

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

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



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Assessment Report

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ANNUAL SURVEILLANCE ASSESSMENT (ASA-01) ON RSPO CERTIFICATION

PUBLIC SUMMARY REPORT

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

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

PLANTATION MANAGEMENT UNIT MRICOP Palm Oil Mill & Estates

Choeung Kor Commune, Prey Nop District, Sihanoukville, Cambodia

Certificate No:

Issued date:

Expiry date:

RSPO 928088

15 August 2012

14 August 2017

Assessment Type

Initial Certification (Main Assessment)

Extension of Scope

Annual Surveillance Assessment (ASA-01)

Verification Audit for Major NCR

Annual Surveillance Assessment (ASA-02)

Annual Surveillance Assessment (ASA-03)

Annual Surveillance Assessment (ASA-04)

Re-Certification

Assessment Dates

24-28 April 2012

6 August 2012

22-25 April 2013

3-4 June 2013

Moody International Certification (Malaysia) Sdn Bhd

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Mong Reththy Investment Cambodia Oil Palm Co. Ltd. (MRICOP): Annual Surveillance Assessment (ASA-01)

1.0 SCOPE OF ANNUAL SURVEILLANCE ASSESSMENT (ASA-01)

1.1 Introduction

This Annual Surveillance Assessment (ASA-01) was conducted on the Plantation Management Unit (PMU) MRICOP of Mong Reththy Investment Cambodia Oil Palm Co. Ltd (hereafter abbreviated as MRICOP), from **22 to 25 April 2013**, 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), Cambodia Local Indicators (March 2012) and the RSPO Supply Chain Certification Standard (November 2011) for Palm Oil Mill.

The plantation management unit (PMU) or management unit is equivalent to a certification unit as defined in the RSPO Certification Systems Document. Each PMU consists of one mill and its supply bases which are made up of estates owned by Mong Reththy Investment Cambodia Oil Palm Co. Ltd (MRICOP).

1.2 Location (address, GPS and map) of palm oil mill and estates

MRICOP consists of one (1) palm oil mill, namely MRICOP Palm Oil Mill and 2 own FFB supplying estates as indicated in Table 1 below, which includes the addresses and GPS locations of the mill and estates. The location maps are provided in **Appendix C**.

Table 1: Address of Palm Oil Mill, Estates and GPS Location

Name	Address	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. Plantation Site & Office: Mong Reththy Investment Cambodia Oil Palm Co. Ltd., National Road 4, Monorum, Choengkor, Prey Nop, Sihanouk Province, Cambodia.	10°54.50' N	103°49.65' E
Estate A	National Road 4, Sangkat Cheung Kor, Khan Prey Nop, Preah Sihanouk province, Kingdom of Cambodia.	10° 49' 04.2" N	103° 48' 33.1" E
Estate B	National Road 4, Sangkat Cheung Kor, Khan Prey Nop, Preah Sihanouk province, Kingdom of Cambodia.	10° 52' 15.5" N	103° 51' 05.3" E

1.3 Description of supply base (fruit sources)

During this ASA-01 assessment, it was verified that MRICOP still 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. The necessary documentation and public notification under the RSPO New Planting Procedures for the extension of plantation development and supply from Estate C was submitted to RSPO on 15 May 2012 and was approved without any issues forthwith.

MRICOP has included MTSI (Estate C), being part of the supply base, into its 3-year Time Bound Plan for certification which was planned to be realized by 2015. However, it is commendable that this has been completed ahead of schedule through this current audit.

Verification done on site during the Annual Surveillance Assessment (ASA-01) confirmed that the FFB supply are from the said 2 own estates A & B, whilst MTSI (Estate C) is considered as an outgrower / independent supplier.

Details of the planted hectareage at MRICOP are as shown in Table 2 below.

Table 2: Estate Area Summary and FFB Production

Estate	Area Summary (ha) – 2012 / 2013	
	Certified Area	Planted Area
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) as Outgrower	8,287.58	4,736.04

Notes:

1. This Annual Surveillance Assessment (ASA-01) covered the overall land use for oil palm plantation areas, and the identified Conservation areas including HCV areas marked out at the estates.
2. The estates sampled for this Annual Surveillance Assessment (ASA-01) are Estates A and MTSI (Estate C) and were selected based on their potential risks on social, environmental and biodiversity issues such as their proximity to forest reserves, hill sides, riparian zones and high conservation value areas.

1.4 Summary of plantings and cycle

The 3 estates been developed between 1997 and 2012 and are still in the 1st cycle of planting. The age profile is as shown in Table 3.

Table 3: Age Profile of Planted Oil Palm (2012/13)

Estate Name	Year of Planting	Cycle of Planting	Mature OP (ha) – Above 3 years	Immature OP (ha) – 3 years & below
Estate A	1997-2008 2010	1 st	3,994.00	82.00
Estate B	1997-2008 2010-2012	1 st	2,876.00	1,307.00
MTSI (Estate C)	2008-2009 2010-2012	1 st	1,226.00	4,524.00
		Total	8,096.00	5,913.00

Note: The necessary documentation and public notification under the RSPO New Planting Procedures for the extension of plantation development and supply from Estate C was submitted to RSPO on 15 May 2012 and was approved without any issues forthwith.

1.5 Summary of Land Use - Conservation and HCV Areas

The summary of Conservation and HCV Areas as identified in MRICOP during this Annual Surveillance Assessment (ASA-01) in 2013 is as shown in Table 4A and 4B below:

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

Estate A and B		2011/12 Hectarage - Ha	2012/13 Hectarage - Ha
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		2011/12 Hectarge - Ha	2012/13 Hectarge - Ha
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 held and Use of RSPO Trademarks

There are currently no other certifications held by MRICOP PMU.

1.6.1 The RSPO's trademarks and logo are not being used by the PMU audited. Instructions for use were provided and acknowledged by the PMU through a signed Memorandum of commitment agreeing to adhere to the latest "RSPO Rules on Communications and Claims".

1.7 Organizational information / Contact Person

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Mong Reththy Investment Cambodia Oil Palm Co. Ltd. (MRICOP): Annual Surveillance Assessment (ASA-01)

1.8 Tonnages Verified for Certification

The breakdown of all the suppliers and their tonnages of FFB supplied to the POM at MRICOP based on the reporting period for 2012/2013 are as follows:

#	Estate /Supplier	FFB Processed (MT)	Main Receiving Palm Oil Mill	RSPO P&C Certification By CB (date)
1.	Estate A	65,672.79	MRICOP POM	Moody International Certification (Malaysia) Sdn Bhd
2.	Estate B	29,107.63	MRICOP POM	Moody International Certification (Malaysia) Sdn Bhd
3.	MTSI (Estate C)	1,304.58	MRICOP POM	Moody International Certification (Malaysia) Sdn Bhd
	Total from MRICOP managed estates:	96,085.00		

Total annual volumes / tonnages of FFB supplied from the supply base to MRICOP POM during the previous period, current Annual Surveillance Assessment (ASA-01) period and projected period are as follows:

Estate / Supplier	FFB Processed in 2011/12		FFB Processed in 2012/13		FFB Processed for 2013/14 - Projected	
	MT	%	MT	%	MT	%
MRICOP managed	96,350.83	100	96,085.00	100	104,258.46	100
Other supply	-	0	-	0	-	0
Total	96,350.83	100	96,085.00	100	104,258.46	100
SCCS Model for POM	SG		SG		SG	

The annual certifiable tonnages of CPO and PK production by MRICOP from the supply base/suppliers as assessed and verified during the current Annual Surveillance Assessment (ASA-01) (based on 2011/12 data) are detailed as follows:

POM	2011/12		2012/13		2013/14 - projected	
Total FFB Processed (MT)	96,350.83		96,085.00		104,258.46	
Total CPO Production (MT)	18,287.39	OER: 18.98%	18,448.32	OER: 19.20%	20,330.40	OER: 19.50%
Total PK Production (MT)	2,697.82	KER: 2.80%	3,362.98	KER: 3.50%	3,961.82	KER: 3.80%
SCCS Model for POM	SG		SG		SG	

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

1.9 Time Bound Plan for Other Plantation 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. However, it is commendable that this has been completed ahead of schedule through this current audit.

1.10 Abbreviations Used

CB	Certification Body	MICM	Moody International Certification (Malaysia) Sdn Bhd
CHRA	Chemical Health & Risk Assessment	MRICOP	Mong Reththy Investment Cambodia Oil Palm Co. Ltd
CPO	Crude Palm Oil	MTSI	MRT-TCC Sugar Investment Co., Ltd
CSDS	Chemical Safety Data Sheets	MSDS	Material Safety Data Sheets
CSPO	Certified Sustainable Palm Oil	MTCS	Malaysia Timber Certification Scheme
CSPK	Certified Sustainable Palm Kernel	NCR	Non-Conformance Report
EFB	Empty Fruit Bunch	NGO	Non-Government Organization
EHS	Environmental Health & Safety	OER	Oil Extraction Rate
EIA	Environmental Impact Assessment	OHS	Occupational Health & Safety
ETP	Effluent Treatment Plant	PEFC	Programme for the Endorsement of Forest Certification
FFB	Fresh Fruit Bunch	PK	Palm Kernel
GAP	Good Agriculture Practice	PMU	Plantation Management Unit
HCV	High Conservation Values	POM	Palm Oil Mill
IPM	Integrated Pest Management	POME	Palm Oil Mill Effluent
ISCC	International Sustainability & Carbon Certification	PPE	Personal Protective Equipment
IUCN	International Union for Conservation of Nature	SCCS	Supply Chain Certification Standard
KER	Kernel Extraction Rate	SOP	Standard Operating Procedures
LTA	Lost Time Accidents		

2.0 ASSESSMENT PROCESS

2.1 Assessment Methodology, Plan and Site Visits

Since 12 March 2013, MICM has initiated public communications and notifications and invited the relevant stakeholders before the assessment to provide feedback and comments on their concern (if any) on MRICOP regarding the environmental, biodiversity, community development and other relevant issues.

From 22 to 25 April 2013, the Assessment team of MICM conducted the Annual Surveillance Assessment (ASA-01) in which 2 out of the 3 estates of MRICOP namely Estate A & Estate C (MTSI) as well as the palm oil mill were assessed for compliance against the RSPO requirements. The number of estates sampled was based on a minimum sample of $0.8\sqrt{y}$ where y is the number of management sub-units and the selection was made based on their potential risks on social, environmental and biodiversity issues such as their proximity to forest reserves, hill sides, riparian zones and high conservation value areas.

