antwi)
47.	Janet Bedu	Contracted worker (under Kwaku Antwi)
48.	Akwa Awote	Contracted worker (under Kwaku Antwi)
49.	Hama Nyarko	Contracted worker (under Kwaku Antwi)
50.	Efua Nyarko	Contracted worker (under Kwaku Antwi)
51.	Joyce Tete	Contracted loose fruit picker (under John Mensah)
52.	Agnes Cole	Contracted loose fruit picker (under John Mensah)
53.	Anastacia Oben	Contracted loose fruit picker (under John Mensah)
54.	Ebo Danquah	Harvester (permanent)
55.	Emmanuel Owusu	Harvester (permanent)
56.	Kwame Acquah	Harvester (permanent)
57.	Justice Ben Yankey	Harvester (permanent)

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58.	Fifi Ampong	Smallholder executive (Secretary)
59.	Yaw Adjere Kesse	Smallholder executive
60.	Peter Leo Mensah	Smallholder executive (Executive Chairman)
61.	Samuel Opirah	Smallholder executive (Executive member)
62.	Ato Kwammine	Smallholder farmer
63.	Edward Enchil 4	Smallholder farmer
64.	Robert Emimih	Smallholder farmer
65.	Yaw Acheampong	Smallholder farmer
66.	Mesi Meyeyiar Bombo	Smallholder farmer
67.	Peter Minyimsaah	Smallholder farmer
68.	Yaa Badu	Smallholder farmer
69.	Martin Ewu-Ewu	Smallholder farmer
70.	Kofi Animpkorah	Smallholder farmer
71.	Johnson	Contractor
72.	Esi Mensah	Contracted loose fruit pickers (under Johnson)
73.	Janet Mensah	Contracted loose fruit pickers (under Johnson)
74.	Elizabeth Attah	Contracted loose fruit pickers (under Johnson)
75.	Agnes Amoh	Contractor
76.	Ajara Mono	Contracted fertilizer applicator (under Agnes Mono)
77.	Atua Brobbery	Contracted fertilizer applicator (under Agnes Mono)
78.	Vida Adgeina	Contracted fertilizer applicator (under Agnes Mono)
79.	Theresa Asame	Contracted fertilizer applicator (under Agnes Mono)
80.	Razak Dadzie	GAWU Executive - Secretary
81.	Samuel Anane	GAWU Executive
82.	George Sam	GAWU Executive – Vice Secretary
83.	Isaiah Essel	Asaman Village – Church Caretaker
84.	Joseph Abebreseh	Asaman Village – Elder
85.	Kobina Enyaah	Asaman Village – Elder
86.	Samuel Alaban	Asaman Village – Elder
87.	Kobina Nimah	Asaman Village – Elder
88.	Kofi Gyesi	Asaman Village – Elder
89.	Erneah Koomino	Asaman Village representative
90.	Shila Donkor	Asaman Village representative
91.	Aboa Mansah	Asaman Village representative
92.	Comfort Aidoo	Asaman Village representative
93.	Grace Appayya	Asaman Village representative
94.	Faustiwa Abban	Asaman Village representative
95.	Dina Koomson	Asaman Village representative
96.	Rebecca Abban	Asaman Village representative
97.	Rebecca Botwe	Asaman Village representative
98.	David Kofi Kumo	Asaman Village representative
99.	Mary Afran	Asaman Village representative
100.	Helina Tawiah	Asaman Village representative
101.	Ekua Dentsiwa	Asaman Village representative
102.	Elizabeth Aggrey	Asaman Village representative
103.	Naomi Quansah	Asaman Village representative
104.	Comfort Otoberah	Asaman Village representative
105.	John Arthur	Asaman Village representative
106.	Jacob Baidon	Asaman Village representative
107.	Ruth Mankoh	Asaman Village representative
108.	Ismael Anokye	Asaman Village representative
109.	Solomon Koomson	Asaman Village representative
110.	Samson Amoasi	Asaman Village representative
111.	Joseph Gyesi	Asaman Village representative
112.	Samuel Mankok	Asaman Village representative
113.	Paul Yankey	Asaman Village representative
114.	Lawrence Bobhaney	Asaman Village representative
115.	John Mankoh Simeon Botchway	Asaman Village representative
116.	Ebenezer A. Quansah	Asaman Village representative
117.	Benard Nyarkoh	Asaman Village representative
118.	Elizabeth Appayya	Asaman Village representative

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119.	Esther Botchway	Asaman Village representative
120.	John Coffie	Asaman Village representative
121.	Charles Coffie	Asaman Village representative
122.	Esther Arthur	Asaman Village representative
123.	Naomi Abban	Asaman Village representative
124.	Joyce Koomson	Asaman Village representative
125.	Grace Annan	Asaman Village representative
126.	Faustina Akrampa	Asaman Village representative
127.	Charles Enchil	Asaman Village representative
128.	Kweku Foh	Asaman Village representative
129.	Robert Tawiah	Asaman Village representative
130.	Mary Quansah	Asaman Village representative
131.	Adjoa Esiaba	Asaman Village representative
132.	Kwesi Dorikah	Asaman Village representative

