



MOODY INTERNATIONAL CERTIFICATION (M) SDN BHD
(188296-W)

Report No.: R9280/12-2 (MRICOP-PMU)

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MAIN ASSESSMENT ON RSPO CERTIFICATION
PUBLIC SUMMARY REPORT

MONG RETHTHY INVESTMENT CAMBODIA OIL PALM CO. LTD
(MRICOP)

RSPO Membership No: 1-0109-11-000-00

MANAGEMENT UNIT

Mong Reththy Investment Cambodia Oil Palm Co. Ltd (MRICOP)

Palm Oil Mill, Choeung Kor Commune, Prey Nop District,
Sihanoukville, Cambodia

Certificate No: RSPO 928088

Issued date:

Expiry date:

Assessment Type **Assessment Dates**

Initial Certification 24-28 April 2012

(Main Assessment)

Surveillance 1

Surveillance 2

Surveillance 3

Surveillance 4

Re-Certification

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1.0 SCOPE OF INITIAL CERTIFICATION / MAIN ASSESSMENT

1.1 Introduction

This Initial Certification assessment was conducted on the Plantation Management Unit (PMU) of Mong Reththy Investment Cambodia Oil Palm Co. Ltd (hereafter abbreviated as MRICOP) on the **24th to 28th April 2012**, to assess if the organization's operations of the mill and its supply bases were in compliance against the RSPO Principles and Criteria (October 2007), Cambodian Local Indicators (March 2012) for Small Producing Countries (SPC) and the RSPO Supply Chain Certification Standard (November 2011) for Palm Oil Mill.

MRICOP is the first company in Cambodia to cultivate oil palm commercially with incentives granted by the Royal Government of Cambodia. MRICOP was granted a land area of about 11,000 hectares of economic concession land located in Prey Nop district, Sihanouk Province, Cambodia for the said purpose in 1997.

The project is located about 158 km south from the capital of Cambodia, Phnom Penh and 70 km north from Sihanoukville port city.

MRICOP is a registered member of RSPO since 20 December 2011 with membership number 1-0109-11-000-00.

MRICOP is owned by a joint venture between the Thai Charoen Corporation Group (TCC) and the Mong Reththy Group (MRT) i.e. TCC-MRT on a 75% and 25% shareholding basis.

This PMU consists of one crude palm oil mill (POM) and two (2) estates, which are the supply bases of the Fresh Fruit Bunches (FFB) under the management control of MRICOP. (See 1.3 on inclusion of Estate C being part of the supply base in its 3 year time bound plan)

1.2 Location (address, GPS and map)

Details of the addresses and locations of the POM and Estates are as indicated in Table 1 below. Geographical maps of the locations including the identified Conservation and HCV areas are as per **Appendix C1 – C6**.

Table 1: Address and GPS Location

| Name | Address / Location | GPS Reference | |
|--|--|---------------|--------------|
| | | Latitude | Longitude |
| MRICOP Palm Oil Mill (Capacity: 30 MT/hour) | Head Quarters: #52, St. 598 Sangkat Boeung Kak II, Khan Toul Kork, Phnom Penh, Cambodia. Website: www.mricop.com.kh / www.cpoi.com.kh Plantation Site & Office: Mong Reththy Investment Cambodia Oil Palm Co. Ltd., National Road 4, Monorum, Choeungkor, Prey Nop, Sihanouk Province, Cambodia. | 10°54.50' N | 103°49.65' E |
| Estate A | National Road 4, Monorum, Choeungkor, Prey Nop, Sihanouk Province, Cambodia. | 10°49.95' N | 103°48.85' E |
| Estate B | National Road 4, Monorum, Choeungkor, Prey Nop, Sihanouk Province, Cambodia. | 10°54.50' N | 103°49.65' E |

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1.3 Description of Estate Areas and Supply base (fruit sources)

MRICOP currently owns the POM (commissioned in 2002) and two of the estates i.e. Estate A and Estate B. The supply bases for the FFB to the MRICOP POM are mainly from Estate A and Estate B (owned by MRICOP) and from the Estate C (owned by MTSI but managed by MRICOP).

Note: Estate C is owned by MRT-TCC Sugar Investment Co., Ltd (MTSI). MTSI's shareholders are the Thai Charoen Corporation Group (TCC) Group and Mong Reththy Group (MRT) on a 75% and 25% ownership basis. Both MRICOP and MTSI are under the same ownership of TCC-MRT.

FFB supply from Estate A and Estate B (under MRICOP) had commenced since year 2000, whilst supply from *MTSI (Estate C) had recently commenced since year 2011.

MRICOP has included MTSI (Estate C), being part of the supply base, into its 3-year Time Bound Plan for certification which is to be realized by 2015.

Details of the planted hectareage for the FFB supply are as per Table 2 below.

Table 2: Estate Area Summary

| Estate Name | Area Summary (Ha) | |
|------------------|-------------------|----------|
| | Total | Planted |
| Estate A | 6,705.47 | 4,073.68 |
| Estate B | 6,000.97 | 2,990.53 |
| Total | 12,706.44 | 7,064.21 |
| *MTSI (Estate C) | 8,287.58 | 4,736.04 |

1.4.1 Year of plantings and cycle

The year of plantings and age profiles for the respective estates is as per Table 3 below.

Table 3: Age Profile of Planted Oil Palm

| Year of Planting | Age of Palm (years) | Planted Area (Ha) | | |
|------------------|---------------------|-------------------|----------|------------------|
| | | Estate A | Estate B | *MTSI (Estate C) |
| 2009-2012 | 0-3 | 0.00 | 0.00 | 4,136.18 |
| 1997-2008 | 4-15 | 4,073.68 | 2,990.53 | 599.86 |
| 1996 | >15 | 0.00 | 0.00 | 0.00 |
| | Total | 4,073.68 | 2,990.53 | 4,736.04 |

Estate A and Estate B had been planted since 1997 and are currently in the 1st cycle of planting.

*MTSI (Estate C) was a plantation cultivated with other agricultural crops e.g. cassava and sugar cane since 1997 which has later converted as an oil palm plantation nursery and plantation in 2008.

The palms in MTSI (Estate C) are mainly at the immature stage. There are plans under the owner i.e. MTSI to build another palm oil mill by 2013 to eventually cater for the FFB supply from MTSI (Estate C).

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1.5 Summary of Land Use including Conservation and HCV Areas

The summary and trend of the land use and development since year 2010 /11, which was verified are as per Table 4A & 4B below:

Table 4A: Land Use – Conservation and HCV Areas (MRICOP)

| Estate A and B | | Year 2010/11 | Year 2011/12 |
|----------------|------------------------|--------------|--------------|
| a) | Planted Area (ha) | 7,064.21 | 7,064.21 |
| b) | Conservation Area (ha) | 687.53 | 687.53 |
| c) | HCV Area (ha) | Nil | Nil |
| d) | Villagers Area (ha) | 4,486.87 | 4,486.87 |
| e) | Certified Area (ha) | 12,706.44 | 12,706.44 |

Note:

- Significant portions of the land have been occupied by the local villagers and communities, for more than 5 years, which were left unplanted and maintained as such.
- Conservation areas are principally water bodies such as natural and dug up ponds and buffer zones along river tributaries and streams.
- There are no reported HCV areas at Estates A and B.

Table 4B: Land Use – Conservation and HCV Areas (MTSI)

| MTSI - Estate C | | Year 2010/11 | Year 2011/12 |
|-----------------|---|--------------|--------------|
| a) | Planted Area (ha) | 2,641.04 | 4,736.04 |
| b) | Conservation Area (ha) | 930.19 | 930.19 |
| c) | HCV Area (ha) | 2.32 | 2.32 |
| d) | Villagers Area (ha) | Nil | Nil |
| e) | Certifiable Area under the Time Bound Plan (ha) | 8,287.58 | 8,287.58 |

Note:

- Conservation areas comprise of buffer zones along river tributaries and water ponds, buffer zones / corridor along hillsides
- HCV areas comprise of buffer zones surrounding a Khmer 'Soldiers' burial site.

1.6 Other certifications and Use of RSPO Trademarks

There are currently no other certifications held by MRICOP- PMU. The RSPO's trademarks and logo are not being used by the PMU audited.



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1.7 Organizational information / Contact Person

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Fax: 855-23-216 496
Email: singguan.mricop@gmail.com

Mr. Sumate Pratumswan
Deputy Managing Director / RSPO Head
Mong Reththy Investment Cambodia Oil Palm Co. Ltd
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Kingdom of Cambodia
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Fax: (855) 23986439
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1.8 Tonnages Verified for Certification

The breakdown of the all the suppliers and their tonnages of FFB supplied to the POM at MRICOP based on the reporting period from April 2011 to March 2012 were as follows:

| # | Estate /Supplier | FFB Processed (MT) | Main Receiving Mill |
|---|------------------|--------------------|---------------------|
| 1 | Estate A | 68,409.09 | MRICOP POM |
| 2 | Estate B | 27,941.74 | MRICOP POM |
| | Sub-total | 96,350.83 | |
| 3 | MTSI (Estate C) | 203.01 | MRICOP POM |
| | Grand total | 96,553.84 | |

Therefore, verified annual tonnages of CPO and PK production from certifiable sources i.e. Estates A & B under MRICOP as assessed for the current assessment (based on April 2011 to March 2012 data) are as follows:

| FFB Processed (MT) from RSPO assessed / certifiable sources | CPO Production (MT) | PK Production (MT) |
|---|---------------------|--------------------|
| 96,350.83 | 18,287.39 | 2,697.82 |
| | (OER: 18.98%) | (KER: 2.80%) |

Projected production quantities/volumes from certified sources estimated from April 2012 to March 2013 are:

| FFB from certified sources | CPO Production (MT) | PK Production (MT) |
|----------------------------|---------------------|--------------------|
| 105,069.39 | 20,488.53 | 3,995.26 |
| | (OER: 19.50%) | (KER: 3.80%) |

Note: The POM has established and maintained proper procedures for the book keeping and monitoring requirements for the CPO at the mill and was verified to be adopting the 'Mass Balance' model in accordance with the RSPO Supply Chain Certification (SCC) requirements. Verified activities and checked items for the **SCC of the POM are reported in section.3.1.1.**

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1.9 Time Bound Plan for Other Management Units

At present, there are no other management units owned under MRICOP.

However, MRICOP has included MTSI (Estate C), being part of the supply base, into its 3-year Time Bound Plan for certification which is to be realized by 2015.

MICM is of the opinion that MRICOP has made good progress and barring unforeseen circumstances will be able to meet the stated time bound plan.