During the on-site assessment, relevant documents and records, including Standard Operating Procedures (SOP), management plans, hectareage development, FFB, CPO and PK production, oil palm age profile, operational controls and measures, operational data and records, training records, etc. were reviewed and verified for compliance. The Assessment team using the process approach auditing technique covered the palm oil mill and estate operations, agricultural practices, pest management, pesticide and fertilizer application, occupational health and safety, social accountability, environment and other requirements. Stakeholders' interviews were conducted during the assessment and feedback obtained as part of information and evidence gathering. (See section 2.5 Process of stakeholder consultation).

MRICOP POM was also assessed against the requirements for the Segregation Module as specified in RSPO Supply Chain Certification Standard for CPO mill. This part of the assessment covered the verification of implementation of documented procedures and availability of records to demonstrate compliance against all the elements for Segregation requirements. These include documented procedure, purchasing and goods in, record keeping, sales and goods out, processing, monitoring and traceability of the CSPO and CSPK quantities, training for staff and claims.

After completion of the on-site field assessment, MICM also performed the evaluation of conformity against the RSPO Certification System requirements for CB. The surveillance assessment report, findings and associated documents were evaluated through an independent review and approval by the MICM Internal Evaluation Panel prior to submission of the Public Summary Report to RSPO Secretariat.

The details of the Assessment Plan (actual on-site) are provided in **Appendix B**.

2.2 Date of next scheduled visit

The next scheduled visit will be the Annual Surveillance Assessment (ASA-02) which will be carried out within a 12-month period of the due annual surveillance during the certification cycle.

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, RSPO SCC, ISCC, Marine Sustainability Chain-of-Custody, MTCS- 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. Intertek-Moody Group's 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 consultations began with notification of the upcoming assessment through the websites of RSPO, MRICOP and MICM. E-mails / facsimiles / letters of the same were sent to applicable stakeholders including government agencies, NGOs and local communities. Any stakeholder's response and feedback received were followed up accordingly.

During the assessment, stakeholders were interviewed and their feedbacks were recorded. Among the stakeholders consulted were workers, workers representative, women representatives from Gender Committee; local community leaders, representatives of NGOs; external suppliers and contractors. Details on stakeholders' feedback, PMU response and MICM verification / comments are provided in **section 3.3**.

Among the list of key stakeholders consulted as described through the above process, are the following:

Government Ministries / Agencies (by emails)

- | | |
|--|--|
| 1. Ministry of Agriculture, Forestry & Fisheries | 9. Ministry of Land |
| 2. Ministry of Industry, Mines & Energy | 10. Ministry of Economy & Finance |
| 3. Ministry of Health | 11. Ministry of Rural Development |
| 4. Ministry of Wildlife Protection | 12. Ministry of Water resource and Meteorology |
| 5. Ministry of Women Affairs | 13. Department of Forestry, Cambodia |
| 6. Ministry of Environment | 14. Department of Wildlife & Biodiversity, Cambodia |
| 7. Ministry of Immigration | 15. Council for Agriculture and Rural Development (CARD) |
| 8. Ministry of Labour & Vocational Training | |

NGOs (by emails)

- | | |
|---|--|
| 16. World Wildlife Fund (WWF) Cambodia | 35. Human Resource and Rural Economic Development Organization (Hurredo) |
| 17. Conservation International, Cambodia | 36. Human Rights Vigilance of Cambodia (Vigilance) |
| 18. CEDEC, Cambodia | 37. Indigenous Community Support Organization (ICSO) |
| 19. Association of Protection Development for Cambodia Environment (APDCE) | 38. Khmer Community for Agricultural Development (KCAD) |
| 20. Cambodia Farmer Economic Development (CFED) | 39. Khmer Farmers Association (KFA) |
| 21. Cambodian Human Rights and Development Association (ADHOC) | 40. Khmer Institute for National Development (KIND) |
| 22. Cambodian Labour Organization (CLO) | 41. Legal Aid of Cambodia (LAC) |
| 23. Cambodian League for the Promotion & Defence of Human Rights (LICADHO) | 42. NGO Committee on the Rights of the Child (NGO-CRC) |
| 24. Cambodian Rural Economic Development Organization (CREDO) | 43. NGO Forum of Cambodia |
| 25. Cambodian Sanitation and Recycling Organization (CSARO) | 44. Hand of God, Cambodia |
| 26. Centre d'Etude et de Développement Agricole Cambodgien (CEDAC) Cambodia | 45. Wildlife Alliance, Cambodia |
| 27. Conservation International (CI) Cambodia | 46. Organization for Assistance of Children and Rural Women (CWARO) |
| 28. Cooperation for Development of Cambodia (Co-DeC) | 47. Provincial Governor of Sihanoukville |
| 29. Culture and Environment Preservation Association (CEPA) | 48. Urban Poor Women Development (UPWD) |
| 30. Development and Partnership in Action (DPA) | 49. Violence Against Women and Children of Cambodia (VAWCC) |
| 31. Fisheries Action Coalition Team (FACT) | 50. Wildlife Alliance Cambodia |
| 32. Gender and Development for Cambodia (GAD/C) | 51. World Wide Fund (WWF) Cambodia (Phnom Penh) |
| 33. Healthcare Centre for Children (HCC) | |

Others interviewed during on-site assessment

- | | |
|--------------------------|---------------------------------|
| Gender Committee Members | School Principals |
| Commune Head - ChoengKor | Clinic doctors |
| Village Head – Monorum | Contractors (for field workers) |
| Village Head – Ta Pov | |

3.0 ASSESSMENT FINDINGS

3.1 Summary of findings

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.		
Indicators	Findings and Objective Evidence	Compliance
1.1.1 Records of requests and responses must be maintained. Major Compliance	Currently, MRICOP has only one PMU. For the period concerned, one request received from Mr. Teoh Cheng Hai, an Agribusiness Specialist from the World Bank based in Washington DC, USA. Request was for the Cambodia Local Indicators and a sample of MRICOP Employment Agreement. Evidence of request met as seen from the signed Acknowledgement Form dated 03/04/2013. System of responding to request for information from stakeholders and Stakeholders' consultation evidently implemented and records maintained. PMU defined as one Palm Oil Mill in Sihanouk Province, Cambodia with a supply base of 3 estates (Estates A, B and C) that meet the requirements of 4.2.3 and 4.2.4 of RSPO Certification Systems Standard.	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.		
Indicators	Findings and Objective Evidence	Compliance
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 (C4.2). 1.2.2 Safety and health plan (C4.7). 1.2.3 Plans and impact assessments relating to environmental and social impacts (C5.1, 6.1, 7.1, 7.3) 1.2.4 Pollution prevention plans (C 5.6) 1.2.5 Details of complaints and grievances (C 6.3) 1.2.6 Negotiation procedures (C 6.4) 1.2.7 Continuous improvement plan (C 8.1)	MRICOP website https://www.mricop.com.kh has a transparency statement that the 7 types of mandatory documents are publicly available. Copies of the land titles were available and have been maintained at the Mill and estates: The lands in Estates A and B are via a Land Concession Contract dated 09/01/1996 between the Cambodian Ministry of Agriculture, Fishery and Forest (AFF) and MRICOP for a period of 70 years commencing 1997 with use of the lands for agriculture. Ownership of Estate C freehold land for agriculture use is via a purchase document dated 27/07/2011. Annual review of Safety and Health Plan on 11/03/2013 at RSPO Team Meeting. Additional activities and action items included and implemented.	Yes

	<p>Annual review of Social and Environmental Impact Assessment Reports on 11/03/2013 at RSPO Team Meeting.</p> <p>Social Impact Assessment Plan include the identification of potential social impact and stakeholder responsibility for following activities: land ownership, availability of resources (firewood, protein, water), employment opportunity & wages, contribution to the community, sports facilities.</p> <p>Management Action Plans, Monitoring and Continuous Improvement Program dated 20/04/2013 developed and implemented for:</p> <ul style="list-style-type: none"> - Waste Management - Pollution prevention - Environmental and Biodiversity <p>Complaints and grievances process flowchart and its details are defined in SOP-GA-019.</p> <p>MRICOP has included the necessary details including identifying a corporate representative / coordinator, for handling complaints and grievance.</p> <p>Negotiation process flowchart and its details are defined in SOP-GA-022.</p> <p>MRICOP has applied the process for resolving the compensation claims by some villagers in Estate C and current status is at partial resolution and ongoing negotiation for remaining claims.</p> <p>Continuous Improvement Plan include the following:</p> <ol style="list-style-type: none"> a. Engagement of an expert/adviser Mr. Tang Meng Kong for agronomic / plantation management. b. Corrective actions for oil palm leaves damaged by bag worms. c. Planting of beneficial plants (<i>Cassia Cobanensis</i>) in Estate C. d. Planting of legume cover crops (<i>Pueraria Javanica</i> and <i>Calapogonium Mucunoides</i>) 100 ha in Div. B4. e. Application of EFB mulching at new planting area Div. B4. f. Improvement of pruning program. g. Soil survey and leaf analysis. h. Drainage improvement in Estate C. i. Environmental improvements (conservation areas, buffer zone, Khmer soldiers' burial ground, biodiversity conservation). j. Corporate Social Responsibility (road constructed at Chung Rang & Sway Villages). k. Stakeholders' Consultation – compensation to villagers in Estate C. l. Trainings (IPM Training, RSPO Awareness & Company Policy, Recruitment & Interview Skill). m. Development plan for new CPO mill and new warehouse in Estate C. n. New housing quarters for workers. 	
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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.		
Indicators	Findings and Objective Evidence	Compliance
Evidence of compliance with relevant legal requirements. Major Compliance	<p>Compliance with land titles and user rights evidenced from the Land Concession Contract between the Cambodian Ministry of Agriculture, Fishery and Forest (AFF) and MRICOP for Estates A and B and land ownership of Estate C freehold lands via a purchase document with land tiles. Environmental and Social Impact Assessments confirmed activities to be in compliance with laws and sub decrees related to environment and social issues. Licenses and permits for operations are valid and displayed at the main office at the POM.</p> <p>A list of applicable laws and sub decrees is available and reviewed, at least annually, for updates by the Head of Quality & Sustainability Management (Mr. Khiev Sothy).</p> <p>MRICOP's SOPs provides the mechanism for the implementation of the applicable laws. Monitoring of compliance by departments and RSPO Team.</p> <p>Cambodia is 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.</p> <p>Overall, there is adequate evidence of compliance with the applicable local, national laws and legal requirements detailed in the Cambodia Local Indicators.</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>
2.1.2 A documented system, which includes written information on legal requirements. Minor Compliance		
2.1.3 A mechanism for ensuring that they are implemented. Minor Compliance		
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		
Criterion 2.2		
The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights.		
Indicators	Findings and Objective Evidence	Compliance
2.2.1 Evidence of legal ownership of the land including history of land tenure. Major Compliance	<p>Legal ownership of the land and land tenure for Estates A and B as evidenced by the Land Concession Contract between the Cambodian Ministry of Agriculture, Fishery and Forest (AFF) and MRICOP dated 09/01/1996 for a period of 70 years commencing 1997 with use of the lands for agriculture. There is no further land dispute in Estates A and B. Legal ownership of Estate C freehold land for agriculture use evidenced by a purchase document dated 27/07/2011. Estate C was previously cultivated with sugarcane.</p> <p>Boundary stones including other markers such as roads and trenches were found to be visually maintained and were within the perimeters as</p>	<p>Yes</p>
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		
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		
Specific Guidance: Growers should attempt to comply with the above indicator within 15 months from date of announcement of first audit. Refer to		