Appendix 5: Observations and Opportunities for Improvement

No	Criterion	Observation/ Opportunity for Improvement
1.	2.1.1	A new Environmental Permit for the estate is still in progress. The EMP been submitted to the Environmental Protection Agency (EPA) as sighted (Ref: BOPP/EM/6/003/16) dated 30 June 2016. An acknowledgement letter from the EPA dated 11 July 2016 (Ref: CU/WR/8/VOL I/064) has been received by BOPP as proof of receipt of the copy of the revised EMP and the processing fees. The status of application of the Environmental Permit will be followed up in the next surveillance audit.
2.	2.1.2	Under No: 12 – Ghana National Fire Service Fire Precaution (Premises) Regulations, 2003 (L.I. 1724) it was detailed as clause. In addition the brief description on Regulation 10. Adequacy of means of escape was not described, instead it mainly on fire certificates application, display and renewal with 1 description on an occupier must have adequate equipment and well maintained.
3.	2.2	The company is currently involved in an ongoing land dispute case with the Chief (Odikro) named Katakow/Asankama or Nana Quaisie Bray. As per latest update letter dated 25 January 2016 from the company's letter regarding the case, it was seen that the the suit was adjourned 'sine die' and is pending further action form the plaintiff, i.e Nana Quaisie Bray in order for the case to proceed. The progress of the case will be followed up by the audit team during the next surveillance audit.
4.	3.1.2	Company has conducted meeting with smallholder group representative on the 12 May 2016 to discuss with Smallholder executive board. However company need to have comprehensive communication between all smallholder to discuss regarding on the future plan of the smallholder
5.	4.1.2	There is a document for checking the effectiveness of the implementation of SOPs entitled "SOP and PPE checking". However the aspects in the SOP and PPE checking is only related to the Safety and PPE attire and not covering checking of other SOPs, e.g. pertaining to best practices.
6.	4.7.5	The 1 st Aiders Refresher Training for 2016 was provided by Mr. Sulemana Abdul-Rauf, the Medical Assistant. Review has not being conducted whether the training should be provided by the approved first aid organization.
7.	4.7	BENSO Occupational Health & Safety Policy signed by Mr. Santosh Pillai - Managing Director and Wilmar Safety Policy signed by Mr. Kuok Khoon Hong – Chairman and Chief Executive Officer, Wilmar Group of Companies were in place but no details on the date.
8.	4.7.2	Most of the activities were risk assessed in terms of occupational health & safety and documented. However there were other operations such as In-house clinic activities for e.g. washing of used blankets and incineration activities for medical waste and Landfill activities and stacking of used fertilizer bags was not reflected.
9.	4.7 SS Guidance	Adum Bansa Community Meetings was conducted on 28 th April, 2016. BENSO Community Meeting 5 th May, 2016. Minutes of Meeting with Smallholder Division (SHD) BABBSA did not reflect details of the Accident / Emergency Response procedure being communicated. Although Safety Talks and Safety Inductions were provided to the small holders.
10.	4.7.2	Certain medicines for example Novamol 125 were kept in the refrigerator to preserve its shelf life as recommended by the manufacturer. There were no temperature monitoring conducted to monitor the actual refrigerator temp. Based on the manufacturer's recommendation of the current medicines in the refrigerator, storage of the medicine in the cool area would be sufficient. However there are other medicines that may be ordered with specific temperature storage requirements for example like Anusol which was not in the available during the audit.
11.	4.7.2	There was a signage displayed outside of the fenced incinerator area indicating only authorized persons can enter. In addition the gated access was padlocked. However inside the fenced area in-front of the incinerator observed leftovers of medicine covers and leftovers of ashes. This was