1.10 Abbreviations Used

| | | | |
|------|--|--------|--|
| CHRA | Chemical Health Risk Assessment | MICM | Moody International Certification (Malaysia) Sdn Bhd |
| CPO | Crude Palm Oil | MRICOP | Mong Reththy Investment Cambodia Oil Palm Co. Ltd |
| CSDS | Chemical Safety Data Sheets | MSDS | Material Safety Data Sheets |
| EFB | Empty Fruit Bunch | MT | Metric Tonne |
| EHS | Environmental Health & Safety | MTSI | MRT-TCC Sugar Investment Co.,Ltd |
| EIA | Environmental Impact Assessment | NCR | Non-Conformance Report |
| ETP | Effluent Treatment Plant | NGO | Non-Government Organization |
| FFB | Fresh Fruit Bunch | OER | Oil Extraction Rate |
| GAP | Good Agriculture Practice | OHS | Occupational Health & Safety |
| GPS | Global Positioning System | PEFC | Programme for the Endorsement of Forest Certification |
| Ha | Hectare | PK | Palm Kernel |
| HCV | High Conservation Values | PKO | Palm Kernel Oil |
| HDPE | High-Density Polyethylene | PMU | Plantation Management Unit |
| IPM | Integrated Pest Management | POM | Palm Oil Mill |
| IUCN | International Union for Conservation of Nature | POME | Palm Oil Mill Effluent |
| JCC | Joint Consultative Committee | PPE | Personal Protective Equipment |
| KER | Kernel Extraction Rate | SIA | Social Impact Assessment |
| LDC | Least Developed Country | SOP | Standard Operating Procedures |
| LTA | Lost Time Accidents | USECHH | Use & Standards of Exposure of Chemicals Hazardous to Health |

2.0 ASSESSMENT PROCESS

2.1 Assessment Methodology, Programme and Site Visits

Assessment methodology has included physical site and field inspections, observing relevant processes, including social and environmental issues such as educational and healthcare activities, interviewing of the Mill Manager, Estate Managers, Executives, administrative and operational staff, mill and field workers, female workers and their families, external stakeholders including NGOs and local officials, review of documentation, verification of records, communications and monitoring data. Checklist and questionnaires were used. Samples selected were done on a random basis. Details of assessment plan are given in **Appendix B**.

This report had been independently reviewed for conformance with the RSPO certification system requirements and reviewed for its technical content by the MICM Internal Evaluation Panel.



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2.2 Date of next scheduled visit

The next scheduled visit will be the annual surveillance assessment which will be carried out within 12 months from the date of RSPO acceptance of this public summary report.

2.3 Qualifications of the Lead Assessor and Assessment Team

Competency details of the Lead Assessor and Assessment Team are given in **Appendix A**.

2.4 Certification Body

Intertek Moody is the trading name / brand name of Moody International Certification (Malaysia) Sdn Bhd. The Intertek Moody Group is a worldwide technical services organization dedicated to reducing clients' risks by providing technical inspection services, management system certification in quality, environmental, occupational safety & health and product certification, Marine Sustainability Chain-of-Custody, MTCS and PEFC Chain-of-Custody certification in applicable industry sectors including the agricultural and forestry sectors. Intertek Moody operates globally providing clients with a wide-ranging technical inspection expertise and access to thousands of skilled specialists worldwide. Our Management Systems Certification business is ranked in the top 10 worldwide, and is available globally offering certification across a wide range of industries.

2.5 Process of stakeholder consultation

Stakeholder consultation had been carried out progressively at various stages since the acceptance of MRICOP's RSPO membership in December 2011. Stakeholder consultations and feedback were obtained during engagement of MICM in the development of the RSPO Cambodian Local Indicators for MRICOP, during the Pre-Assessment and Main Assessment of MRICOP.

2.5.1 During Development of the Cambodian Local Indicators

Between 10 January and 24 February 2012, MICM held a series of meetings with RSPO and MRICOP representatives to discuss the process for stakeholder consultation needed for the development and final acceptance of the Cambodian Local Indicators (LI) based on the RSPO P&C. The process of finalizing the Cambodian LI had also involved direct feedback from the local Cambodian stakeholders such as Social and Environmental NGOs, the various Cambodian ministries and depts., Cambodian community leaders and representatives which had provided useful and critical inputs pertaining to the relevant laws and regulations and the expected implementation in the context of MRICOP in going through the RSPO certification process upon which the main assessment findings was based on.

2.5.2 During Pre-Assessment of the PMU

Between 18 and 21 October 2011, a Pre-Assessment was conducted by MICM at MRICOP upon the request of the overseas CPO buyers i.e. Profair Trade, Switzerland (also a RSPO member) to determine the extent of implementation of the RSPO P&C by MRICOP. The exercise was to identify the potential non-conformances and level of implementation of the RSPO requirements and to enable MRICOP sufficient time to address the potential non-conformances ahead of the Main Assessment (which was held 6 months later). Findings in the Pre-Assessment had highlighted to MRICOP some 40 development points / areas of potential non-conformances. All, except two (2) development points (DP) had been closed while the remaining 2 outstanding ones had been converted to Minor NCR during the Main Assessment. (Details are given under the respective criteria under 3.1 "Summary of Findings". The Pre-Assessment had also covered stakeholder consultations at site with the workers, local villagers, community leaders and officials. For summary of the key findings from the **Pre-Assessment, refer to Appendix E**.

Note: Development Point - a term for potential nonconformance used strictly only during Pre-Assessment

2.5.3 During Main Assessment of the PMU

Stakeholder consultations for the main assessment consist of notification of upcoming main assessment through the websites of RSPO, MRICOP and MICM. E-mails, facsimiles and letters of the same were sent to the relevant stakeholders including government ministries, agencies and NGOs.

Stakeholder comments and responses received prior to the actual assessment were followed up accordingly.

During the assessment stakeholders were interviewed and their feedbacks were recorded. Among the stakeholders consulted were workers, plantation committee leaders, women representatives, community leaders, and government officials, social and environmental NGO representatives.

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The list of stakeholders consulted included the following:

Government Ministries / Agencies

- Ministry of Agriculture, Forestry & Fisheries
- Ministry of Industry, Mines & Energy
- Ministry of Health
- Ministry of Wildlife Protection
- Ministry of Women Affairs
- Ministry of Environment
- Ministry of Immigration
- Ministry of Land
- Ministry of Economy & Finance
- Ministry of Rural Development
- Ministry of Water resource and Meteorology
- Department of Forestry, Cambodia
- Department of Wildlife & Biodiversity, Cambodia
- Council for Agriculture and Rural Development (CARD)
- Ministry of Labour & Vocational Training

NGOs

- World Wildlife Fund (WWF) Cambodia
- Conservation International, Cambodia
- CEDEC, Cambodia
- Association of Protection Development for Cambodia Environment (APDCE)
- Cambodia Farmer Economic Development (CFED)
- Cambodian Human Rights and Development Association (ADHOC)
- Cambodian Labour Organization (CLO)
- Cambodian League for the Promotion & Defence of Human Rights (LICADHO)
- Cambodian Rural Economic Development Organization (CREDO)
- Cambodian Sanitation and Recycling Organization (CSARO)
- Centre d'Etude et de Développement Agricole Cambodgien (CEDAC) Cambodia
- Conservation International (CI) Cambodia
- Cooperation for Development of Cambodia (Co-DeC)
- Culture and Environment Preservation Association (CEPA)
- Development and Partnership in Action (DPA)
- Fisheries Action Coalition Team (FACT)
- Gender and Development for Cambodia (GAD/C)
- Healthcare Centre for Children (HCC)
- Human Resource and Rural Economic Development Organization (Hurredo)
- Human Rights Vigilance of Cambodia (Vigilance)
- Indigenous Community Support Organization (ICSO)
- Khmer Community for Agricultural Development (KCAD)
- Khmer Farmers Association (KFA)
- Khmer Institute for National Development (KIND)
- Legal Aid of Cambodia (LAC)
- NGO Committee on the Rights of the Child (NGO-CRC)
- NGO Forum of Cambodia
- Hand of God, Cambodia
- Wildlife Alliance, Cambodia
- Organization for Assistance of Children and Rural Women (CWARO)
- Provincial Governor of Sihanoukville
- Urban Poor Women Development (UPWD)
- Violence Against Women and Children of Cambodia (VAWCC)
- Wildlife Alliance Cambodia
- World Wide Fund (WWF) Cambodia (Phnom Penh)

Others

- Gender Committee Members
- Commune Head - ChoeungKor – Ngoun Chea
- Village Head – Monorum – Den Sokhom
- Village Head – Ta Pov – Luch Sophal
- Village Head – Svay - Com Som An
- School Principals – Thir Than
- Clinic doctors – Dr Lik Kim Dy
- Temple Heads/Caretakers
- Village Head – Ta Ney – Chhouk Din

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3.0 ASSESSMENT FINDINGS

3.1 Summary of findings

The findings during this Main Assessment have included the follow up on the Development Points raised during the Pre-Assessment done in October 2011.

Principle 1: Commitment to transparency

| Criterion 1.1 | | | |
|--|--|---|------------|
| Oil palm growers and millers provide adequate information to other stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages & forms to allow for effective participation in decision making. | | | |
| Assessment | Indicators | Findings and Objective Evidence | Compliance |
| Main Assessment | 1.1.1 Records of requests and responses must be maintained. Major compliance | Presently, MRICOP has only one PMU. Requests for information from stakeholders are met. Request, response and related documents were verified and are maintained. Records of request, responses / minutes of communication with all interested stakeholders are maintained. They are mainly recorded in the local 'Khmer' language in a 'Register of Stakeholder Communication'. | Yes |
| Criterion 1.2 | | | |
| Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes. | | | |
| Assessment | Indicators | Findings and Objective Evidence | Compliance |
| Main Assessment | This concerns management documents relating to environmental, social and legal issues that are relevant to compliance with RSPO Criteria. Documents that must be publicly available include, but are not necessarily limited to: Major compliance 1.2.1 Land titles/user rights (C2.2). | MRICOP website www.mongreththy.com contains the following information: <ul style="list-style-type: none"> • Business license, • Contact information, • Business lines, • Location of oil palm projects and land area, and • Duration of land concession. • Information on labour policies, community involvement, environmental policies and services and product quality. <p>The publicly available documents also include: Document on Land Concession Contract between the Cambodian Ministry of Agriculture, Fishery and Forest (AFF) and MRICOP. Also verified is the information on the above concession land for 70 years commencing 1997. Information of social and environmental impact assessments, safety and health policies and negotiation procedure are now also publicly available at both the website and POM office site, thus DP#AL02 – C1.2 is closed. Ref: www.mricop.com.kh / www.cpoi.com.kh Note: Indicated in the MRICOP website, information which is considered as commercially confidential will only be made available upon obtaining details of the stakeholder concerned and upon Management approval.</p> | Yes |
| | 1.2.2 Safety and health plan (C4.7). | Safety and health plan is available and implemented | Yes |