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<p>State Land Office for examples of other reserves.</p> <p>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.</p> <p>Minor Compliance</p>	<p>indicated in the land concession/title. The audit team verified that no planting was done beyond the legal boundary.</p> <p>Despite the land ownership of Estate C, there are claims for compensation by some villagers for an area of 664 ha in Estate C. Although MRICOP has legal rights to the lands mentioned, nevertheless the company initiated a negotiation and compensation process to resolve these claims.</p> <p>Mechanism to solve the land conflict is in place (SOP-GA-22 Land Compensation and Negotiation Procedure Flow Chart) and as evidenced in the related criteria 6.3. & 6.4. Evidence of progress towards resolution of conflict available and maintained:</p> <p>On 10/01/2013, a meeting between villagers representative (Mr. Sok Vann) and MTSI/MRICOP. Villagers' representative provided documents for claims of compensation of 664 ha with 144 families involved. Disputed areas mapped out in a participatory way with villagers represented by students group.</p> <p>On 16/01/2013, MRICOP set up a Price Compensation Committee. A meeting between villagers' representative and the Price Compensation Committee held on 18/01/2013. Outcome of the meeting is that MTSI/MRICOP agreed to pay compensation of USD400 per ha.</p> <p>On 22/01/2013, the villagers representative submitted the first lot of land of 132.40 ha involving 30 villagers with the accepted compensation of USD400 per ha. Remaining areas of 531.60 ha still awaiting decision from the villagers concerned and negotiation still on-going. Meeting with stakeholders on 23/03/2013 on the claims.</p> <p>Verified that there were no clearing or any operations on the land under conflict.</p>	
<p>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.</p>		
<p>Indicators</p> <p>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.</p> <p>Major Compliance</p> <p>2.3.2 Map of appropriate scale showing extent of claims under dispute.</p> <p>Major Compliance</p>	<p>Findings and Objective Evidence</p> <p>There are no customary lands in the concession areas (Estate A and B) and legally owned land (Estate C). Cultivation of oil palm in these lands has not diminished any legal rights of villagers either. The claims for compensation by some villagers for an area of 664 ha in Estate C have been partially resolved (see 2.2). Mapping of the lands involved in the compensation claims was jointly carried out with</p>	<p>Compliance</p> <p>Yes</p> <p>Yes</p>

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<p>2.3.3 Copies of negotiated agreements detailing process of consent (C2.2, 7.5 and 7.6).</p>	<p>the claimants as represented by the students group. Compensation agreements for 132.40 ha and full payment made as per agreement. Photographic evidences of payment collection were documented. At the time of this assessment, interview conducted with the villagers representative confirmed the principle of free, prior and informed consent being applied in the land compensation claims. As to date, an additional 20 families agreed to the compensation claims agreement and were paid the initial 20%.</p>	<p align="center">Yes</p>
<p>Minor Compliance</p>		

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

<p>Criterion 3.1 There is an implemented management plan that aims to achieve long term economic and financial viability.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>3.1.1 Annual budget with a minimum 2 years of projection Specific Guidance: Annual budget may include FFB yield/ha, OER, CPO yield/ha and cost of production that is not required to be publicly available.</p>	<p>Verified that presently, there is only one PMU owned by MRICOP. The PMU (POM and supply base Estates A, B and C) meet the requirements of 4.2.3 and 4.2.4 of RSPO Certification Systems Standard.</p>	<p align="center">Yes</p>
<p>Major Compliance Annual replanting programme projected for a minimum of 5 years with yearly review.</p>	<p>A 10-year Management Plan and Budget for year 2013 to 2022 had been established for the palm oil mill and estates. The Management Plan and Budget included items such as the planted areas, areas for harvesting, FFB harvesting, CPO production, %OER, PK production, %KER, revenue, direct costs, indirect costs, net profit, development costs and net cash flow. The Budget also included provisions for social and environmental programs.</p>	<p align="center">Yes</p>
<p>Minor Compliance</p>	<p>Annual replanting programme had been projected up to year 2022 subject to yearly review.</p>	

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

<p>Criterion 4.1 Operating procedures are appropriately documented and consistently implemented and monitored.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>4.1.1 Documented Standard Operating Procedures (SOP) for estates and mills.</p> <p>Major Compliance</p>	<p>The mill and the estates had a copy each of the Standard Operating Procedures and these had been implemented accordingly except those highlighted by the auditor under 4.4.1.</p>	<p align="center">Yes</p>
<p>4.1.2 Records of monitoring and the actions taken are maintained and kept for a minimum of 12 months.</p> <p>Minor Compliance</p>	<p>The records of monitoring and the actions taken had been maintained for more than 12 months on the mill and estates concerned.</p>	<p align="center">Yes</p>
<p>Criterion 4.2 Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield. MY-NIWG recommends that the indicators in criterion 4.2 and 4.3 are linked</p>		

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Indicators	Findings and Objective Evidence	Compliance
<p>4.2.1 Monitoring of fertilizer inputs through annual fertilizer recommendations.</p> <p>Minor Compliance</p>	<p>Annual fertilizer inputs had been monitored through fertilizer recommendations made by an agronomist with reference to the soil and leaf analysis.</p>	<p>Yes</p>
<p>4.2.2 Evidence of periodic tissue and soil sampling to monitor changes in nutrient status.</p> <p>Minor Compliance</p>	<p>Leaves and soil sampling and analysis had been carried out in the first quarter of 2013 by the Agricultural Technical Service Provider of Department of Agriculture, Phnom Penh. Documents had been verified.</p> <p>Leaf sampling and analysis would be carried out annually and soil sampling and analysis on a 5 year cycle to determine the nutrient levels for fertilizer recommendations that aimed to sustain the long term soil fertility and nutrient efficiency.</p> <p>During ASA-01, it has been verified that the annual Leaf Sampling for Foliar had been conducted and soil sampling analysis was produced as evidence. This was found acceptable. Therefore the previous nonconformance during Main Assessment (1of 4-Minor) was addressed and is effectively closed.</p> <p>See also Section 3.2.</p>	<p>Yes</p>
<p>4.2.3 Monitor the area on which EFB, POME and zero-burn replanting is applied.</p> <p>Minor Compliance</p>	<p>EFB application had been carried out in the mature area of Estate A and in the immature areas of Estates B and C.</p> <p>There was no replanting on the Estates.</p> <p>Froned stacking/spreading in the inter-rows of mature palms had been sighted.</p> <p>Records had been noted on monitoring of EFB application, for the purpose, among others, of maintaining the organic matter, nutrient status and microbiological health of the soil.</p>	<p>Yes</p>
<p>Criterion 4.3 Practices to minimize and control erosion and degradation of soils.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>4.3.1 Documented evidence of practices minimizing soil erosion and degradation (including maps).</p> <p>Minor Compliance</p>	<p>No blanket spraying of the fields had been practiced. Only circle, path, and selective sprayings where necessary had been carried out to minimize soil erosion.</p> <p>Cut fronds were stacked along the inter-rows to minimize soil erosion.</p> <p>EFB mulching had been carried out on estates to improve the organic matter, nutrient status, and microbiological activities in soil.</p> <p>There was no soil erosion noted during the visit.</p> <p>No replanting in the near future as the oldest palms were planted in 1997.</p>	<p>Yes</p>

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<p>4.3.2 Avoid or minimize bare or exposed soil within estates.</p> <p>Minor compliance</p>	<p>In avoiding and minimizing bare or exposed soil, there was no blanket spraying. Only circle, path, and selective sprayings had been practiced.</p> <p>Other conservation practices adopted by the estate for minimizing and controlling erosion and degradation of soils were:</p> <ul style="list-style-type: none"> - mulching of EFB. - Stacking of cut fronds in the inter-row on flat land. 	<p>Yes</p>
<p>4.3.3 Presence of road maintenance programme.</p> <p>Minor Compliance</p>	<p>Estate roads were found to be in good and satisfactory condition. Road maintenance programme had been noted to be in order.</p>	<p>Yes</p>
<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>Based on the estate soil maps, there was no peat soil on the estates as confirmed by auditor's on-site assessment</p>	<p>Yes</p>
<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>Based on the estate soil maps and visit to the estates, there were no other fragile and problematic soils on these estates.</p>	<p>Yes</p>
<p>Criterion 4.4 Practices maintain the quality and availability of surface and ground water.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<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>Buffer zones in accordance to the statutory requirement had been maintained</p> <p>No more circle and path sprayings had been carried out for palms planted within the buffer zones.</p> <p>Natural vegetations were allowed to establish within the buffer zones.</p> <p>It's the Estates' policy not to plant any oil palm in the buffer zones.</p> <p>However, during current assessment, it was found at Estate C, that some palms had been planted too close, noted to be less than 3 metres to the streams in Field N 6 and Field O 5, resulting in a Major non-compliance being issued. The same policy applies when replanting the fields in the future.</p> <p>See NCR, Corrective Actions taken and On-site Verification done on 3-4 June 2013, in section 3.2</p>	<p>NCR 1 of 4 - Major</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>It was confirmed that no bund/weir/dam had been constructed across the rivers or waterways on Estate A. At Estate C, a weir had been constructed across Anlong Kropeu stream next to Field N 6 to maintain the water table in the field.</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>Water samples had been taken from 8 sampling points. Noted that Faecal bacteria had been found in the samples at high level.</p> <p>Note: See related Minor NC on C6.1.3</p>	<p>Yes</p> <p>See Note</p>