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		not yet cleaned to prevent possible cross-contamination to the area outside of the fence. In addition observed 1 empty chemical container that previously used to store Thinner was sighted.
12.	4.7.2	Blankets, pillow covers and bed sheets used by the patients in the in-clinic were washed using chlorine solution to sanitize them. Verification of the effectiveness of the washing process was not yet conducted to ensure there is no possible cross contamination of for example pathogens.
13.	4.6.6	Although observed at Adu Banso of the pesticides such as Metsulfuron Methyl and Chemosate were kept in locked room to prevent unnecessary access, material Safety Data Sheets were displayed and emergency eye wash in a form of bottle dispenser was available. There were no warning or proactive signage's on use of PPE prior entry was displayed to alert and inform any allowed persons into the room.
14.	4.7.2	Respirator type face mask were used during mixing and spraying process. However the usages of these face masks should be further checked for example on the approval of the face masks from the competent local authority.
15.	4.7.5	In the plantation the in event of emergency for example such as fire or injuries that require immediate response and treatment the responsible contact persons for example the headman is contacted via mobile phones. However observed the mobile phone signals were either unavailable or weak in certain areas in the plantation for example Small Holder plantation.
16.	4.6.11	Those exposed with who handle and work with any substance with corrosive and toxic effect have undergone medical surveillance on 27th July 2015 as shown in the Report on Chemical Handlers Medical Examination Report 2015. Based on this report there were 308 respondents out of 370 people present, accounting of 83.20% of the attendance. Therefore not all employees who handle and work with any substance with corrosive and toxic effect were tested. There were 16 females and 46 males that were absent from various areas such as Ahinkrom, Edumasi, Technical, Development and Small Holder. This matter is known and was discussed during the Management Committee Meeting Aug 12, 2015.
17.	4.7.2	Fume Hood & Analysis Table located the Mill Laboratory should be checked for its effectiveness in for example evacuating and venting the fumes from the Lab.
18.	4.7.2	Review should be made to check the functionality and shelf-life of the Flashback Arrestors connected to the Acetylene and Oxygen gas cylinders
19.	4.7.2	Hazard communication and current administrative controls of the treatment pond area should be further reviewed.
20.	4.7.2	Review should be made on mechanism of grounding of the chemical container drums such Mobile Oil 32 since the Safety Data Sheet of this chemical details that it is a static accumulator.
21.	5.1.1	Observed the chemical mixing activity been done on the ground without a proper containment if there is a spillage or leakage. Further interview with the workers says that if there is a spillage, they will use a mop to clean.
22.	5.1.1 (SS)	The company provided an EMP dated Sep 2015, it is determined on the document that activities in smallholder area are similar with the activities implemented within the nucleus estate, therefore the impacts to the environmental will be the same. It is stated on page 22 description of the EMP from smallholder activities which evidence participation of the smallholder from EMP meeting on May 15, 2014. However, there is no evidence that the EMP about forest reserve (Neung Forest Reserve), zero burning, chemical spraying & fertilizer application, rivers & water bodies have been highlighted/monitored to the smallholders since last meeting conducted in May 2014. Sighted from the Smallholders/Farmers Meeting Minutes with the latest meeting done on 7 July 2016 has not mentioned or highlighted about the EMP to the smallholders.
23.	5.3.1	BOPP Implementation Guide – Waste Management dated 13 Mar 2009 (draft) has emphasized on the effort to reduce risks to people and environment. The guide has also stated that fertilizer bags, fluorescent tubes and batteries should be treated in a proper way as it contains hazardous substances i.e. heavy metals (batteries and fluorescent tubes). Some type of fertilizer bags i.e. GRP were found to be re-use after been washing and not treated as a scheduled waste. According to the MSDS also, the empty fertilizer bags should be treated as scheduled waste conferring to the local regulations. Sighted contaminated gloves in the waste bin labeled as “Other Waste” at the off-loading area.