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| | | | |
|--|---|---|-----|
| | 1.2.3 Plans and impact assessments relating to environmental and social impacts (C5.1, 6.1, 7.1, 7.3) | Environmental and Social Impact Assessments finalized in September 2011 is available and was reviewed. It contains the list of laws and sub decrees related to environment and social issues. Management & Monitoring Plan for EIA and HCV dated March 2012 was evidenced. | Yes |
| | 1.2.4 Pollution prevention plans (C 5.6) | Pollution prevention plan is evidenced | Yes |
| | 1.2.5 Details of complaints and grievances (C 6.3) | In response for action on DP# JM01- C1.2 , MRICOP has included the necessary details including identifying a corporate representative / coordinator, for handling complaints and grievance. Complaints and grievances process flowchart and its details are now evidenced | Yes |
| | 1.2.6 Negotiation procedures (C 6.4) | Negotiation process flowchart is evidenced. | Yes |
| | 1.2.7 Continuous improvement plan (C 8.1) | Continuous improvement plan is evidenced | Yes |

Principle 2: Compliance with applicable laws and regulations

| Criterion 2.1 | | | |
|--|---|--|-------------------|
| There is compliance with all applicable local, national and ratified international laws and regulations. | | | |
| Assessment | Indicators | Findings and Objective Evidence | Compliance |
| Main Assessment | 2.1.1 Evidence of compliance with relevant legal requirements. Major compliance | Document on Land Concession Contract between the Cambodian Ministry of Agriculture, Fishery and Forest (AFF) and MRICOP was verified (dated 9 th Jan 1996). Environmental and Social Impact Assessments finalized in Sept 2011 was viewed and confirmed to the list of laws and sub decrees related to environment and social issues. A list of all applicable laws for the operation of estates and oil palm mill have been prepared Overall, there is adequate evidence of compliance with the applicable local, national laws and legal requirements detailed in the Cambodia Local Indicator. Licenses and permits for operations are valid and displayed at the main office at the POM. Verified with relevant website and during Stakeholders consultation that Cambodia is still listed by the United Nations as under the 'Least Developed Country' – LDC status and is exempted from full compliance with the applicable ratified International Conventions. | Yes |
| | 2.1.2 A documented system, which includes written information on legal requirements. Minor compliance | Verified that there is a listing of the legal requirements which includes the applicable environmental and social laws and sub-decrees that are reviewed and updated after Pre-Assessment conducted in October 2011. Thus DP# AL03 – C2.1 is closed. Listing of applicable laws is available and reviewed | Yes |

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| | | | |
|---|---|---|-------------------|
| | | for updates by the Document controller / Personal Assistant to MD, minimum annually | |
| | 2.1.3 A mechanism for ensuring that they are implemented. Minor compliance | MRICOP's relevant SOP provides the mechanism for implementation of the applicable laws including environmental and social laws etc as per Cambodia LI and found to have been implemented. Monitoring of compliance by the respective Estate Managers assisted by legal personnel At the Main Audit, confirmed that DP# AL04- C2.1 is closed. Further a system to track changes in laws is had also been enhanced and implemented (see also 2.1.4) | Yes |
| | 2.1.4 A system for tracking any changes in the law. The systems used should be appropriate to the scale of the organization. Minor compliance | Process of tracking of changes is in place and assigned to the MD's personal assistant who also acted as Document controller. Latest changes updated till March 2012. | Yes |
| Criterion 2.2 | | | |
| The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights. | | | |
| Assessment | Indicators | Findings and Objective Evidence | Compliance |
| Main Assessment- R9280/12-2 | 2.2.1 Evidence of legal ownership of the land including history of land tenure. Major compliance | Document on Land Concession Contract between the Cambodian Ministry of Agriculture, Fishery and Forest (AFF) and MRICOP was verified (dated 9 th January 1996). Land concession to MRICOP verified to be legal. Land found to be not contested by any of the villagers at the time of assessment. Interviews with the villagers indicated not any land conflict between them and MRICOP. Boundaries of the estate is bordered either by roads or demarcated with boundary stones originally located at the time of development. Earlier disputes on the status of the land and villages within the land areas during the start of the plantation operations in 2002 had been resolved by MRICOP in an acceptable manner prior to the RSPO membership approval in December 2011. Evidence of resolution on this dispute available and maintained. Mechanism to solve land conflict is in place, available and as evidenced in the related criteria 6.3. & 6.4. During Main Assessment, it has been confirmed that there was no further conflict issue raised. DP# AL05- C2.2 was raised in Oct 2011 on outstanding unresolved issue below : "The allegation posted in the World Rainforest Movement Bulletin #39 in October 2000 about Monorom and Tanei villages had previously held back approval of RSPO membership of MRICOP." | Yes |

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| | | As this was found to have been resolved and RSPO membership granted in Dec 2011, DP#AL05- C2.2 is closed. | |
| | 2.2.2 Growers must show that they comply with the terms of the land title. [This indicator is to be read with Guidance 2] Major compliance | As stated in the concession contract, the land is to be used for agricultural purposes and oil palm cultivation was specified. | Yes |
| | 2.2.3 Evidence that boundary stones along the perimeter adjacent to state land and other reserves are being located and visibly maintained. Minor compliance | Boundary stones including other markers such as roads and trenches were sighted and are within the perimeters as indicated in the land concession title. The audit team has verified that no planting was done beyond the legal boundary | Yes |
| | 2.2.4 Where there are, or have been, disputes, proof of resolution or progress towards resolution by conflict resolution processes acceptable to all parties are implemented. Cross ref. to 2.3.3, 6.4.1 and 6.4.2. Minor compliance | There was no further conflict issues, such as dispute over the land, or the condition of land use as per land title,, found during the Main Assessment | Yes |
| Criterion 2.3 | | | |
| Use of the land for oil palm does not diminish the legal rights, or customary rights, of other users, without their free, prior and informed consent. | | | |
| Assessment | Indicators | Findings and Objective Evidence | Compliance |
| Main Assessment- R9280/12-2 | 2.3.1 Where lands are encumbered by customary rights, participatory mapping should be conducted to construct maps that show the extent of these rights. Major compliance | There were no customary lands in the concession area. Cultivation of oil palm in the allocated concession has not diminished any legal rights of villagers either. A letter from the provincial Governor (Reference No. 42 MRT dated 3/3/1999) with a copy each extended to the city hall, district office, commune office and plantation office was viewed with regard to the land concession given to MRICOP for the development of oil palm. However, there were land claims from the villagers which the negotiated documented agreement was sighted. Company has negotiation procedures (SOPGA-022) with regard to resolving land issues. Mapping of claimed land within the concession was jointly carried out with the claimants. Compensation paid and photographic evidences of payment collection were documented. As there were about 11 existing villages within the said concession land, these were marked out and excluded for any planting. Conservation zones were allocated to allow local subsistence activities to continue. Most of the villagers living within the vicinity of the plantation areas are employed by MRICOP as part of long term employment and mutually beneficial relationship. During Pre-assessment audit in Oct 2011 , DP | Yes |

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| | | <p>#AL06-C2.3 was raised for the Free, Prior and Informed Consent (FPIC) procedure should include definition for “customary land under Cambodian law and local regulations”.</p> <p>Main Assessment had verified and confirmed that FPIC procedure has addressed “customary land under Cambodian law and local regulations.</p> <p>DP#AL06 - C2.3 is now closed.</p> | |
| | <p>2.3.2 Map of appropriate scale showing extent of claims under dispute.</p> <p>Major compliance</p> | As there are no existing land disputes or other land claims, there is no need for this map requirement | Yes |
| | <p>2.3.3 Copies of negotiated agreements detailing process of consent (C2.2, 7.5 and 7.6).</p> <p>Minor compliance</p> | Compensation agreements done earlier in 2002 with some of the villages had been produced and sighted. Copies of negotiated agreements detailing process of consent is also evidenced | Yes |

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

| Criterion 3.1 | | | |
|--|--|--|------------|
| There is an implemented management plan that aims to achieve long term economic and financial viability. | | | |
| Assessment | Indicators | Findings and Objective Evidence | Compliance |
| Main Assessment- R9280/12-2 | <p>3.1.1 Annual budget with a minimum 2 years of projection</p> <p>Major compliance</p> | <p>Verified that presently, there is only one PMU owned by MRICOP</p> <p>A 10-year Management plan was in place for oil mill and estates. The management plan included items such as the crop forecast for the next 10 years, area statement mill running cost, cost for mature palms upkeep, harvesting, cost of loading and internal transportation, price list, indirect charges for oil mill and estates, new planting & immature palm upkeep and the capital budget.</p> <p>Estates A & B, had prepared annual budget for 2 years (2012 & 2013) that included FFB yield/ha., OER, CPO yield /ha and cost of production.</p> | Yes |
| | <p>3.1.2 Annual replanting programme projected for a minimum of 5 years with yearly review.</p> <p>Minor compliance</p> | Annual replanting programme had been projected up to 2020. | Yes |

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

| Criterion 4.1 | | | |
|---|---|---|------------|
| Operating procedures are appropriately documented and consistently implemented and monitored. | | | |
| Assessment | Indicators | Findings and Objective Evidence | Compliance |
| Main Assessment- R9280/12-2 | <p>4.1.1 Documented Standard Operating Procedures (SOP) for estates and mills.</p> <p>Major compliance</p> | <p>Documented SOPs, (which numbered more than 40) for the mill and plantations are available for use. These were found having been consistently implemented and monitored.</p> <p>During previous pre-assessment on Oct 2011, DP#JM02-C4.1 as raised on the lacking of certain elements / details in the relevant social and environmental and operational SOPs (e.g. Effluent</p> | Yes |

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| | | treatment plant emergency response in the case of over flow, boiler ash containment, water treatment at the estate, sexual harassment etc.). The Main Assessment has confirmed the established of these SOPs with appropriate details and of their implementation and monitoring. | |
| | 4.1.2 Records of monitoring and the actions taken are maintained and kept for a minimum of 12 months. Minor compliance | It is confirmed records of monitoring the mill and field operations and actions taken were maintained and kept. Retention is for a minimum of 12 months. | Yes |
| Criterion 4.2 Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield. | | | |
| Assessment | Indicators | Findings and Objective Evidence | Compliance |
| Main Assessment-R9280/12-2 | 4.2.1 Monitoring of fertilizer inputs through annual fertilizer recommendations. Minor compliance | Fertilizer programmes and field inputs were documented. Nutrient recycling strategy were in place e.g. pruned fronds and Empty fruit bunches (EFB) were returned to the soil. Fertilizer inputs had been monitored through annual fertilizer recommendations made by the Managing Director who had been an agronomist with a well established research station in Malaysia. | Yes |
| | 4.2.2 Evidence of periodic tissue and soil sampling to monitor changes in nutrient status. Minor compliance | The Company had initiated a plan to engage expertise to carry out leaf/ tissue and soil sampling and analysis sometime in mid 2011. Communications on this were sighted. However, this work has yet to commence. This matter was also raised during previous pre-assessment on Oct 2011, in which DP#JM03-C4.2 as raised. As this has not yet been carried out, a Minor NCR has been raised. | NCR # 1 of 4 |
| | 4.2.3 Monitor the area on which EFB, POME and zero-burn replanting is applied. Minor compliance | EFB application on the Estates had been monitored and records were available and maintained. Dried POME is recycled for use as fertilizer application to maintain long term fertility of the soil. There was no replanting on the Estates. Zero burning is practiced and consistent with no sign of burning in the estates | Yes |
| Criterion 4.3 Practices to minimize and control erosion and degradation of soils. | | | |
| Assessment | Indicators | Findings and Objective Evidence | Compliance |
| Main Assessment-R9280/12-2 | 4.3.1 Documented evidence of practices minimizing soil erosion and degradation Minor compliance | Soil map presented in the EIA report indicates that there is no peat in the concession land. Practices to minimize and control erosion and degradation of soil includes terracing, ground vegetation maintenance, road maintenance through budget and plans, placing of fronds systematically along the inter-rows, application of empty fruit bunches in the fields. So far there is no replanting. Also, no steep slopes (> 25°) found at plantation areas. Terracing for soil conservation was carried out at | Yes |