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	In palm oil mill, water samples had been taken at monthly interval at the discharge point from effluent pond. BOD had been in the range of 45 to 78 ppm, within the limit of 80ppm, except for September, 2012 at 162 ppm due to high rainfall in the month.	
4.4.4 Monitoring rainfall data for proper water management. Minor Compliance	Records on rainfall data had been maintained and sighted on the estates visited. Such data were utilized for proper water management. During ASA-01, the rain gauges were available at Estates A, B and C and monitoring data for rainfall had been maintained. Therefore the previous nonconformance during Main Assessment (2 of 4 - Minor) is effectively closed. See also section 3.2.	Yes
4.4.5 Monitoring of water usage in mills (tonnage water use/tonne FFB processed). Minor Compliance	Water usage in the mill ranged from 1.6 to 3.1 m ³ /tonne FFB with an average of 2.2 m ³ /tonne FFB for 2012.	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 was no water drainage into protected areas.	Yes
4.4.7 Evidence of water management plans. Minor Compliance	Water management plan implemented for MRICOP Grouping and relevant records had been verified.	Yes
Criterion 4.5 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques.		
Indicators	Findings and Objective Evidence	Compliance
4.5.1 Documented IPM system. Minor Compliance	Documented IPM system for the Company had been reviewed and implemented. The estates' current IPM techniques were: <ul style="list-style-type: none"> - Biological control method. - Hand picking of Rhinoceros beetle in the immature areas. - No Rat baiting was needed out as rat attack was below 2 %, lower than the defined threshold (see below). During ASA-01, the documented IPM system for MRICOP and MTSI was available and noted to be progressively implemented. Therefore the previous nonconformance during Main Assessment (3 of 4-Minor) is effectively closed. See also section 3.2.	Yes
4.5.2 Monitoring extent of IPM implementation for major pests. Minor Compliance	Programme for planting of beneficial plants such as Cassia cobanensis, and Antigonon leptopus, and records on areas planted had been sighted together with the respective maps. Rat baiting would be carried out when attack was	Yes

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	<p>above 5%. Monitoring records on rat damage census and rat baiting had been sighted.</p> <p>No rat baiting had been carried out on the group Estates so far due to minimal rat attack experienced.</p> <p>Population of rat in the region seemed to be low, in view of the low incidents of rat damage to the crop, which could be due to the presence of natural biological control.</p> <p>There was an outbreak of bag worm on Estate A, Fields B6, B7, C6, and C7 in April, 2012. This was brought under control by trunk injection of Methamidophos as the use of Acephate earlier could not effectively deal with the pest.</p>																										
<p>4.5.3 Recording areas where pesticides have been used.</p> <p>Minor Compliance</p>	<p>Records on areas where pesticides had been used were kept and verified.</p>	<p>Yes</p>																									
<p>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.</p> <p>Minor Compliance</p>	<p>Pesticides usage units per ha or per tonne crop had been monitored.</p> <p>The rates of common herbicides used by the Group Estates were as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="5" style="text-align: center;"><u>a.i. in gm.</u></th> </tr> <tr> <th style="text-align: left;">Name</th> <th style="text-align: center;">p.ha</th> <th style="text-align: center;">p.t</th> <th style="text-align: center;">FFB</th> <th style="text-align: center;">p.t oil</th> </tr> </thead> <tbody> <tr> <td>Glyphosate Isopropylamine</td> <td style="text-align: center;">398</td> <td style="text-align: center;">31</td> <td style="text-align: center;">165</td> <td></td> </tr> <tr> <td>Acephate</td> <td style="text-align: center;">127</td> <td style="text-align: center;">10</td> <td style="text-align: center;">53</td> <td></td> </tr> <tr> <td>Methamidophos</td> <td style="text-align: center;">204</td> <td style="text-align: center;">16</td> <td style="text-align: center;">85</td> <td></td> </tr> </tbody> </table> <p>Monthly data and monitoring of pesticide usage and the a.i was available for 2012 till March 2013. The records were properly maintained. Therefore the previous nonconformance in Main Assessment (4 of 4 - Minor) is effectively closed.</p> <p>See also section 3.2.</p>	<u>a.i. in gm.</u>					Name	p.ha	p.t	FFB	p.t oil	Glyphosate Isopropylamine	398	31	165		Acephate	127	10	53		Methamidophos	204	16	85		<p>Yes</p>
<u>a.i. in gm.</u>																											
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Glyphosate Isopropylamine	398	31	165																								
Acephate	127	10	53																								
Methamidophos	204	16	85																								
<p>Criterion 4.6 Agrochemicals are used in a way that does not endanger health or the environment. There is no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines. Where agrochemicals are used that are 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>																											
Indicators	Findings and Objective Evidence	Compliance																									
<p>4.6.1 Written justification in Standard Operating Procedures (SOP) of all agrochemicals use.</p> <p>Major Compliance</p>	<p>Written justification in Standard Operating Procedures of all agrochemicals use had been reviewed and found acceptable.</p> <p>The common Agrochemical currently used by the Group Estates is: Glyphosate Isopropylamine</p>	<p>Yes</p>																									
<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>Yes</p>																									
<p>4.6.3 Pesticides shall be stored in accordance to the Local Occupational Safety and Health Laws and</p>	<p>Pesticides had been stored in accordance to the local</p>	<p>Yes</p>																									

<p>Regulations and local laws on Pesticides control.</p> <p>Major Compliance</p>	<p>Occupational Safety and Health Laws and Regulations and local laws on Pesticides control.</p> <p>Used pesticide containers had been triple rinsed and kept for holding water to be used for herbicide spraying.</p> <p>During ASA-01, the chemical store at the POM was verified to have been properly maintained with the MSDS located and clearly displayed at the store and the housekeeping had improved.</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>All information regarding the chemicals and their usage, hazards, trade and generic names were available in Khmer language and displayed next to the chemicals in the store and on the notice board. This information had also been explained carefully to the workers by the management staff.</p>	Yes
<p>4.6.5 Annual medical surveillance as per CHRA for plantation pesticide operators.</p> <p>Major Compliance</p>	<p>An observation was raised at the 2012 main assessment. It was noted that an Annual Medical Surveillance as per CHRA for plantation pesticide operators had been carried out but could be further improved by an enhanced monitoring mechanism for due date of the annual medical check-ups.</p> <p>Follow up Verification: Follow up on the above Observation revealed communications /correspondence with the Ministry of Health. A list of 77 pesticide operators (from all 3 estates) who have worked for more than 9 months has been referred to the Ministry of Health for their annual medical check-up. The reply from relevant authority (dated 28/3/2013) shows that a medical surveillance for pesticide operators is planned for May 2013. A random review of the 2012 annual medical check-up records of 3 workers revealed - Liver Function Test and Renal Function Test results were within normal limits. The list of regular pesticide operators who had worked with the estate for over 12 months are monitored with simple medical checks at the estate clinic. There is a documented plan to send them to the Ministry of Health in batches annually.</p>	Yes
<p>4.6.6 No work with pesticides for confirmed pregnant and breast-feeding women.</p> <p>Major Compliance</p>	<p>Confirmed pregnant and breast feeding women were not given work with pesticides.</p>	Yes
<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</p>	<p>Paraquat had been eliminated since February, 2012.</p>	Yes

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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.	Alternatives such as Glyphosate Isopropylamine had been used with the elimination of Paraquat.	
Minor Compliance		
4.6.8 Documented justification of any aerial application of agrochemicals. No aerial spraying unless approved by relevant authorities.	It's not a policy of the MRICOP to carry out aerial application of agrochemicals.	Yes
Major Compliance		
4.6.9 Evidence of chemical residues in CPO testing, as requested and conducted by the buyers.	There had been no request by the buyers on chemical residues in CPO testing.	Yes
Minor Compliance		
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.	Records of pesticides and their active ingredients used , treated areas and number of applications had been maintained and kept for a minimum of 5 years	Yes
Minor Compliance		
Criterion 4.7		
An occupational health and safety plan is documented effectively communicated and implemented.		
Indicators	Findings and Objective Evidence	Compliance
4.7.1 Evidence of documented Occupational Safety Health (OSH) plan which is in compliance with OSH Act and Factory and Machinery Act.	A safety and health plan and policy had been documented. It had been communicated to all the staff, workers, and contractors. It is found to be in compliance with the related sections of the local law on Administration of Factory and Handicraft (2006)	Yes
Major Compliance		
The safety and health (OSH) plan shall cover the following: a. A safety and health policy, which is communicated and implemented.	As above	Yes
b. All operations have been risk assessed and documented.	All operations had been risk assessed and the document had been verified.	Yes
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.	Records on training of workers had been verified. a) All workers involved had been adequately trained in safe working practices. b) All workers had been briefed on the precautionary measures to be observed when handling the chemicals.	Yes
d. The appropriate personal protective equipment (PPE) is used for each risk assessed operation.	The appropriate personal protective equipment had been used for each risk assessed operation.	Yes
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.	Appropriate personal protective equipment (PPE) had been provided at the place of work to cover all potentially hazardous operations.	Yes
e. The responsible person (s) should be identified.	Individuals had been identified (usually the Supervisor	Yes

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	or Headman) as responsible person(s) for each job function, and they would be with the workers at their respective worksites	
f. There are records of regular meetings between the responsible person(s) and workers where concerns of workers about health and safety are discussed.	Records on regular meeting with workers conducted at quarterly interval to review the safety and health procedures, the precautionary measures, and concerns of workers had been verified.	Yes
g. Accident and emergency procedures should exist and instructions should be clearly understood by all workers.	Accident and emergency procedures had been prepared and briefed to staff, workers, contractors and visitors.	Yes
h. Workers trained in First Aid should be present in both field and mill operations.	Workers trained in First Aid had been present in both field and mill operations.	Yes
i. First Aid equipment should be available at worksites.	First Aid equipment had been was available at the mill. However, at Estate A and Estate C, some of the First Aid Kits were not available with the trained personnel supervising the workers on the field site. Hence Major NCR 2 of 4 was issued. See NCR, Corrective Actions taken and On-site Verification done on 3-4 June 2013, in section 3.2	Major NCR 2 of 4
4.7.2 Records should be kept of all accidents and periodically reviewed at quarterly intervals. Major Compliance	Records on all accidents had been sighted. Quarterly review on accident cases had been carried out during quarterly meeting of Environment, Safety, & Health (ESH)	Yes
4.7.3 Workers should be covered by accident insurance. Major Compliance	Lost time Accident (LTA) rate records had been sighted. There was no insurance cover for the workers. The company is responsible for all the medical expenses incurred arising from the accident cases.	Yes
Criterion 4.8 All staff, workers, smallholders and contractors are appropriately trained.		
Indicators	Findings and Objective Evidence	Compliance