24.	CR6.2 & CR6.10 SS Guidance	<p>1) Several scheme smallholder (non-executives) interviewed complained that they do not understand the FFB pricing mechanism as they are only informed that pricing is based on global market prices, but they have no ability to access such information or crosscheck how determination of FFB prices are done. FFB pricing mechanism is currently only discussed between the smallholder executives and BOPP management, where feedback from other smallholders show there is lack of information provided by the smallholder executives to the other farmers on the pricing mechanism</p> <p>2) The smallholders informed that their planted area is due for replanting within 4 years but there is no clear plan from the company yet on whether they will continue with the smallholder scheme, which is causing some concern among the smallholders on whether they will still receive income from their plots. They hope that the company can confirm on the plan for replanting as soon as possible. The progress of this issue will be followed up in the coming audits.</p>
25.	CR6.4	<p>During meeting with one of the settler communities, i.e. Asaman village, that during the establishment of BOPP in 1976, the company had cleared some of the land on which the settlers had planted cocoa, not only in Asaman Village but in several other surrounding communities which were established by settlers. It was confirmed by the community that the company had compensated the community at a rate of 84 pesos per cocoa tree cleared, and this rate had been approved by the Ghana Land Valuation Board, hence the compensation was made was legally appropriate but was very low. It was also confirmed by the village assemblyman that BOPP was the legal owner of the land and not the settlers, however the land clearing and low compensation amount had severely impacted the communities resulting in loss of income and impacting the communities until this day, as informed by the interviewed Asaman community members who recollected the hardship of their parents resulting for the land clearing by BOPP. The community has requested the company to consider provision of additional compensation.</p>
26.	CR 6.5.1	<p>1) It was observed from samples worker's pay slips that some total deductions were significantly high and up to 60% of the worker's gross salary, e.g. pay slip dated April 2016 for worked named John Cobbina where gross salary was GH¢ 1078.40 and total deductions was GH¢ 640.66 resulting in net pay of GH¢ 437.74. While there is no legal requirements on maximum permitted deductions, and confirmed that some deductions are optional, or are for funds which can later be claimed by workers or welfare which can be claimed under specific conditions, it is noted that the amount of deductions is significantly high.</p> <p>2) Sampled mill workers pay slips who work on daily rate and are entitled to overtime do not show information how many days worked, including normal days, rest days, public holidays and overtime. Hence overtime slips are not transparent and it could not be confirmed easily if the calculation of basic pay and overtime pay was in accordance with legal requirements.</p> <p>3) Interviewed contract workers under contractor named Kawku Antwi informed that although they are supposed to receive their wages on the 1st week of the month, usually this is delayed up to 2 weeks and occurs frequently.</p>
27.	CR 6.5.2	<p>Female 3rd party contract fertilizer applicators as well as contractors interviewed informed that for the purpose of safety, women workers who are pregnant and breast feeding until one year from the birth of their baby are prohibited from working. By right such women should be re-assigned to work not involving chemicals until the time of delivery and be free to choose when they wish to return to work so not to significantly affect their livelihood.</p>
28.	6.5.3	<p>Current housing conditions as observed as Edumase Division are in need of further improvement due to the following:</p> <p>iii) Each family is provided one room (with 2 rooms/2 families allocated in one house) where space is limited and as result, the space is insufficient for families with several children. Sighted a schedule for Housing Renovation & Upgrade Year 2015 – 2020 including renovation works to be done at management area, AM/supervisors area, police quarters, and renovation and new housing construction planned for Ahinkrom Division, Edumasi Division and Mill Village. Sighted that for Ahinkrom, there is plans to construct one new G10 housing in years 2016, 2018, 2019 and 2010, in Edumasi, planned for one new G10 housing in year 2016, 2018, and 2020 and in the mill village, one new housing planned for year 2018, 2019 and 2010. The progress of this will be checked at next surveillance audits.</p> <p>iv) There is only one shared public shower available for all housing occupants with 4 cubicles for females and 4 cubicles for males which is low compared to the number of workers and their dependents at the division housing</p>
29.	CR 6.6	<p>1) 3rd party contract workers as well as the BOPP GAWU union members informed that third party contract workers are not allowed to join the union as it is not permitted. There does not seem to be evidence of communication to 3rd party contract workers of their rights to form a</p>

		<p>trade union if they so wish, as allowed under the Labour Act 2003 Clause 79 and also as stated in BOPP's statement on freedom of association. However scheme smallholder executives informed that they are in progress to form a worker's organization for their workers. The progress of this will be evaluated during next surveillance audit.</p> <p>2) Several BOPP GAWU executives interviews informed of certain changes implemented by BOPP management which were not discussed and agreed by the GAWU although by right these should have been transparently discussed with the union before implementation, i.e.:</p> <ul style="list-style-type: none"> - Annual revisions made to worker's tasks to increase the daily targets which reduces incentives received by the workers. Failure to discuss such revisions with the union is not in accordance with Article XXV of the CBA which states that productivity-based incentives/bonus schemes are to be determined by the employer and the union. - Prior to November 2015, electricity deductions were at a rate of GH¢ 1.80 but it was increased to GH¢ 10 and only informed to the workers without any prior negotiation or agreement with the union.
30.	CR 6.8	<p>Scheme smallholder representatives (who also represent their communities), the local assemblyman representing 7 communities and community members of Asaman Village informed they do not receive any notice of available job vacancies from the company and would like to receive such information to increase employment opportunities of their people. It is noted that BOPP has developed an employment desk to inform communities of job vacancies, however, based on this feedback, it is evident that communication from the employment desk to the communities requires further improvement.</p>
31.	CR 6.9	<p>BOPP does not have a specific reproductive rights policy but is applying Wilmar's general policy entitled 'Sexual Harassment, Violence, and Abuse, Reproductive Rights Policy dated June 2014. The company's sexual harassment policy and reproductive rights policy does not incorporate commitment to education and awareness of the workforce, although records of some such trainings were sighted.</p>
32.	CR 6.9 SS Guidance	<p>In record book of discussion on sexual harassment and reproductive rights with smallholders, it was sighted a record of discussion on 4 August 2015 regarding sexual harassment and reproductive rights. However, 9 scheme smallholders and executives interviewed were not very familiar with the policies but aware who in the company they could raise complaints to in case of such issues and informed that there were no cases of sexual harassment and no restriction of reproductive rights. The company should regularly disseminate the policies to their smallholders.</p>