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| | | <p>small hill slope (> 15° but <25°) areas at Estate A.</p> <p>In minimizing soil erosion and degradation, both estates practiced EFB mulching for young palms and mature palms. Frond stacking/spreading in the inter-rows of mature palms is also practiced.</p> <p>Documented evidence for the above GAP available and maintained.</p> | |
| | <p>4.3.2 Avoid or minimize bare or exposed soil within estates.</p> <p>Minor compliance</p> | <p>As part of conservation practice requirement, Conservation Zone signages are placed at relevant sites in both estates.</p> <p>GAP such as EFB mulching and frond stacking/spreading in the inter-row as in above, to avoid or minimize bare or exposed soil within the Estates had been carried out.</p> | Yes |
| | <p>4.3.3 Presence of road maintenance programme.</p> <p>Minor compliance</p> | <p>There was good road design in both estates and road maintenance programme implemented. Underground culverts installed at appropriate places.</p> | Yes |
| | <p>4.3.4 Subsidence of peat soils should be minimized through an effective and documented water management programme.</p> <p>Minor compliance</p> | <p>There was no peat soil in the Estates. (see C 4.3.1 above)</p> | Yes |
| | <p>4.3.5 Best management practices should be in place for other fragile and problem soils (e.g. sandy, low organic matter and acid sulphate soils).</p> <p>Minor compliance</p> | <p>Closing DP#JM04-C4.3 Identification and management plans for fragile and problematic soils had been implemented.</p> <p>GAP in maximizing palm biomass retention through EFB mulching and frond stacking/spreading in the inter-row had been carried out as part of the best management practice in maintaining soil fertility and minimizing soil erosion.</p> <p>Slashing of woody plants in the inter-row is being practiced. Growth of non competitive vegetation is permitted to minimize soil exposure</p> <p>Riparian zone, riparian and buffer areas were maintained at streams within vicinity of the estates</p> | Yes |
| <p>Criterion 4.4 Practices maintain the quality and availability of surface and ground water.</p> | | | |
| Assessment | Indicators | Findings and Objective Evidence | Compliance |
| Main Assessment-R9280/12-2 | <p>4.4.1 Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before replanting along all natural waterways within the estate.</p> <p>Major compliance</p> | <p>Maintenance of the quality and availability of surface and ground water was implemented. Potential wetlands and water sources are identified and had been protected as 'Conservation' and Riparian buffer areas were maintained at streams within vicinity of the estates.</p> <p>The quality of river water was analyzed by</p> | Yes |

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| | | <p>MRICOP. Results of analysis from the Ministry of Environment dated 10/09/2011 were verified. Water sources from pond and tube well for drinking / domestic purposes was also analyzed. Rainfall is being monitored daily for operational management and decision making. Buffer zones provided for, are appropriately demarcated, and allowed for natural habitat to flourish. Palm Oil Mill Effluent (POME) water is treated and monthly analysis done at the last pond.</p> <p>Water consumption at the oil mill for processing and domestic use is being monitored</p> <p>During the previous Pre-Assessment in Oct 2011, DP#JM05- C4.4 was raised for no clear policy for marking riparian and buffer zones, as there were insufficient signages.</p> <p>During this Main assessment, these have been rectified. There are now sufficiently large signages erected and presented in the estate maps of Estate A & B. The location of the zones was also matched with the EIA report on Estate A & B and the HCV report at MTSI (Estate C). It is noted that currently there are no such specific guidelines provided to Cambodian plantations.</p> <p>However, MICOP has adopted and implemented the prevailing practice allowing a 10-foot buffer along the streams.</p> | |
| | <p>4.4.2 No construction of bunds/weirs/dams across the main rivers or waterways passing through an estate.</p> <p>Major compliance</p> | <p>There was no bund, weir, or dam being built across the waterways passing through the Estates.</p> | <p>Yes</p> |
| | <p>4.4.3 Outgoing water into main natural waterways should be monitored at a frequency that reflects the estates and mills current activities which may have negative impacts (Cross reference to C 5.1 and 8.1).</p> <p>Major compliance</p> | <p>In the last Pre-Assessment conducted in Oct 2011, DP#JM06- C4.4 was raised for the lack of analytical data on quality of upstream and downstream water after releasing the treated effluent to the waterway. During Main Assessment, it was found that outgoing water into waterways have been monitored from the mill with water sampling analysis submitted to an independent lab on a monthly basis and results were within the allowable limits prescribed by the local authority. Records maintained were reviewed and there are now adequate interpretation and classification for further action plans presented. Development point, DP#JM06- C4.4 raised in Oct 2011 is closed</p> | <p>Yes</p> |
| | <p>4.4.4 Monitoring rainfall data for proper water management.</p> <p>Minor compliance</p> | <p>Rainfall data collected from Estate A were used for water management of both Estate A & B. Only Estate A had a rain gauge and rainfall data had been monitored.</p> | <p>NCR # 2 of 4</p> |

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| | | However, rainfall data were not monitored by Estate B since the estate did not have a rain gauge. A Minor NCR is raised. | |
| | 4.4.5 Monitoring of water usage in mills (tonnage water use/tonne FFB processed). Minor compliance | Monitoring of water usage in the POM was done on monthly basis i.e. tonnage water used /tonne FFB processed results were available. Data trended for facilitating water resource management, has commenced and had been compiled over past 10 months. | Yes |
| | 4.4.6 Water drainage into protected areas is avoided wherever possible. Appropriate mitigating measures will be implemented following consultation with relevant stakeholders. Minor compliance | There had been no water drainage into any of the protected areas. A series of water ponding system i.e. aerobic and anaerobic was carried out for POME discharges from the POM. The last pond being left for natural drying. Dried POME is recycled for use as fertilizer application. | Yes |
| | 4.4.7 Evidence of water management plans. Minor compliance | Water management plan was now available, implemented and monitoring for the mill and the estates and presented to the audit team. The Development Point DP#AL07-C4.4 raised in Oct 2011 is now closed. | Yes |
| Criterion 4.5 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques. | | | |
| Assessment | Indicators | Findings and Objective Evidence | Compliance |
| Main Assessment-R9280/12-2 | 4.5.1 Documented IPM system. Minor compliance | At the last Pre-Assessment in Oct 2011, DP#JM07-C4.5 was raised for a lack of overall documented IPM system. The same situation persists during Main assessment. A Minor NCR is raised Manual pest control methods such as hand catching of the rhinoceros beetles are practiced. However, a proper integrated long term program for use of biological controls has yet to be developed. An NCR is raised: The estates should come up with plan for IPM techniques implementation Noted some biological control methods i.e. planting of beneficial plants have commenced and are in progress at the nursery of MTSI (Estate C). | NCR # 3 of 4 |
| | 4.5.2 Monitoring extent of IPM implementation for major pests. Minor compliance | There was an outbreak of bag worm, noticed on 15-3-2012 in Estate A covering 145.5 ha at Divisions A1 and A2. Control measures taken were trunk injection with Acephate 40 EC and spraying with Cypermethrin. However, this practice and control should be made part of the documented IPM system. Refer NCR # 3 of 4 issued as above | As above |

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| | 4.5.3 Recording areas where pesticides have been used. Minor compliance | Estates A and B had been recording areas where pesticides had been used. Records are maintained. | |
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| | 4.5.4 Monitoring of pesticide usage units per hectare or per ton crop e.g. total quantity of active ingredient (a.i.) used/ tonne of oil. Minor compliance | There was no evidence of monitoring of pesticide usage units per hectare or per tonne crop i.e. active ingredient (a.i.) used / tonne of oil. A Minor NCR is raised | NCR # 4 of 4 |
| <p>Criterion 4.6 Agrochemicals are used in a way that does not endanger health or the environment.</p> <p>There is no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines. Where agrochemicals are used that are categorized as World Health Organization Type 1A or 1B, or are listed by the Stockholm or Rotterdam Conventions, growers are actively seeking to identify alternatives, and this is documented.</p> | | | |
| Assessment | Indicators | Findings and Objective Evidence | Compliance |
| Main Assessment- R9280/12-2 | 4.6.1 Written justification in Standard Operating Procedures (SOP) of all agrochemicals use. Major compliance | <p>The main class 1B pesticides used by the estate management were glyphosate and methamidophos. There was documented evidence of reducing both types of pesticides as the management was well aware of the need to reduce their usage. Other ways of controlling weeds are by manual and mechanical means such as manual slashing. Summary of pesticide monthly usage for 2011 and 2012 for estates A and B is documented</p> <p>Labour was used for more on manual weeding than the chemical weeding. Methamidophos was once used in the nursery as insecticide. The balance stock of a small quantity is now stored separately since March 2011 for disposal in a responsible manner.</p> <p>At the last Pre-Assessment in Oct 2011, DP#JM08-C4.6 was raised for the following issues:</p> <ul style="list-style-type: none"> i) written justification for use of agro-chimerical use was yet to be incorporated in the SOP. ii) A responsible plan was lacking to dispose obsolete stored methamidophos from the estate store. iii) Policy on the use of paraquat was lacking <p>All the above have now been addressed adequately and DPs are closed. On item iii), the Estate management was made aware during preparation of Cambodia Local Indicator regarding Cambodian law on the banning of paraquat use and has since issued a policy banning its use on the estates. A check on the chemical store and record confirmed the implementation of this policy.</p> | Yes |