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<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>Training programme on training for various categories of operators, including all field and office staff, with regards to their duties had been reviewed and found acceptable.</p> <p>Training programme 2012 is appropriate to the size of MRICOP</p> <p>Training programme is based on training need assessment including need for RSPO programmes aimed to fulfill their jobs and responsibilities as per the relevant documented procedures</p> <p>Records and documentation related to training conducted are maintained</p> <p>The HA has been trained as per defined duties and responsibilities on the use of common chemicals such as antiseptics - eusol, dettol, common drugs used in estates clinics.</p> <p>HA is also trained in the following:</p> <ul style="list-style-type: none"> - MSDSs (working knowledge of hazardous characteristic) of such agrochemicals used by the Estates, mainly with regard to provision of first aid. 	<p>Yes</p>
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Principle 5: Environmental responsibility and conservation of natural resources and biodiversity

<p>Criterion 5.1</p>		
<p>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.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>5.1.1 Documented aspects and impacts risk assessment that is periodically reviewed and updated.</p> <p>Major compliance</p>	<p>The Environmental impact assessment (EIA) for Estates A, B and C was reviewed on 18 April 2013.</p> <p>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>Environmental aspects & impact risk assessment are carried out and covered in the Environmental Management & Monitoring Plan and this is reviewed on an annual basis. Cambodian Sub-Decree No-72 (Environmental Impact Assessment) is also referred.</p>	<p>Yes</p>
<p>5.1.2 Environmental improvement plan to mitigate the negative impacts and promote the positive ones, is developed, implemented and monitored.</p>	<p>Environmental Management & Monitoring Plan had been reviewed on 18 April 2013.</p>	

<p>Minor compliance</p>	<p>Details of daily operational activities and its aspects of negative and positive impacts including fertilizer usage, pesticide spraying, waste disposal and environmental emissions at the POM and estates.</p> <p>However, it has been noted that the 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 had not commenced.</p> <p>At the Palm Oil Mill, the monitoring of air quality emissions from the stack discharge has not yet been done although the Environment improvement plan to mitigate the negative impact has been included for air pollution control. Hence Minor NCR 3 of 4 was issued. See NCR and Corrective Actions in section 3.2</p>	<p>NCR 3 of 4 - Minor</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>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<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 of September 2011 was done by a locally recognized EIA consultant company i.e. Green Consultancy Group Ltd.</p> <p>The report was still available at site.</p> <p>HCV report of March 2012 was done by RSPO panel approved HCV consultant i.e. EnvironLogic Consultancy, which included Estate C (MTSI) in the report. Report was available.</p> <p>Conservation and HCV areas were identified at the estates and mill with estimated size/ hectarage indicated.</p> <p>The monitoring and annual review of Conservation and HCV areas via the Environmental Management & Monitoring Plan was done on 18 April 2013.</p>	<p>Yes</p>
<p>5.2.2 Management plan for HCV habitats (including ERTs) and their conservation.</p> <p>Major Compliance</p>	<p>It is verified that the Environmental Management & Monitoring Plan included monitoring at the Conservation & HCV areas for potential ERTs such rare species of birds (as per the list of MAFF 2007) in the concession areas of Estate A, B & C e.g. Siamese Fireback and Chestnut-Headed Partridge and wildlife such as the nocturnal Slow Loris (under the IUCN list).</p> <p>The review of the management plan on 18 April 2013 had covered the consideration additional measures such as creating more awareness and educating the workers and village community on conservation efforts.</p>	<p>Yes</p>
<p>5.2.3 Evidence of a commitment to discourage any</p>	<p>The estates management has undertaken appropriate</p>	<p>Yes</p>

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<p>illegal or inappropriate hunting, fishing or collecting activities, and developing responsible measures to resolve human-wildlife conflicts.</p> <p>Minor Compliance</p>	<p>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 and verified to be maintained during field visit.</p>	
<p>Criterion 5.3 Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>5.3.1 Documented identification of all waste products and sources of pollution.</p> <p>Major Compliance</p>	<p>The management has identified the listing of all the types of wastes at the oil mill and estates. 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.</p> <p>Rags and empty filters were also stored in the same scheduled waste store. Used vehicle batteries were kept in a separate store.</p> <p>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.</p> <p>Workshop was using drip trays (oil spillage containment pits) at the time of changing of oil. It has been verified that scheduled wastes are not mixed with domestic wastes.</p>	<p>Yes</p>
<p>5.3.2 Having identified wastes and pollutants, an operational plan should be developed and implemented, to avoid or reduce pollution.</p> <p>Minor Compliance</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.</p> <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. Landfills for domestic waste are built by MRICOP at location away from water bodies.</p> <p>Methods of disposal e.g. landfill locations /size and recycling methods or methods for reduction of pollution were adequately documented and monitored.</p> <p>The operational plan developed has identified waste and pollutants and implementation is verified to be maintained.</p> <p>The landfill locations and size are identified and basic reduction of pollution e.g. segregation and recycling plastic materials are being developed and introduced.</p>	<p>Yes</p>
<p>5.3.3 Evidence that crop residues / biomass are recycled (Cross ref. C 4.2).</p> <p>Minor Compliance</p>	<p>No discharge of POME directly into any water sources or rivers was observed.</p> <p>POME is 100% dried and recycled for use as fertilizer application at the fields.</p>	<p>Yes</p>
<p>Criterion 5.4 Efficiency of energy use and use of renewable energy is maximized.</p>		

Indicators	Findings and Objective Evidence	Compliance
<p>5.4.1 Monitoring of renewable energy use per tonne of CPO or palm product in the mill.</p> <p>Minor Compliance</p>	<p>Monthly records of energy generation and consumption were available at mill. Palm fiber and PK shells were used as part of renewable energy sources and data on quantities are monitored and recorded on monthly basis.</p> <p>For 2012, energy generated from renewable energy was about 80 KW / mt CPO. Palm fiber and PK shell composition being 65:35 ratio.</p>	Yes
<p>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).</p> <p>Minor Compliance</p>	<p>Monitoring records on diesel consumption were available and maintained.</p> <p>For 2012, average diesel usage for mill process operations was 4.2 liter / mt FFB.</p> <p>Diesel consumption with new boiler installed since March 2011 was reduced by about 10% on average.</p>	Yes
<p>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.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>5.5.1 No evidence of open burning. Where controlled burning occurs, it is as prescribed by the Local - Environmental law on Open Burning'.</p> <p>Major Compliance</p>	<p>There is a 'No Open Burning' policy at the mill & estates.</p> <p>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.</p>	Yes
<p>5.5.2 Previous crop should be felled / mowed down, chipped/shredded, windrowed or pulverized/ ploughed and mulched.</p> <p>Minor Compliance</p>	<p>There was no previous oil palm crop as MRICOP is at its first planting cycle.</p>	Yes
<p>5.5.3 No evidence of burning waste (including domestic waste).</p> <p>Minor Compliance</p>	<p>No open burning of waste was observed on site.</p>	Yes
<p>Criterion 5.6 Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>5.6.1 Documented plans to mitigate all polluting activities (Cross ref to C 5.1).</p> <p>Major Compliance</p>	<p>Pollution Mitigation plan complete with all identified polluting activity has been prepared in accordance with local regulations and sub-decree.</p> <p>Sources of pollution included stack emissions, boiler ash and run off and control measures needed were identified.</p> <p>Mitigation plan include the reduction of air pollutant emission with the new boiler installed at the oil mill in March 2011. (Refer to findings at C5.4).</p>	Yes

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5.6.2 Plans are reviewed annually. Minor Compliance	Last annual review of documented mitigation plan was noted to be in 18 April 2013.	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 reported peat soil in the estates. This is verified during current on-site field assessment.	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.		
Indicators	Findings and Objective Evidence	Compliance
6.1.1 A documented social impact assessment including records of meetings. Major Compliance	<p>The current 2013 SIA is an updated SIA done in 2012. No new social impact assessment was done for this year as there were no significant changes in the management.</p> <p>Periodic reviews are evident - mitigation plans and monitoring for issues identified in 2012 SIA is being continually implemented.</p> <p>Evidences of follow-ups and continuous improvement noted were:</p> <ol style="list-style-type: none"> 1. Assistance rendered to Prey Nop villagers in obtaining their land titles from the government 2. Plans to assist villagers in the concession area to obtain land titles are in progress 3. Local communities are allowed to collect wood branches and twigs from new land clearings for fuel purpose. Sighted villagers travelling freely on the plantation roads in their own vehicles. 4. Analysis reports showed that water quality analysis has been extended to villagers' own water supplies from wells. This is an additional corporate social responsibility (CSR) effort (2012 Main audit – this being an improvement action on Observation No. 5) 5. More villagers from surrounding areas are employed in the plantation. 6. Analysis showed that the wages paid to the workers are generally higher than the minimum wages (USD 80) stipulated by law for the garment and the footwear factory workers. (There is no stated minimum wage for plantation workers currently). Audit of April 2013 payroll and salary slip on 8 newly employed workers) confirmed income of more than 80 USD per month. Salary paid-out to workers at every 10 days. 7. OSH refresher trainings are being planned and implemented. Standard Operating Procedures are established and evident in the daily operations. 8. Monthly financial assistance in the form of 20 dollars (USD) to a total of 41 teachers in 8 	Yes

	<p>surrounding primary schools (Taney, Monorom, Hun Nsang, Hun Sen Doung, Anlog Krapeu, Prek Sway and Hun Neang Cassave). Interviews with 3 school principals verified the continuation of this assistance as part of the Company CSR.</p> <p>9. Subsistence activities are freely allowed as evident in the small vegetable plots and poultry keeping on the surrounding areas of workers quarters. In addition, the commitment to social development is evident in the “2013 RSPO Annual Work Plan and Budget”. A total of 122,420.00 USD is approved for 11 activities which will benefit villagers, school, students, temple worshipers, children and women.</p>	
<p>6.1.2 Evidence that the assessment has been done with the participation of affected parties.</p> <p>Minor Compliance</p>	<p>The original 2012 SIA verified during the Main Assessment had the participation of affected parties and stakeholders.</p> <p>The implementation of mitigation plans and the measurement / monitoring of their success/ consequences on the affected parties are evident in the updated 2013 SIA. Sighted inputs from affected parties- both the internal and external stakeholders.</p>	Yes
<p>6.1.3 A timetable with responsibilities for mitigation and monitoring is reviewed and updated as necessary.</p> <p>Minor Compliance</p>	<p>Water quality analysis reports (dated January 2013 conducted by Food and Chemical Services) showed high fecal coliform/coliform bacteria counts in drinking water samples collected from various divisions in the plantations as well as those collected from the surrounding villagers.</p> <p>However, the timetable with mitigation and monitoring of water quality is not effectively reviewed and updated as required. The mitigation plans shall be identified and implemented whenever there are abnormal results. High fecal coliform in drinking water (water contamination) could pose as a threat to health if no definite treatment is implemented. Hence a Minor NCR 4 of 4 was issued. See NCR, Corrective Actions in section 3.2</p> <p>The Company in response, plans to sought the service and involvement of independent experts (Governmental or private testing authorities) for re-test or analysis as this is considered necessary to ensure that the potential health impacts are identified through re-test by competent authorities</p>	Minor NCR 4 of 4
<p>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.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>6.2.1 Documented consultation and communication procedures.</p> <p>Major Compliance</p>	<p>The established General Negotiation Procedure - SOP GA 022 dated 1 2012 is still currently in use.</p>	Yes
<p>6.2.2 A nominated plantation management official at the operating unit responsible for these issues.</p> <p>Minor Compliance</p>	<p>Interviews with 2 estate managers verified that managers are the nominated persons responsible for communication and initial negotiations with the local</p>	Yes