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| | <p>4.6.2 Pesticides selected for use are those officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in accordance with USECHH Regulations (2000).</p> <p>Major compliance</p> | <p>Pesticides selected for use are in accordance with USECHH Regulations (2000).</p> <p>Reference to CHRA (Chemical Health Risk Assessment) is made on findings in 4.6.5 below</p> | <p>Yes</p> |
| | <p>4.6.3 Pesticides shall be stored in accordance to the Local Occupational Safety and Health Laws and Regulations and local laws on Pesticides control.</p> <p>Major compliance</p> | <p>Pesticides are commonly stored at POM pesticide store. Storage found to comply with applicable laws.</p> <p>However, housekeeping could be improved. Material Safety Data Sheets (MSDS) are available at a nearby office. Copies should also be placed at the store. An OBSERVATION was raised</p> | <p>OBS# 1 of 5</p> |
| | <p>4.6.4 All information regarding the chemicals and its usage, hazards, trade and generic names must be available in language understood by workers or explained carefully to them by a plantation management official at operating unit level.</p> <p>Major compliance</p> | <p>Empty chemical containers are triple rinsed and pierced to prevent misuse as per the local Pesticides law. Currently, there are no Environmental laws for Scheduled Waste disposal and empty containers are kept in locked storerooms. No disposal of the containers found at the estate water bodies or landfills.</p> | <p>Yes</p> |
| | <p>4.6.5 Annual medical surveillance as per CHRA for plantation pesticide operators.</p> <p>Major compliance</p> | <p>Labeling information on the chemicals is available in the local 'Khmer' language and briefings on the handling of the chemicals were done for the store and chemical handlers. (See 4.7.1)</p> | <p>Yes</p> |
| | <p>4.6.6 No work with pesticides for confirmed pregnant and breast-feeding women.</p> <p>Major compliance</p> | <p>Annual Medical surveillance as per CHRA for plantation pesticide operators had been carried out but can be further improved by an enhanced monitoring mechanism for due date of annual check-ups. An OBSERVATION was raised</p> | <p>OBS# 2 of 5</p> |
| | <p>4.6.7 Documentary evidence that use of chemicals categorized as World Health Organization Type 1A or 1B, or listed by the Stockholm or Rotterdam Conventions and paraquat, is reduced and/or eliminated. Adoption of suitable economic alternative to paraquat as suggested by the EB pending outcome of the RSPO study on IWM.</p> <p>Minor compliance</p> | <p>Medical checks are done for all workers prior the use of pesticides and it is verified that no pregnant or breastfeeding women are engaged in such activities. Alternative light works were provided for them.</p> | <p>Yes</p> |
| | | <p>There is evidence of a reduction plan for the use of chemicals which are under the WHO (Type 1A or 1B) or as per the 'List of Pesticides banned for use in Cambodia' under the National Profile on the Management of Chemical (2004) as endorsed by the Ministry of Agriculture, Forestry and Fisheries.</p> | <p>Yes</p> |

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| | 4.6.8 Documented justification of any aerial application of agrochemicals. No aerial spraying unless approved by relevant authorities. Major compliance | There are no aerial applications of agrochemicals. | Yes |
| | 4.6.9 Evidence of chemical residues in CPO testing, as requested and conducted by the buyers. Minor compliance | Currently, there had been no request by buyers for the evidence of chemical residues in the CPO testing. | Yes |
| | 4.6.10 Records of pesticide use (including active ingredients used, area treated, amount applied per ha and number of applications) are maintained for either a minimum of 5 years or starting November 2007. Minor compliance | Records of pesticide use with the required details incl. active ingredients, area treated quantity / ha applied, No. of applications etc) as per criteria 4.6.10 had been maintained. Record retention is for a period of minimum 5 years | Yes |
| Criterion 4.7 An occupational health and safety plan is documented effectively communicated and implemented. | | | |
| Assessment | Indicators | Findings and Objective Evidence | Compliance |
| Main Assessment- R9280/12-2 | 4.7.1 Evidence of documented Occupational Safety Health (OSH) plan which is in compliance with OSH Act and Factory Machinery Act. Major compliance The safety and health (OSH) plan shall cover the following: a. A safety and health policy, which is communicated and implemented. b. All operations have been risk assessed and documented. c. An awareness and training programme which includes the following specifics for pesticides : i. to ensure all workers involved have been adequately trained in a safe working practices (See also C 4.8) ii. all precautions attached to products should be properly observed and applied to the workers. d. The appropriate personal protective equipment (PPE) is used for each risk assessed operation. i. Companies to provide the appropriate PPE at the place of work to cover all potentially hazardous operations such as pesticide application, land preparation, harvesting and if used, burning. e. The responsible person (s) should be identified. | The management has documented its occupational safety and health policy. Agro chemicals including fertilizers and pesticides were stored appropriately. Personal Protective Equipments (PPEs) were provided to workers and sprayers. Medical checkup for spraying workers is implemented on monthly and yearly. Pregnant women are not allowed to handle agrochemicals. Accidents are recorded at the clinic. Safety committee and meetings documents were available. Safety trainings were provided to workers. Emergency response plans were available. At the last Pre-Assessment in Oct 2011, DP#AL08-C4.7 was raised for the following issues: i) A comprehensive safety and health management plan was lacking ii) Secondary and tertiary labeling of pesticide containers and signage was in adequate. iii) MSDS translated in local language was lacking During the Main Assessment, these were found to have been rectified. Documented OSH plan was available at mill and estates. OSH policy was available in the English and Khmer languages and communication and implementation is satisfactory. Also include in the updated management plan is the persons working at turbine room of oil mill, its noise level and hearing capabilities, and the suitable PPE were evaluated. Overall effective communication and participation of all workers on | Yes |



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| | <p>f. There are records of regular meetings between the responsible person(s) and workers where concerns of workers about health and safety are discussed.</p> <p>g. Accident and emergency procedures should exist and instructions should be clearly understood by all workers.</p> <p>h. Workers trained in First Aid should be present in both field and mill operations.</p> <p>i. First Aid equipment should be available at worksites.</p> | <p>safety issues through meetings was presented.</p> <p>Awareness and training programme available and training in safe working practices had been provided for staff and chemical handlers and field workers which are recorded.</p> <p>Confirmed that appropriate PPE provided. Their usage confirmed during field inspection of field workers.</p> <p>Respective Estate managers and Field Supervisors are responsible for OSH as per duty list. Records of monthly OSH meetings held are maintained.</p> <p>Accident and emergency procedures are available and confirmed to be understood by workers interviewed.</p> <p>First aid equipment available at worksites and clinics at POM and estates. Trained First Aiders available.</p> | |
| | <p>4.7.2 Records should be kept of all accidents and periodically reviewed at quarterly intervals.</p> <p>Major compliance</p> | <p>Records of ill health and accidents are maintained and are reviewed at quarterly intervals by the Mill and Estate Management as part of preventive actions.</p> <p>Lost Time Accident (LTA) rate monitoring has commenced over past 6 months and record of safety performance maintained.</p> | Yes |
| | <p>4.7.3 Workers should be covered by accident insurance.</p> <p>Major compliance</p> | <p>Insurance coverage is afforded to the mill and estate workers in cases of accidents and was verified on-site.</p> | Yes |
| <p>Criterion 4.8 All staff, workers, smallholders and contractors are appropriately trained.</p> | | | |
| Assessment | Indicators | Findings and Objective Evidence | Compliance |
| Main Assessment- R9280/12-2 | <p>4.8.1 A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training for employees are kept.</p> <p>Major compliance</p> | <p>At the last Pre-Assessment in Oct 2011, DP#AL09-C4.8 and DP#AL10-C5.1 were raised for the following:</p> <p>i) Training plan for some elements related to social and environment policies, found inadequate.</p> <p>ii) Understanding of EIA contents by management personnel was inadequate.</p> <p>At the Main Assessment, these have has been found to be corrected and improved.</p> <p>All staff, workers, and contractors had been trained for the related mill and estate operations. Related documentation and records were kept.</p> <p>Training programme for 2012 was available dated 22 Mar 2012 prepared by the Training & Development Officer.</p> <p>All Estate Clinics Assistants are trained on i) & ii) above and on chemicals used and related local laws</p> | Yes |

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

| Criterion 5.1 | | | |
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| Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement. | | | |
| Assessment | Indicators | Findings and Objective Evidence | Compliance |
| Main Assessment- R9280/12-2 | <p>5.1.1 Documented aspects and impacts risk assessment that is periodically reviewed and updated.</p> <p>Major compliance</p> | <p>Environmental impact assessment (EIA) for Estates A, B and C had been conducted by an independent consultant. Contents of the EIA report had included the following matters:</p> <ul style="list-style-type: none"> • The laws related to environment and pollution. • Positive and negative impacts of aspects were assessed with mitigation plans. • The soils with geology and parent materials were documented. • The flora and fauna and its classification of endangered, rare and threatened species (ERT). • Carbon stock estimation of land. • The polluting activities with direct impact on water bodies and air. <p>At the last Pre-Assessment in Oct 2011, DP#JM11-C5.1 was raised for the following: i) POM EIA and assessment and mitigation plans not developed. At the Main Assessment, these have been found to be rectified and documented.</p> <p>Environmental aspects & impact risk assessment are carried out and covered in the Environmental Management & Monitoring Plan and this is reviewed on an annual basis. Sub-Decree No-72 (Environmental Impact Assessment) is referred.</p> | Yes |
| | <p>5.1.2 Environmental improvement plan to mitigate the negative impacts and promote the positive ones, is developed, implemented and monitored.</p> <p>Minor compliance</p> <p>Reference to Cambodian LI Related Cambodian Laws: Local Environment Protection and Management of Natural Resources (1996), Water Resources Management (2007), Natural Protection Zone (2008), Sub-decrees no.36 - Solid Waste Management (1999), no. 27 – Control of Water Pollution (1999), no.72 – Environmental Impact Assessment Process (1999), no. 42 – Control of Air Pollution and Noise Disturbances (2000).</p> | <p>At the last Pre-Assessment in Oct 2011, DP#JM11-C5.1 and DP#JM10-C5.1 were raised for the following: i) POM EIA and assessment of positive and negative impact and mitigation plans not developed; There was also a lack of continuous improvement plan. ii) Details of daily operational activities and its aspects of negative and positive impacts was not yet developed, e.g. fertilizer usage, chemical spraying etc</p> <p>At the Main Assessment, the above have been rectified, implemented and monitored. However, the following Observation is made.</p> <p>Air emissions monitoring for stack discharge from the POM has yet to incorporate the use of air emissions equipment to determine emission levels. Currently under Sub-decree 42, Control of Air Pollution & Noise Disturbances (2000), emission limits for mill discharge are not available from the local Ministry of Environment and this should be</p> | OBS# 3 of 5 |