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	communities, other interested and affected stakeholders. The interview also verified that their specific roles and responsibilities are clearly defined and understood.	
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 2012 list of stakeholders are expanded to include more external stakeholders – school principals are included in the list. Interviews with school principals, village representatives and NGOs (Hand for Help and Reproductive Health Awareness Cambodia RHAC) revealed open, easy and transparent communication/consultation with the organization. Minutes of stakeholders meeting and photographs dated 23/3/2013 with the action items are evident of the participation of top management, local authorities, village heads/representatives and internal stakeholders including the gender representatives.	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.		
Indicators	Findings and Objective Evidence	Compliance
6.3.1 Documentation of the process by which a dispute was resolved and the outcome. Major Compliance	The established documented SOP GA 024 Complaints and Grievances Procedure is still currently in use to deal with disputes and complaints. Procedure specifies records are to be kept for 3 years. See also C6.4.2	Yes
6.3.2 The system resolves disputes in an effective, timely and appropriate manner. Minor Compliance	Interviews with staff, gender representatives, workers, village heads and contractors revealed knowledge of forwarding/ reporting a complaint/dispute.	Yes
6.3.3 The system is open to any affected parties. Major Compliance	The complaint mechanism caters for and is open to all affected stakeholders. The above interview confirmed there is strong awareness of this system.	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.		
Indicators	Findings and Objective Evidence	Compliance
6.4.1 Establishment of a procedure for identifying legal and customary rights and a procedure for identifying people entitled to compensation. Major Compliance	The organization has a documented policy on compensation management PC-GA-019 as reported during the Main Assessment. The procedure provides the process for identifying legal and customary rights and for identifying people entitled to compensation	Yes
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; and long-established communities; differences in ethnic groups' proof of legal versus communal ownership of land. Minor Compliance	Records and photographs of meetings (dated 25/11/2012, 10/1/2013 and 22/1/2013) evident that there were negotiations and mutual agreements on the MTSI land disputes between villager representatives and the management. The disputes involves 664 hectares of land supposedly belong to 144 families located at Phum Thmey Village, Kampong Seila Commune, Preah Sihanoul Province Interviews with the 4 village representatives revealed that 30 families (involves 132.4hectares) had accepted the offer of 400 USD/hectares and they had	Yes

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	<p>already received the full payment in cash. It was also reported that another 20 families had also accepted the offer and they had received the first 20% payment recently. (Photos and records of compensation kept as mentioned above)</p> <p>The rest of the affected families are still in the negotiation process which are on-going.</p> <p>See also audit reporting in 7.6.4</p>	
<p>6.4.3 The process and outcome of any compensation claims is documented and made publicly available.</p> <p>Minor Compliance</p>	<p>The negotiation process and the outcome are documented in the minutes of meeting and evident in photographs mentioned above.</p> <p>See also reporting under Criteria 2.3</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>		
Indicators	Findings and Objective Evidence	Compliance
<p>6.5.1 Documentation of pay and conditions.</p> <p>Major Compliance</p>	<p>Audit of 8 recently employed workers (basic, semi-skilled and skilled) revealed that pay and conditions are clearly documented in the Employment Contract which was explained and then signed by the employees and the organization.</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>Review of the employment contracts revealed detailed conditions in Khmer language which include the following employment details:</p> <ul style="list-style-type: none"> • job position • basic pay and overtime payment • working hours • work expectations • dismissal <p>Interviews with 3 harvesters (piece rated) confirmed their knowledge of how they are being paid. They are satisfied with the wages that are being made every 10 days.</p> <p>The regular/monthly paid worker/staff enjoy paid medical leave, national holidays and maternity leave</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 audit and interviews with workers confirmed that housing, water supplies, medical and educational amenities provided are adequate according to local expectations and Cambodia Labour Law.</p> <p>On-site visits to the workers quarters revealed significant improvements in the form of 20 blocks of newly built concrete houses meant for those living in the older quarters or the temporary quarters. While several blocks are ready for occupation by the end of this month (April 2013), the others are near completion. It is estimated that the new housing project will complete by this year. Interview with several workers' families at Estate C revealed their joy</p>	Yes

	<p>in the coming shifting into the said new houses. They confirmed the continued free supply of electricity and tube well water for their convenience.</p> <p>The school-going children go to schools which are nearest to their homes. Interviews with a school principal revealed frequent communication between school and parents regarding student absenteeism and examination performance.</p> <p>The staff and workers get adequate initial medical attention from the resident qualified nurse who is stationed at the mill office. On-site visit to the dispensary revealed the provision of adequate initial medical treatment to a staff worker with fever and provision of first aid to a mill worker with minor bruise at the knee.</p> <p>The organization does not employ foreign migrant workers.</p>	
<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>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>6.6.1 Documented minutes of meetings with main trade unions or workers representatives.</p> <p>Major Compliance</p>	<p>The organization acknowledges the freedom of association in the documented social policy which is displayed publicly at strategic locations of the Mill and Office. Interviews with staff and workers confirmed there are no trade unions. However they could communicate collectively through their worker representatives and gender representatives as parallel means of independent and free association and bargaining for all mill and plantation workers. Records of stakeholders meetings evident their participation.</p>	<p>Yes</p>
<p>6.6.2 A published statement in local languages recognizing freedom of association.</p> <p>Minor Compliance</p>	<p>There is a documented social policy that recognizes freedom of association in both English and Khmer languages.</p>	<p>Yes</p>
<p>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.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>6.7.1 Documentary evidence that minimum age requirement is met.</p> <p>Major Compliance</p>	<p>The minimum employment age under the Cambodian law is 16 years old. The commitment to No child labor is evident in the company policy which requires employment age to be 18 years old and above. The implementation of this policy is consistently maintained and verified on audit of 8 new employment contracts which revealed only those above 18 years of age is employed. Interviews with several harvesters evident that there is no evidence of forced labor or slavery practices.</p>	<p>Yes</p>
<p>Criterion 6.8</p>		

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Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.		
Indicators	Findings and Objective Evidence	Compliance
6.8.1 A publicly available equal opportunities policy. Major Compliance	The commitment to equal opportunities is evident in the publicly displayed social policy. The organization clearly states its prohibition of any discrimination based on race, religion, gender, disability, sexual orientation, age, political affiliation	Yes
6.8.2 Evidence that employees and groups including migrant workers have not been discriminated against. Minor Compliance	Interviews with 2 field conductors verified the implementation of equal pay for same job and no known practices of discrimination between man and woman workers.	
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.		
Indicators	Findings and Objective Evidence	Compliance
6.9.1 A policy on sexual harassment and violence and records of implementation. Major Compliance	The documented social policy, publicly available, clearly evident the organization's commitment to provide a work environment that is free from any sexual harassment and violence against women and children.	Yes
6.9.2 A specific grievance mechanism is established. Major Compliance	<p>There is a documented sexual harassment reporting procedure which addresses the definition of harassment, management responsibilities, gender representatives in Gender Committee and improvement plans. The improvement plans include creating awareness on prevention of harassment among new staff and workers.</p> <p>Role of the Gender Committee includes training on women's rights, counseling for women affected by violence and activities of this committee are documented.</p> <p>It was noted that there was no need for the Company to provide child care facilities because of the extended family system being practiced in the villages and in the estate quarters. The estate clinics provides free treatment (minor ailment and first aid) to all, including villages and contractors</p> <p>Progress in implementing the policy is regularly monitored and the results of monitoring activities recorded in minutes of meeting.</p> <p>Document audits verified the existence and participation of gender representatives in stakeholders meeting and joint OSH meeting dated 20/4/2013.</p>	Yes
Criterion 6.10 Growers and mills deal fairly and transparently with smallholders and other local businesses.		
Indicators	Findings and Objective Evidence	Compliance
6.10.1 Pricing mechanisms for FFB and	No purchase of FFB from any out growers or	Yes

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inputs/services shall be documented.	smallholders.	
Major Compliance		
6.10.2 Current and past prices paid for FFB shall be publicly available.	Not applicable	Yes
Minor Compliance		
6.10.3 Evidence that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent.	Interview with 3 head contractors (harvest) verified that they understand the contractual agreements they enter into and they considered the terms and conditions as fair.	Yes
Minor Compliance		
6.10.4 Agreed payments shall be made in a timely manner.	The Interview with the contractors also revealed that payments are received in timely manner.	Yes
Minor Compliance		
Criterion 6.11		
Growers and millers contribute to local sustainable development wherever appropriate.		
Indicators	Findings and Objective Evidence	Compliance
6.11.1 Demonstrable contributions to local development that are based on the results of consultation with local communities.	Contributions to local development are based on the results of consultation with local communities through SIA done in 2012. The following social and local development and contributions reported in 6.2 are briefly summarized below: 1. Assistance rendered to Prey Nop villagers in obtaining their land titles from the government. Besides, there are plans to assist villagers in the concession area to obtain land titles 2. A positive discrimination being that more villagers from local communities are employed in the plantation 3. The mill management contributed monthly financial assistance of USD 20 each to a total of 41 teachers in 8 surrounding schools 4. A total sum of USD 122,420 was approved in the "2013 RSPO Annual Work Plan and Budget" for 11 activities which will benefit villagers, school, students, temple worshipers, children and women as part of social contribution and development	Yes
Minor Compliance		

Principle 7: Responsible development of new plantings

Criterion 7.1		
A comprehensive and participatory independent social and environmental impact assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.		
Indicators	Findings and Objective Evidence	Compliance
7.1.1 An independent and participatory social and environmental impact assessment (SEIA) to be conducted and documented (Cross ref. to C 7.2, 7.3, 7.4, 7.5, 7.6).	SEIA assessment had been conducted by Green Consultancy Group Co. Ltd. for developing 16,597 ha which cover the 2013 New Planting. SEIA included previous land use/history and involved independent consultation as per national and state regulations, via participatory methodology which included external stakeholders.	Yes
Major Compliance		
7.1.2 The results of the SEIA to be incorporated into an appropriate management plan and operational procedures developed, implemented, monitored and	The management plan and operational procedures had been developed, implemented, monitored and reviewed as per the results of SEIA.	Yes

reviewed.		
Minor Compliance		
7.1.3 Where the development includes smallholder schemes of above 500ha in total, the impacts and implications of how it is managed should be documented and a plan to manage the impacts produced.	This land is developed by Plantation Company and not smallholder scheme.	Yes
Minor Compliance		
Criterion 7.2 Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.		
Indicators	Findings and Objective Evidence	Compliance
7.2.1 Soil suitability maps or soil surveys adequate to establish the long-term suitability of land for oil palm cultivation should be available.	Area suitable for oil palm planting had been established by soil survey team of the Agricultural Technical Service Provider of Department of Agriculture, Phnom Penh from January to April, 2013.	Yes
Major Compliance		
7.2.2 Topographic information adequate to guide the planning of drainage and irrigation systems, roads and other infrastructure should be available.	There was adequate information in the topographic map for planning drainage and irrigation systems, roads, and other infrastructure.	Yes
Minor Compliance		
Criterion 7.3 New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.		
Indicators	Findings and Objective Evidence	Compliance
7.3.1 A HCV assessment, including stakeholder consultation, is conducted prior to any conversion.	HCV assessment, including stakeholder consultation, had been conducted prior to the development. HCV was carried out by Envirologic Consulting (001674865-k) of 18, Jalan 20/9, Paramount Garden, 46300 Petaling Jaya, Selangor, Malaysia.	Yes
Major Compliance		
7.3.2 No conversion of Environmentally Sensitive Areas (ESAs) to oil palm plantations.	Only land suitable for oil palm, and not Environmentally Sensitive Areas (ESAs), will be used for oil palm planting.	Yes
Major Compliance		
7.3.3 No new plantings on floodplains.	Floodplains were not cultivated for oil palm planting.	Yes
Major Compliance		
7.3.4 Dates of land preparation and commencement are recorded.	Records on dates of land preparation and commencement had been verified.	Yes
Minor Compliance		
Criterion 7.4 Extensive planting (to be determined by SEIA) on steep terrain, and/or on marginal and fragile soils, is avoided.		
Indicators	Findings and Objective Evidence	Compliance
7.4.1 All new plantings should not be cultivated on land more than 300m above sea level and on land more than 25 degrees slope unless specified by local Legislation and / or Good Agricultural Practices (GAP)	The area is flat to rolling. No steep land involved and the altitude ranges from 10 metres to 127 metres above sea level as described in the soil survey carried out by Agricultural Technical Service Provider of Department of Agriculture.	Yes
Major Compliance		
7.4.2 Where planting on fragile and marginal soils is proposed, plans shall be developed and implemented to protect them without incurring adverse impacts (e.g. hydrological) or significantly increased risks	Majority of the area consist of sandy loam. Annual leaf sampling and analysis is required for fertilizer recommendations to maintain sustainable yield of the	Yes

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(e.g. fire risk) in areas outside the plantation.	palms.	
Minor Compliance		
Criterion 7.5		
No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.		
Indicators	Findings and Objective Evidence	Compliance
7.5.1 This activity should be integrated with SEIA required by C 7.1.	Stakeholder consultations had been conducted in the SEIA assessment.	Yes
Major Compliance		
Criterion 7.6		
Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.		
Indicators	Findings and Objective Evidence	Compliance
7.6.1 Documented identification and assessment of legal and customary rights.	Compensation to local people had been negotiated and payment effected.	Yes
Major Compliance		
7.6.2 Establishment of a system for identifying people entitled to compensation.	A system for identifying people entitled to compensation had been established and implemented.	Yes
Major Compliance		
7.6.3 This activity should be integrated with the SEIA required by C 7.1.	Yes, this activity had been integrated with the SEIA.	Yes
Major Compliance		
7.6.4 Establishment of a system for calculating and distributing fair compensation (monetary or otherwise).	A system for calculating and distributing fair compensation had been established.	Yes
Major Compliance		
7.6.5 The process and outcome of any compensation claims should be documented and made publicly available.	Documents had been maintained for the process and outcome of the compensation claims which had been made publicly available.	Yes
Major Compliance		
7.6.6 Communities that have lost access and rights to land for plantation expansion are given opportunities to benefit from plantation development.	Communities had been offered to work on the plantation with accommodation provided.	Yes
Criterion 7.7		
Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.		
Indicators	Findings and Objective Evidence	Compliance
7.7.1 No evidence of clearing by burning. This activity should be integrated with the SEIA required by C 7.1	There was no evidence of clearing by burning during the visit.	Yes
Major Compliance		
7.7.2 Evidence of approval for controlled burning, as per local Environmental laws on 'Open Burning'.	No controlled burning had been carried out.	Yes
Major Compliance		

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.		
Indicators	Findings and Objective Evidence	Compliance
<p>Demonstrate progressive improvement to the following but not limited to: 8.1.1 Minimize use of certain pesticides (C4.6)</p> <p>Major Compliance</p>	<ul style="list-style-type: none"> - Engagement of an expert/adviser Mr. Tang Meng Kong for agronomic / plantation management. - Corrective actions for oil palm leaves damaged by bag worms. - Planting of beneficial plants (<i>Cassia Cobanensis</i>) in Estate C. - Planting of legume cover crops (<i>Pueraria Javanica</i> and <i>Calapogonium Mucunoides</i>) 100 ha in Div. B4. - Improvement of pruning program. - Soil survey and leaf analysis. - Drainage improvement in Estate C. <p>Trainings (IPM Training, RSPO Awareness & Company Policy, Recruitment & Interview Skill).</p> <p>Paraquat had been stopped since February, 2012.</p> <p>Application of EFB mulching at new planting area Div. B4.</p>	Yes
<p>8.1.2 Environmental impacts (C5.1)</p> <p>Major Compliance</p>	<p>Monitoring of activities at Estate C (MTSI) has been carried out to comply with RSPO new planting procedure (NPP) as detailed during the previous assessment of MRICOP.</p> <p>A new and additional anaerobic pond was constructed as part of improvement on POME control.</p> <p>Environmental improvements (conservation areas, buffer zone, Khmer soldiers' burial ground, biodiversity conservation).</p>	Yes
<p>8.1.3 Maximizing recycling and minimizing waste or by-products generation.</p> <p>Major Compliance</p>	<p>The field application of dried POME on estate lands is now 100 percent.</p> <p>Full application of EFB at the fields and fibre and kernel shells were utilized as part of renewal energy consumption programs.</p> <p>Application of EFB mulching at new planting area Div. B4.</p> <p>EFB mulching had been practiced in the mature and immature areas. The Company plans to prepare compost in June, 2013 using EFB and POME.</p>	Yes
<p>8.1.4 Pollution prevention plans (C5.6)</p>	<p>Implemented pollution mitigation plan through monitoring stack emission at POM and through</p>	Yes

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<p>Major Compliance</p>	<p>efficient boiler performance.</p> <p>Pollution prevention has been noted and found to be in order.</p>	
<p>8.1.5 Social impacts (C6.1)</p> <p>Major Compliance</p>	<p>Stakeholders' Consultation – compensation to villagers in Estate C.</p> <p>Corporate Social Responsibility (road constructed at Chung Rang & Sway Villages).</p> <p>New housing quarters for workers.</p> <p>As a organization that support CSR, MRICOP involved itself in social, environmental and community activities and in organizing the following a) Children day Celebration, b) Women Day Celebration and National Tree Planting Day</p> <p>Another positive social impact is the provision of New Housing for the estate / mill workers and staff in replacing old wooden houses with 20 new blocks of concrete houses with each block having 10 units.</p> <p>MRICOP has provided assistance to Hun Sen Doung Primary School to obtain land title from the state authority.</p>	<p>Yes</p>
<p>8.1.6 A mechanism to capture the performance and expenditure in social and environmental aspects.</p> <p>Minor Compliance</p>	<p>The Budget also included provisions for social and environmental programs.</p> <p>The progress, performance and expenditure in social and environmental developments are monitored and documented. Sighted a documented annual plan – “RSPO Annual Work Plan and Budget for year 2013” which detailed the social activities/contributions with approved budgets and implementation/completion dates.</p> <p>A total sum of USD 122,420.00 was put aside in the “2013 RSPO Annual Work Plan and Budget” for 11 activities which will benefit villagers, school, students, temple worshipers, children and women as part of social contribution and development.</p>	<p>Yes</p>

3.1.1 Supply Chain Certification Standards Findings - on CPO Mill

The RSPO Supply Chain Certification model applied at MRICOP POM during this current assessment is maintained using Module D – CPO Mills: Segregation (SG)

Details of findings are as follows:

D.1 Documented procedures		
Indicators	Findings and Objective Evidence	Compliance

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<p>D.1.1 The facility shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p>	<p>Standard Operation Procedure Doc. No. SC 300312 version 2.0 dated July 2012 documented the implementation of a Segregation (SG) model Supply Chain Certification at the Palm Oil Mill, that included all the requirements for controlling the FFB receipt, processing, sales, CPO and PK dispatch, training and claims for Module D - Segregation for the Palm Oil Mill.</p>	<p>Yes</p>
<p>a) Complete and up to date procedures covering the implementation of all the elements in these requirements</p>	<p>Verified that all the elements of the supply chain requirements were implemented.</p>	<p>Yes</p>
<p>b) The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the facilities procedures for the implementation of this standard.</p>	<p>Audit interviews with the Palm Oil Mill Manager, Mr. Vong Pharith and the operations staff further confirmed the following:</p> <ul style="list-style-type: none"> i) that he had the overall responsibility and authority for the supply chain. ii) that he and other relevant staff demonstrated competence, skill and knowledge of the RSPO Supply Chain Certification Standard Module D requirements for the respective areas of operations. iii) Palm Oil Mill Organization Chart and job responsibilities of employees. 	<p>Yes</p>
<p>D.1.2 The facility shall have documented procedures for receiving and processing certified and non-certified FFBs.</p>	<p>SOP Doc. No. SC 300312 version 2.0 dated July 2012 covers the receiving of FFB supply from Estates A, B and C with the following status:</p> <ul style="list-style-type: none"> - Estates A & B (MRICOP owned estates) - Estate C (owned by MTSI but managed by MRICOP) are certified FFB. <p>Verified from receiving documents (FFB Delivery Note and Weight Ticket) and production records that the Palm Oil Mill receives only FFB supply from their own estates.</p> <p>Confirmed that there was no supply of FFB from other sources. There were no non-certified FFBs.</p> <p>All supplies of FFB were subjected to verification of documents and quality checks by weighbridge personnel.</p>	<p>Yes</p>
<p>D.2 Purchasing and goods in</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>