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| | | <p>followed up. An OBSERVATION was raised</p> <p>EIA report dated Sept 2011 has been reviewed and found to have addressed this criterion and has included stakeholder consultation.</p> | |
|---|---|--|------------|
| <p>Criterion 5.2 The status of rare, threatened or endangered species (ERTs) and high conservation value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and their conservation taken into account in management plans and operations.</p> | | | |
| Assessment | Indicators | Findings and Objective Evidence | Compliance |
| Main Assessment- R9280/12-2 | <p>5.2.1 Identification and assessment of HCV habitats and protected areas within landholdings; and attempt assessments of HCV habitats and protected areas surrounding landholdings.</p> <p>Major compliance</p> | <p>EIA report dated September 2011 was verified to be done by a locally recognized EIA consultant company i.e. Green Consultancy Group Ltd. HCV report dated March 2012 was verified to have been done by RSPO panel approved HCV consultant i.e. EnvironLogic Consultancy. The EIA and HCV assessment report have indicated the potential presence of ERT /protected species at the potential HCV habitats at the areas covered under Estates A and B. Conservation and HCV areas were identified at the estates and mill with estimated size/ hectareage indicated.</p> | Yes |
| | <p>Related Cambodian laws: Forestry Law (2002), Law on Protected Areas (2008), Law on Environmental Protection and Natural Resources Management (1996).</p> | <p>EIA report dated September 2011 was verified to include coverage on:</p> <ol style="list-style-type: none"> 1. Identification and assessment of potential HCV habitats and protected areas within and surrounding the landholdings e.g. national parks. 2. Proposed management for HCV habitats (including ERTs) and their conservation. 3. Listing of endangered species in Cambodia as per the IUCN list. | Yes |
| | <p>5.2.2 Management plan for HCV habitats (including ERTs) and their conservation.</p> <p>Major compliance</p> | <p>It has been confirmed that Management plans was prepared to include the potential HCV habitats, their conservation and identified ERTs.</p> <p>The EIA stated the presence of rare species of birds (as per the list of MAFF 2007) in the concession areas e.g. Siamese Fireback and Chestnut-Headed Partridge. Measures taken for their conservation also in the management plan</p> <p>The development point, DP#JM12-C5.2 was raised during previous Pre-Assessment is closed.</p> <p>The management plan also include areas for improvement, in the provision of a wide corridor between the nearby hills and the plantation</p> | Yes |
| | <p>5.2.3 Evidence of a commitment to discourage any illegal or inappropriate hunting, fishing or collecting activities, and developing responsible measures to resolve human-wildlife conflicts.</p> <p>Minor compliance</p> | <p>The estates management has undertaken appropriate measures to control any illegal or inappropriate hunting, fishing or collecting activities within the estates. 'Conservation Zone' signages and "no hunting" policy were prominently displayed.</p> | Yes |

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| Criterion 5.3 | | | |
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| Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner. | | | |
| Assessment | Indicators | Findings and Objective Evidence | Compliance |
| Main Assessment- R9280/12-2 | 5.3.1 Documented identification of all waste products and sources of pollution. Major compliance | <p>The management has identified the generation of wastes at the oil mill and estates. One of the waste management activities observed during the visit was the application of EFB to the field. The oil mill keeps a record of transporting the EFB with the quantity dispatched and the field applied. Scheduled wastes such as used engine and filter oils were kept separately in a schedule waste store. A record is kept on the quantity of used oil stored at the waste store. Rags and empty filters were also stored in the same scheduled waste store. Used vehicle batteries were kept in a separate store. Empty pesticide containers were kept in another store. The empty fertilizer bags which were washed were stored separately. Empty fertilizer bags were reused for the collection of loose fruits. The obsolete class 1b chemical, methamidophos was labeled and stored in a special store for highly toxic chemical for appropriate disposal through proper authorities. Workshop was using drip trays (oil spillage containment pits) at the time of changing of oil.</p> <p>It has been verified that scheduled wastes are not mixed with domestic wastes.</p> <p>The development point, DP#JM13-C5.3 raised on Oct 2011 that required management to categorize and identify waste in a responsible manner is closed</p> | Yes |
| | 5.3.2 Having identified wastes and pollutants, an operational plan should be developed and implemented, to avoid or reduce pollution. Minor compliance | <p>Currently, the local Cambodian laws have no specific requirements for disposal of scheduled wastes, (including used High Density Polyethylene – HDPE, pesticide containers) for the plantation sectors.</p> <p>Landfills for domestic waste are built by MRICOP at location away from water bodies.</p> <p>MRICOP has implemented adequate controls for the storage and disposal of items under scheduled or hazardous wastes. Waste disposal contractors are licensed and monitored. The operational plan developed has identified waste and pollutants and being implemented.</p> <p>However, it lacks details of methods of disposal e.g. landfill locations /size and recycling methods or methods for reduction of pollution. An OBSERVATION was raised</p> | OBS# 4 of 5 |
| | 5.3.3 Evidence that crop residues / biomass are recycled (Cross ref. C 4.2). Minor compliance | <p>No discharge of POME directly into any water sources or rivers was observed. Dried POME is recycled for use as fertilizer application</p> | Yes |

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| Criterion 5.4 | | | |
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| Efficiency of energy use and use of renewable energy is maximized. | | | |
| Assessment | Indicators | Findings and Objective Evidence | Compliance |
| Main Assessment-R9280/12-2 | 5.4.1 Monitoring of renewable energy use per tonne of CPO or palm product in the mill. Minor compliance | Monitoring of renewable energy use done mainly via consumption of PK shells. | Yes |
| | 5.4.2 Monitoring of direct fossil fuel use per tonne of CPO or kW per tonne palm product in the mill (or FFB where the grower has no mill). Minor compliance | Baseline data on fossil fuel used per tonne of CPO recorded in the mill. New boiler had been installed and is operational. Reduction in diesel usage noted since March 2011 till current month with the commissioning of new boiler. | Yes |
| Criterion 5.5 | | | |
| Use of fire for waste disposal and for preparing land for replanting is avoided except in specific situations, as identified in the ASEAN guidelines or other regional best practice. | | | |
| Assessment | Indicators | Findings and Objective Evidence | Compliance |
| Main Assessment-R9280/12-2 | 5.5.1 No evidence of open burning. Where controlled burning occurs, it is as prescribed by the Local - Environmental law on Open Burning'. Major compliance | There is a 'No Open Burning' policy at the mill & estates. The management has suitable fire fighting plans, equipments and facilities for new planting areas. Fire prevention belts are prepared during drought season along the boundaries. Fire trucks with water pumps and engines remain standby when there is an emergency of fire. The management also supports the fire control of surrounding and neighboring villagers upon request. | Yes |
| | 5.5.2 Previous crop should be felled / mowed down, chipped/shredded, windrowed or pulverized/ ploughed and mulched. Minor compliance | There was no previous oil palm crop as MRICOP is at its first planting cycle. Therefore, Criterion 5.5.2 and special dispensation for burning permit of diseased trees is not applicable and not practiced. | Yes |
| | 5.5.3 No evidence of burning waste (including domestic waste). Minor compliance | No open burning of any type of wastes, including "left-over sign" was observed. An exception was the occasional cremation at burial site within the estate. | Yes |
| Criterion 5.6 | | | |
| Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored. | | | |
| Assessment | Indicators | Findings and Objective Evidence | Compliance |
| Main Assessment-R9280/12-2 | 5.6.1 Documented plans to mitigate all polluting activities (Cross ref to C 5.1). Major compliance | Pollution Mitigation plan complete with all identified polluting activity has been prepared in accordance with local regulations and sub-decree. It also identified the sources of pollution which included stack emissions, boiler ash and run off and control measures needed. New efficient boiler usage has been installed at the oil mill and its efficiency was to reduce emission and pollution. (Refer to criterion 5.4). The above finding is sufficient to close the Development Point- DP#JM15-C5.6 raised at | Yes |

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| | | previous Pre-Assessment in Oct 2011. | |
| | 5.6.2 Plans are reviewed annually. Minor compliance | There is provision for annual review of documented mitigation plan prepared recently | Yes |
| | 5.6.3 Monitor and reduce peat subsidence rate through water table management (Within ranges specified in C 4.3). Minor compliance | There is no peat soil in the estates as reported in EIA and HCV reports and confirmed during field inspection | Yes |

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

Criterion 6.1

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

| Assessment | Indicators | Findings and Objective Evidence | Compliance |
|-----------------------------|---|--|------------|
| Main Assessment- R9280/12-2 | 6.1.1 A documented social impact assessment including records of meetings. Major compliance | <p>MRICOP has conducted social impact assessment (SIA) using an independent consultant with the participation of villagers which was evident with the list of participants recorded. The SIA covered the following topics:</p> <ol style="list-style-type: none"> a. Population distribution within and around the concession region. b. Demographic condition. c. Housing and household assets d. Community forest e. Religious and spiritual forest f. Literacy and poverty rate g. Existing health services h. Economic condition. i. Negative and positive impacts with recommended mitigation plans. <p>MRICOP has not engaged any migrant workers. The workers are from the vicinity of the concession area or came from neighboring districts in search of work in the estate or oil mill. This is one of the positive impacts attributed by the development of oil palm plantation in the country.</p> <p>A management action plan on SIA and Mitigation measures dated January 2012 was prepared by MRICOP based on SEIA Report of Sept 2011 through stakeholder consultation including local expertise.</p> <p>Verified that the Management plan on SIA and Mitigation measures dated January 2012 produced had incorporated the EIA findings & recommendations of Green Consultancy Group – the local independent expert (dated September 2011).</p> | Yes |

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| | | Confirmed that the PMU audited has no migrant workers and no out- growers | |
| | 6.1.2 Evidence that the assessment had been done with the participation of affected parties. Minor compliance | The SIA was done following meetings with internal and external stakeholders. The SIA reported stakeholder discussions, issues, participant attendance and photographs of meetings and community gathering and festivals. The management action plan has been implemented, monitored and measure of successes recorded The development point, DP#AL11-C6.1 is closed | Yes |
| | 6.1.3 A timetable with responsibilities for mitigation and monitoring is reviewed and updated as necessary. Minor compliance | Mitigation plan was developed at the same time to address the issues raised. The mitigation is ongoing and monitored regularly at stated intervals. The plan includes issues to be monitored, proposed mitigation, location, frequency of monitoring, responsible persons, and expected date of completion. Continual improvement is also addressed. The above finding is sufficient to close DP#AL12-C6.1 raised during Pre-Assessment in Oct 2011 However, it is observed that the program for the monitoring of drinking water quality can be further enhanced as part of Social responsibility for the 11 villages within and bordering the 2 estates. An OBSERVATION was raised | OBS# 5 of 5 |
| Criterion 6.2 | | | |
| There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties. | | | |
| Assessment | Indicators | Findings and Objective Evidence | Compliance |
| Main Assessment- R9280/12-2 | 6.2.1 Documented consultation and communication procedures. Major compliance | Documented Policies and SOPs are available for internal and external communication. Estate managers are the nominated persons responsible for communication with the stakeholders. The organization has a list of stakeholders including local authorities, government departments, commune leaders, NGO, suppliers and contractors. An interview with 8 commune leaders, school teachers and NGO revealed easy and transparent communication with these organizations and representatives. Stakeholder meeting minutes were available. Some consultation was included in the SIA with villagers. Interviews conducted during main Assessment confirmed the effectiveness of MRICOP consultation and communication processes with the various local stakeholders in particular the commune leaders, the Gender Committee and representative of the NGO Forum. The development point, DP#JM16-C6.2 is closed | Yes |

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| | 6.2.2 A nominated plantation management official at the operating unit responsible for these issues. Minor compliance | Verified the existence of an Appointed team comprising named individuals (names omitted here) with the positions of Plantation General Manager, Personal Assistant to EVP, Estate Managers of Estates A & B and HR Supervisor/Gender representative. | Yes |
| | 6.2.3 Maintenance of a list of stakeholders, records of all communication and records of actions taken in response to input from stakeholders. Minor compliance | The list of stakeholders, communication and actions taken were maintained in a Communication Register book. Verified that consultations with various stakeholders had been held and recorded in the register. See also 6.2.1 | Yes |
| Criterion 6.3 There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties. | | | |
| Assessment | Indicators | Findings and Objective Evidence | Compliance |
| Main Assessment- R9280/12-2 | 6.3.1 Documentation of the process by which a dispute was resolved and the outcome. Major compliance | A mutually agreed and documented system in the form of SOP and flow chart namely, SOP GA 024 for "complaints and grievances" has been prepared to deal with dispute and resolution. So far the record shows no dispute. Interviews with staff and workers and their representatives revealed knowledge and understanding of the dispute and resolution mechanism. The mechanism provides for open and consensual agreements with relevant affected parties. The above finding confirmed the closing of development points - DP#JM17-C6.3 & DP#AL15-C6.8 raised in the Pre-Assessment on Oct 2011 | Yes |
| | 6.3.2 The system resolves disputes in an effective, timely and appropriate manner. Minor compliance | A permanent record book for complaints and grievances has been kept since August 2011. No entry was made as there has been not any issue raised. | Yes |
| | 6.3.3 The system is open to any affected parties. Minor compliance | The SOP for complaints and grievances caters for and open to any affected parties. | Yes |
| Criterion 6.4 Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions. | | | |
| Assessment | Indicators | Findings and Objective Evidence | Compliance |
| Main Assessment- R9280/12-2 | 6.4.1 Establishment of a procedure for identifying legal and customary rights and a procedure for identifying people entitled to compensation. Major compliance 6.4.2 A procedure for calculating and distributing fair compensation (monetary or otherwise) is established and implemented. This takes into account gender differences in the power to claim rights, ownership and access to land; | The organization has a documented policy on compensation management (PC-GA-019). There had been no dispute or compensation claim during on site interviews with the villagers and village Heads. | Yes |

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| | <p>and long-established communities; differences in ethnic groups' proof of legal versus communal ownership of land.</p> <p>Minor compliance 6.4.3 The process and outcome of any compensation claims is documented and made publicly available.</p> <p>Minor compliance</p> | | |
| <p>Criterion 6.5 Pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.</p> | | | |
| Assessment | Indicators | Findings and Objective Evidence | Compliance |
| Main Assessment-R9280/12-2 | <p>6.5.1 Documentation of pay and conditions.</p> <p>Major compliance</p> | <p>Pay and conditions are documented in the organization's "Internal Regulation" which was endorsed by the Cambodia Department of Social Affairs/ Labor dated 29.08.2000. With the above finding, DP#AL13-C6.5 raised in Oct 2011 is closed.</p> | Yes |
| | <p>6.5.2 Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc) are available in the language understood by the workers or explained carefully to them by a plantation management official in the operating unit.</p> <p>Minor compliance</p> | <p>Document reviewed and Interview with different category of workers confirmed knowledge and understanding of entitlement and pay rates including calculation of over time claims.</p> | Yes |
| | <p>6.5.3 Growers and millers provide adequate housing, water supplies, medical, educational and welfare amenities in accordance with Local - Workers' Minimum Standard of Housing and Amenities or above, where no such public facilities are available or accessible (not applicable to smallholders).</p> <p>Minor compliance</p> | <p>On site visit to a worker's home revealed satisfaction of their housing conditions according to local expectations. Workers are encouraged to grow vegetables and keep poultry around their houses to reduce cost of living. The workers staying in the estate or close to the estates are provided with free electricity supply 24 hours a day. Clean Water supply – from tube wells built by the organization. The staff and workers get their sundries from the nearby markets or from the mobile market vans that visit every morning.</p> <p>There were no migrant or temporary workers being employed.</p> | Yes |
| <p>Criterion 6.6 The employer respects the right of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.</p> | | | |
| Assessment | Indicators | Findings and Objective Evidence | Compliance |
| Main Assessment-R9280/12-2 | <p>6.6.1 Documented minutes of meetings with main trade unions or workers representatives.</p> | <p>MRICOP has established company policy recognizing freedom of association.</p> <p>Interview with staff and workers revealed there are</p> | Yes |

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| | Major compliance | no trade unions. However there is a worker representative committee that was formed on 18/04/2012. Records of activities of committee were kept The above findings confirmed DP#AL14-C6.6 is closed | |
| | 6.6.2 A published statement in local languages recognizing freedom of association. Minor compliance | The freedom to associate was clearly stated in the organization Social Policy both in English and Khmer. A copy of policy is displayed at the notice board outside the staff office The above finding confirmed DP#JM18-C6.6 is closed. | Yes |
| Criterion 6.7. Children are not employed or exploited. Work by children is acceptable on family farms, under adult supervision, and when not interfering with education programmes. Children are not exposed to hazardous working conditions. | | | |
| Assessment | Indicators | Findings and Objective Evidence | Compliance |
| Main Assessment- R9280/12-2 | 6.7.1 Documentary evidence that minimum age requirement is met. Major compliance | The minimum working age is 16 under the Cambodian Labor Law. However, the organization's policy is to employ only individuals aged 18 years and above. The age of new hires are confirmed by identification card or confirmation letter from the commune leaders. Working hours is as per local law. A review of employment contracts reveals no under aged staff or workers at mill and estates. A statement of no child labour had been published in the social policy and website. The management has a procedure in recruiting the workers. Workers who wish to join work with the MRICOP have to apply for the job. The filled application forms with the date of birth were verified. Management uses the birth certificates as the evidence of age of the applicants at the time of recruitment. Copies of birth certificates were verified and found no evidence of employee below 18. During estate and oil mill visits, no children were found working in the field. | Yes |
| Criterion 6.8 Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited. | | | |
| Assessment | Indicators | Findings and Objective Evidence | Compliance |
| Main Assessment- R9280/12-2 | 6.8.1 A publicly available equal opportunities policy. Major compliance | The organization's non-discrimination policy is clearly stated in the publicly available Social Policy. | Yes |
| | 6.8.2 Evidence that employees and groups including migrant workers have not been discriminated against. Minor compliance | Interviews with different category of staff and workers revealed no known practice of discrimination between male and female or individuals from different provinces. Employees are not discriminated in pay, benefits, housing etc. Additionally, people from nearby villages are given preference for employment and | Yes |

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| | | <p>benefits. In case of any dispute or complaint, the grievance procedures in 6.3 above apply.</p> <p>Equal opportunity policy was included in the social policy. To some extent company is giving opportunity to women in employment of a few women agronomists as well as field workers in fertilizer application in the estates. FFB grading in the ramp were carried out by women.</p> | |
| <p>Criterion 6.9 A policy to prevent sexual harassment and all other forms of violence against women and to protect their productive rights is developed and applied.</p> | | | |
| Assessment | Indicators | Findings and Objective Evidence | Compliance |
| Main Assessment- R9280/12-2 | <p>6.9.1 A policy on sexual harassment and violence and records of implementation.</p> <p>Major compliance</p> | <p>The commitment to no sexual harassment at work place is stated in the organization Social Policy.</p> <p>There is Gender Committee with representatives from the estates. Audit review showed that 2 meetings were held and there was no report of any gender harassment.</p> <p>Interviews with female workers revealed knowledge of this policy and they reported no incident of gender harassment so far. Above findings confirmed DP#AL16-C6.9 is closed</p> | Yes |
| | <p>6.9.2 A specific grievance mechanism is established.</p> <p>Major compliance</p> | <p>Procedure for handling sexual harassment provides for specific mechanism for handling such grievances with representation from gender committee. Records of activities of Gender Committee are maintained</p> | Yes |
| <p>Criterion 6.10 Growers and mills deal fairly and transparently with smallholders and other local businesses.</p> | | | |
| Assessment | Indicators | Findings and Objective Evidence | Compliance |
| Main Assessment- R9280/12-2 | <p>6.10.1 Pricing mechanisms for FFB and inputs/services shall be documented.</p> <p>Major compliance</p> | <p>There are no smallholders involved in the said PMU.</p> <p>Transportation contractors are used for the transportation of the FFB to the POM and contractual agreements made with the said parties are complied with and are considered to be fair, transparent and payments done in a timely manner. There had been no dispute arising.</p> | Yes |
| | <p>6.10.2 Current and past prices paid for FFB shall be publicly available.</p> <p>Minor compliance</p> | | |
| | <p>6.10.3 Evidence that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent.</p> <p>Minor compliance</p> | | |

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| | 6.10.4 Agreed payments shall be made in a timely manner. Minor compliance | | |
|--|---|---|------------|
| Criterion 6.11 Growers and millers contribute to local sustainable development wherever appropriate. | | | |
| Assessment | Indicators | Findings and Objective Evidence | Compliance |
| Main Assessment- R9280/12-2 | 6.11.1 Demonstrable contributions to local development that are based on the results of consultation with local communities. Minor compliance | <p>MRICOP is relatively new and is the first plantation in Cambodia. The initial development and with initial low cropping, resulted lots of liabilities. Now at this stage the plantation crop had been progressively increased. The estates are situated in the rural areas about 158 km away from the capital Phnom Penh. It is evidenced that the estates have provided many job opportunities to the local communities</p> <p>The presence of plantation in the concession area has benefited the villagers. Job opportunity by recruiting locals has created some support to the village families as an additional income rather than depending on their own agriculture produce and have thereby increased their income and improved their living standards.</p> <p>Verified that the estates have participated in many community works (through prior consultation) including building temples, maintaining roads and bridges, sponsoring festivities celebrations and payment of additional USD 20 per month to some 35 government school teachers who serve in the schools nearby.</p> <p>School had been built in Estate A. Accommodation is provided to the teachers who came from far distance. An allowance of USD 20/- had been paid by MRICOP in addition to Government salary to the teachers. New school office is being progressively built. The management has a clinic in estate A, the facility of which is also made used by the villagers in the event of an emergency. Religious celebrations and sports activities are encouraged. Intake of university students for plantation training had been documented. A temple was built in the neighbouring village of Keophos. Mong Reththy as a group has developed 3 villages in the surrounding area, tar sealed roads and wide estate roads are freely accessible to the villagers.</p> | Yes |

Principle 7: Responsible development of new plantings

MRICOP PMU has a procedure for New Planting. Estates A & B has been planted since 1997, Estate C (owned by MTSI) as mentioned in this report, is currently a supply base under the time bound plan. However, Estate C (MTSI) is also managed by MRICOP as a separate entity from MRICOP PMU.

For information, new planting (on former sugar cane plantation) at Estate C is in progress (**see item 1.4**).

MRICOP being the management responsible for Estate C has taken action to notify RSPO as per requirement of RSPO NPP. See **Appendix F**



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

Criterion 8.1

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

| Assessment | Indicators | Findings and Objective Evidence | Compliance |
|-----------------------------|--|--|------------|
| Main Assessment- R9280/12-2 | Demonstrate progressive improvement to the following but not limited to: 8.1.1 Minimize use of certain pesticides (C4.6) 8.1.2 Environmental impacts (C5.1) 8.1.3 Maximizing recycling and minimizing waste or by-products generation. 8.1.4 Pollution prevention plans (C5.6) 8.1.5 Social impacts (C6.1) 8.1.6 A mechanism to capture the performance and expenditure in social and environmental aspects. | <p>It is a policy of MRICOP PMU to regularly and review their oil palm planting and POM activities. It was also evident that various management plans and mitigation plans are in place and implemented for key operations and continuous improvement. Evidenced in the Planning Programs for Continuous Improvement of Activities and Operations of MRICOP POM and Estates dated January 2012.</p> <p>The areas for improvement verified include the following: i) New boiler for POM had been installed and is operational. This resulted in reduction in diesel usage against baseline data since March 2011 till current month (April 2012) ii) Reduction of chemical usage especially for Class 1B was documented. iii) Influence owner of Estate C (MTSI) to be within the 3 year time bound plan and to comply with RSPO new planting procedure (NPP) through involvement and planting management of MRICOP in the Planning and the on-going Programs. iv) Enhanced higher quantity in the field application of dried POME on estate land v) Compile baseline energy consumption and increase use of renewable energy source such as palm kernels vi) Implemented pollution mitigation plan through monitoring stack emission at POM and through efficient boiler performance vii) Provide better housing facilities and amenities for workers. viii) Recruitment and employment of female agronomists as a means of encourage development of female professional and gender development program in the palm oil sector ix) Has adopted a ten year budget plan and performance of annual budget review, incorporating, but not limited to expenditure and performance in social and environmental aspects</p> | Yes |



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3.1.1 Supply Chain Findings - on CPO Mill

Assessment Report on Supply Chain Certification on MRICOP PMU

As the Main Assessment was being conducted at MRICOP PMU, the Assessment team was only able to assess the documented draft procedure of the CPO Mill MRICOP.

The above mentioned procedure specified that the POM Mill Manager, Mr. Vong Pharith, is responsible for the implementation and compliance of the RSPO SCC requirements. The responsibilities have been spelt out in his Job Description. He has the overall responsibility for and authority over the implementation of RSPO SCC requirements and compliance with all its applicable requirements.

Assessment interview noted that he is generally aware and understands the POM's procedures for the implementation of this RSPO SCC. The current model adopted in the said procedure is by Mass Balance (MB).

Detailed actual implementation could only be verified at the next surveillance visit.

Job responsibilities include, among others,

- i) Booking keeping of the FFB quantities from a) Estates A & B and b) Estate C (MTSI)-under time bound plan.
- ii) Reviewing of POM data on quantity of CPO and PK derived from the estates.
- iii) Daily monitoring of CPO quantity at the individual CPO storage tanks and quantity of PK inventory.
- iv) Taking immediate actions should discrepancies arise on quality or quantity issues as per documented procedures.
- v) Perform regular review and trend analysis of OER and KER at POM.

Checked on the draft procedure has showed that the POM of MRICOP has a 'MOCK' sales documentation – mock sales invoices and mock delivery notes, mock shipping documents contains the following information,

- a) The name and address of the buyer;
- b) The name and address of the MRICOP PMU;
- c) The loading or delivery date;
- d) The date on which the documents were issued;
- e) A description of the product, including the Mass Balance supply chain model;
- f) The quantity of the CPO / PK delivered;
- g) Any related transportation documentation
- h) Supply chain certification reference number (to be included after RSPO certification approval)

As MRICOP PMU is awaiting certification approval, training plan for RSPO SCC has included need for training.

MRICOP management has been made aware of MICM SOP on RSPO Rules on communication and claims and has duly acknowledged receipt of such document.

3.2 Status of Identified Noncompliance and Corrective Actions, Observations and Positive Elements.

The status of the Noncompliances (NCR) and Observations (OBS) identified as per the details below:

- Year 2012 – Main assessment, 4 Minor Noncompliances and 5 Observations were identified

| NCR # | Indicator/Category | Details of NCR (in year 2012) | | |
|--------|--------------------|--|--|--|
| 1 of 4 | 4.2.2 Minor | Date issued: 28 April 2012 | Date due: (Within 30 days) Date closed: 24 May 2012 | Date due for verification: 1 st Surveillance |
| | | Nonconformance: The indicator requires evidence of periodic tissue and soil sampling to monitor changes in the nutrient status. The company had initiated a plan to engage expertise to carry out leaf and soil sampling and analysis. However, the work has yet to commence. | | |

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| | | |
|--|--|---|
| | | <p>Corrective Action (replied):</p> <p>Engagement of the expertise for the said sampling and analysis is still pending confirmation. However, an internal procedure is now available to ensure that leaf sampling will be conducted annually and soil sampling on a 5 year basis. Refer to document 'Leaf Sampling for Foliar Analysis & Soil Sampling' as attached</p> |
| | | <p>Verification (for effective closure): (During 1st Surveillance)</p> |

| NCR # | Indicator | Details of NCR (in year 2012) | | |
|--------|----------------|---|----------------------------|------------------------------|
| 2 of 4 | 4.4.4 Minor | Date issued: | Date due: (Within 30 days) | Date due for verification: |
| | | 28 April 2012 | Date closed: 24 May 2012 | 1 st Surveillance |
| | | Nonconformance: | | |
| | | <p>Rainfall data had been recorded in Estate A. However, rainfall data was not monitored in Estate B since the estate did not have a rain gauge.</p> | | |
| | | Corrective Action (replied): | | |
| | | <p>Pending delivery of an additional rain gauge, a temporary measuring cylinder had been fabricated for Estate B and checked against Estate A rain gauge. Refer to the calibration procedure / document 'Procedure for Measuring Rainfall Using Temporary Rain Gauge for Estate B' as attached.</p> | | |
| | | Verification (for effective closure): (During 1 st Surveillance) | | |

| NCR # | Indicator | Details of NCR (in year 2012) | | |
|--------|----------------|--|----------------------------|------------------------------|
| 3 of 4 | 4.5.1 Minor | Date issued: | Date due: (Within 30 days) | Date due for verification: |
| | | 28 April 2012 | Date closed: 24 May 2012 | 1 st Surveillance |
| | | Nonconformance: | | |
| | | <p>The estates do not have a documented IPM system.</p> | | |
| | | Corrective Action (replied): | | |
| | | <p>A Documented IPM system for control of potential pest is submitted and will be implemented accordingly. Refer to document 'Integrated Pest Management (IPM) Plan for MRICOP and MTSI as attached.</p> | | |
| | | Verification (for effective closure): (During 1 st Surveillance) | | |

| NCR # | Indicator | Details of NCR (in year 2012) | | |
|--------|----------------|--|----------------------------|------------------------------|
| 4 of 4 | 4.5.4 Minor | Date issued: | Date due: (Within 30 days) | Date due for verification: |
| | | 28 April 2012 | Date closed: 24 May 2012 | 1 st Surveillance |
| | | Nonconformance: | | |
| | | <p>The indicator requires monitoring of pesticide usage units per hectare or per tonne crop e.g. total quantity of active ingredient (a.i) used /tonne oil. There was no evidence of monitoring of pesticides usage units per hectare or per tonne crop.</p> | | |
| | | Corrective Action (replied): | | |
| | | <p>Monitoring of pesticide usage and the a.i. had been done and submitted. Monitoring is now done on a monthly basis. Refer to the document attached' Information on pesticide usage'.</p> | | |
| | | Verification (for effective closure): (During 1 st Surveillance) | | |

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Summary of Observations:

The 5 Observations (OBS) identified during this assessment are as per below.

Note: The progress made on the observations listed will be reviewed during the subsequent surveillance assessment on the action and implementations taken.

| OBS | Indicator | Details of Observation (in year 2012) | |
|-----|-----------|--|---|
| 1 | 4.6.3 | Date issued: 28 April 2012 | Date due for verification: 1 st Surveillance |
| | | Observation: At POM, Chemical store, the housekeeping should be improved and unwanted items removed elsewhere. Material Safety Data Sheets (MSDS) also to be placed at location for easy reference by the chemical store personnel. | |
| | | Follow up Verification: (During 1 st Surveillance) | |
| 2 | 4.6.5 | Date issued: 28 April 2012 | Date due for verification: 1 st Surveillance |
| | | Observation: Annual Medical Surveillance as per CHRA for plantation pesticide operators had been carried out but can be further improved by an enhanced monitoring mechanism for due date of the annual medical check-ups. | |
| | | Follow up Verification: (During 1 st Surveillance) | |
| 3 | 5.1.2 | Date issued: 28 April 2012 | Date due for verification: 1 st Surveillance |
| | | Observation: Air emissions monitoring for stack discharge from the POM has yet to incorporate the use of air emissions equipment to determine emission levels. Currently under Sub-decree 42, Control of Air Pollution & Noise Disturbances (2000), emission limits for mill discharge are not available from the Ministry of Environment and this should be followed up. | |
| | | Follow up Verification: (During 1 st Surveillance) | |
| 4 | 5.3.2 | Date issued: 28 April 2012 | Date due for verification: 1 st Surveillance |
| | | Observation: The operational plan after having identified waste and pollutants should incorporated details of methods of disposal e.g. landfill locations /size and recycling methods or methods for reduction of pollution. | |
| | | Follow up Verification: (During 1 st Surveillance) | |
| 5 | 6.1.3 | Date issued: 28 April 2012 | Date due for verification: 1 st Surveillance |
| | | Observation: Program for monitoring of drinking water quality can be further enhanced as part of Social responsibility for the villages within and bordering the 3 estates. | |
| | | Follow up Verification: (During 1 st Surveillance) | |

Identified Positive Elements

1. Social and community support provided in the clinics, schools and worship temples within the vicinity of the estates.
2. Promotion of awareness given to the employees / workers on the needs for Conservation.
3. People from nearby villages are given preference for employment and benefits. This contributes the economic and social development of the people of Cambodia.



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3.3 Issues Raised by Stakeholders and Findings

MICM did receive both written and verbal feedback from stakeholders on the environmental and social performance of MRICOP's PMU operations during the various stages of consultation and progress towards its RSPo certification. In the course of the Main assessment all pertinent issues were reviewed, verified where necessary and had been accordingly incorporated into the report findings.

4.0 Assessment Conclusion and Recommendation

Based on the findings above, MRICOP had been able to demonstrate its compliance with the RSPo Principles and Criteria (October 2007), Cambodian Local Indicators (March 2012) for Small Producing Countries (SPC) and the RSPo Supply Chain Certification Standard (November 2011) for Palm Oil Mill.

Therefore, it is recommended that the certification of MRICOP be progressed to the final approval stage.

Signed for and on behalf of
Moody International Certification (Malaysia) Sdn Bhd

Mr. Augustine Loh
Lead Assessor

Date: 21/06/2012

4.1 Acknowledgement of Internal Responsibility and Confirmation of Assessment Findings

This is to acknowledge and confirm the assessment visits described in this report and the acceptance of the contents and findings in this assessment report.

Signed for and on behalf of
Mong Reththy Investment Cambodia Oil Palm Co. Ltd

Mr. Sumate Pratumswan
Deputy Managing Director / RSPo Head

Date: 21/06/2012