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<p>D.2.1 The facility shall verify and document the volumes of certified and non-certified FFBs received.</p>	<p>Confirmed that the Mill has maintained daily records of tonnages and supply source of FFB (respectively from Estate A, B & C) received at the weighbridge in the delivery notes and weighbridge tickets.</p> <p>Monthly Summary of Production Reports indicating FFB received from Estates A, B and C and processed, CPO production, % OER, PK production and %KER for the period Jan 2012 to Mar 2013 were audited / verified and found to have complied with requirements of the Segregated (SG) module, whereby the Palm Oil Mill only received and processed FFB exclusively from its own supply base estates.</p>	<p>Yes</p>
<p>D.2.2 The facility shall inform the CB immediately if there is a projected overproduction.</p>	<p>Audit findings confirmed that MRICOP HQ and POM continued to have a working internal monitoring and reporting mechanism for advising the CB of production variations such as projected overproduction situation. This was also monitored by the ATS inspector as the external party inspector for specific overseas buyer. So far, the audit team confirmed that there is no overproduction.</p>	<p>Yes</p>
<p>D.3 Record keeping</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>D.3.1 The facility shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these requirements.</p>	<p>Records of transaction (goods in and goods out) and production records of FFB, CPO and PK found to be done daily and monthly.</p>	<p>Yes</p>
<p>D.3.2 Retention times for all records and reports shall be at least five (5) years.</p>	<p>SOP Doc. No. SC 300312 version 2.0 dated July 2012 stated a retention period of 5 years for all records and reports. Pertinent records and reports found to be properly filed, accessible and retrievable at the POM and estates.</p>	<p>Yes</p>
<p>D.3.3 The facility shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO, PKO and palm kernel meal on a three-monthly basis.</p>	<p>A volume balance recording system has been implemented to show the FFB deliveries, CPO and PK production and dispatch. The figures were balanced every month.</p> <p>Traceability was evidenced from the records examined. SG module found to be implemented and in compliance as evidenced from records (FFB Delivery Note, Weigh Ticket, FFB & Truck Daily Summary, Production Report, CPO Storage Report, CPO Delivery Order). Only certified FFB from Estates A, B and C were received, processed and CPO stored into storage tanks for delivery.</p>	<p>Yes</p>

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<p>D.3.4 The following trade names should be used and specified in relevant documents, e.g. purchase and sales contracts, e.g. *product name*/SG or Segregated. The supply chain model used should be clearly indicated.</p>	<p>In addition to the documents, MRICOP has used a stamp for indicating the SG Module of the supply chain model as 'CSPO/SG RSPO 928088 MRICOP'. Examined documents (FFB Delivery Note, Weigh Ticket, Summary of Deliveries, Sales Contract, and Delivery Order) confirmed the correct identification.</p>	<p>Yes</p>
<p>D.4 Sales and good out</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>D.4.1 The facility shall ensure that all sales invoices issued for RSPO certified products delivered include the following information: a) The name and address of the buyer; b) The date on which the invoice was issued; c) A description of the product, including the applicable supply chain model (Segregated); d) The quantity of the products delivered; e) Reference to related transport documentation.</p>	<p>The documentation for sales of CPO to Natu Oil was verified to be in compliance with the documents being duly identified with the SG module stamp and containing the required information as seen in the following shipments: (1) 03/01/2013 Contract No: 008 NN-HQ/13 - 12 ISO tanks (263.74 MT) (2) 28/02/2013 Contract No: NN-HQ/13 - 12 ISO tanks (263.18 MT) (3) 05/04/2012 Contract No: NN-HQ/13 - 14 ISO tanks (307 MT) Similarly, compliance verified for the sales of palm kernel to Hokhaut Malaysia on 06/04/2013 - 14 containers (246.74 MT).</p>	<p>Yes</p>
<p>D.5 Processing</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>D.5.1 The facility shall assure and verify through clear procedures and record keeping that the RSPO certified palm oil is kept segregated from non certified material including during transport and storage and be able to demonstrate that is has taken all reasonable measures to ensure that contamination is avoided. The objective is for 100 % segregated material to be reached. The systems should guarantee the minimum standard of 95 % segregated physical materials; (up to 5 % contamination is allowed)</p>	<p>SOP Doc. No. SC 300312 version 2.0 dated July 2012 implemented with clear evidence of certified CPO and PK meeting the requirements of the SG module. This is demonstrated at all stages (receipt, transport and storage). No contamination to the physical material.</p>	<p>Yes</p>
<p>D.5.2 The facility shall provide documented proof that the RSPO certified palm oil can be traced back to only certified segregated material.</p>	<p>Documents and records examined found to show evidence of traceability of the CPO and PK produced to the FFB supply. SG module was verified from the production and operational controls and records for the period Jan 2012 to Mar 2013 production and the requirements found to be met.</p>	<p>Yes</p>

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<p>D.5.3 In cases where a mill outsources activities to an independent palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that:</p> <p>a) The crush operator conforms to these requirements for segregation</p> <p>b) The crush is covered through a signed and enforceable agreement</p>	<p>CPO produced stored in identified Tanks 1 to 6. PK produced stored in PK Bunkers and then bagged. There is no PK crushing in the Palm Oil Mill. All PK are sold and dispatched.</p> <p>CPO shipments are witnessed by an Inspector from an independent inspection company, Admiral Testing Services (ATS) appointed by the buyer. Specific monitoring was found to be carried out for quality and quantity as evidenced in the inspection and test analysis reports of ATS. The ATS inspector ascertained for the buyer that each shipment conforms to specified contract requirement for SG CPO.</p>	<p>Yes</p>
<p>D.6 Training</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>D.6.1 The facility shall provide the training for all staff as required to implement the requirements of the Supply Chain Certification Systems.</p>	<p>Training for all mill personnel had been done on 01 July 2012 and training materials and records evidenced and maintained. Interview with mill personnel confirmed their awareness and knowledge of SG module.</p>	<p>Yes</p>
<p>D.7 Claims</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>D.7.1 The facility shall only make claims regarding the use of or support of RSPO certified palm oil that are in compliance with the RSPO Rules for Communication and Claims.</p>	<p>Based on the records verified at site, there have been no claims that can constitute a breach of the RSPO Rules for Communications and Claims as to date.</p>	<p>Yes</p>

3.1.2 Status on Supply Chain on POM:

Based on the documents and records presented during the on-site verifications made, it is concluded that the MRICOP POM has been able to comply with the requirements of the RSPO SCCS under the 'SG' module and is thus eligible for 'SG' trading for its palm products for year 2013/2014.

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

The status of the Noncompliances (NCR) and Observations (OBS) identified against the RSPO P&C and Cambodian Local Indicators is as per the details below:

Assessment Type	Year	Noncompliance (NCR)	Observations (OBS)
Initial / Main Assessment	2012	4 Minor	5
Annual Surveillance Assessment (ASA-01)	2013	2 Major & 2 Minor	Nil

Year 2012 – Main Assessment

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.		
		Corrective Action (replied): 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.		
		Verification (for effective closure): (During 1 st Surveillance) During ASA-01, it has been verified that the annual Leaf Sampling for Foliar had been conducted and soil sampling analysis was produced as evidence. This was found acceptable. Therefore the nonconformance is effectively closed.		
2 of 4	4.4.4 Minor	Date issued: 28 April 2012	Date due: (Within 30 days) Date closed: 24 May 2012	Date due for verification: 1 st Surveillance
		Nonconformance: 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.		
		Corrective Action (replied): 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.		
		Verification (for effective closure): (During 1 st Surveillance) During ASA-01, the rain gauges were sighted at Estates A, B and C and monitoring data for rainfall had been maintained. Therefore the nonconformance is effectively closed.		

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3 of 4	4.5.1 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 estates do not have a documented IPM system.		
		Corrective Action (replied): 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.		
		Verification (for effective closure): (During 1 st Surveillance) During ASA-01, the documented IPM system for MRICOP and MTSI was available and noted to be progressively implemented. Therefore the nonconformance is effectively closed.		
4 of 4	4.5.4 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 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.		
		Corrective Action (replied): 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'.		
		Verification (for effective closure): (During 1 st Surveillance) Monthly data and monitoring of pesticide usage and the a.i was available for 2012 till March 2013. The records were properly maintained. Therefore the nonconformance is effectively closed.		

Summary of Observations:

The progress made on the observations listed during previous assessment was reviewed during the current surveillance assessment on the action and implementations taken.

Year 2012 – Main Assessment

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) During ASA-01, the chemical store at the POM was verified to have been properly maintained with the MSDS located and clearly displayed at the store and the housekeeping had improved.	
2	4.6.5	Date issued: 28 April 2012	Date due for verification: 1 st Surveillance

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		<p>Observation:</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 the annual medical check-ups.</p>	
		<p>Follow up Verification: (During 1st Surveillance)</p> <p>The list of regular pesticide operators who had worked with the estate for over 12 months are monitored with simple medical checks at the estate clinic. There is a documented plan to send them to the Ministry of Health in batches annually.</p>	
3	5.1.2	Date issued: 28 April 2012	Date due for verification: 1 st Surveillance
		<p>Observation:</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 Ministry of Environment and this should be followed up.</p>	
		<p>Follow up Verification: (During 1st Surveillance)</p> <p>See related minor NC issued in ASA-01.</p>	
4	5.3.2	Date issued: 28 April 2012	Date due for verification: 1 st Surveillance
		<p>Observation:</p> <p>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.</p>	
		<p>Follow up Verification: (During 1st Surveillance)</p> <p>The landfill locations and size are identified and basic reduction of pollution e.g. segregation and recycling plastic materials are being developed and introduced.</p>	
5	6.1.3	Date issued: 28 April 2012	Date due for verification: 1 st Surveillance
		<p>Observation:</p> <p>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.</p>	
		<p>Follow up Verification: (During 1st Surveillance)</p> <p>See related minor NC issued in ASA-01.</p>	

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Year 2013 – Annual Surveillance Assessment (ASA-01)

NCR #	Indicator/ Category	Details of NCR
1 of 4	4.4.1 MAJOR	Date issued: 25 April 2013
		Nonconformance: At Estate C, in field blocks 'O'5 and 'N'6, some palms had been planted too close to the stream, into the buffer zones and noted some were less than 3 metres away from the stream.
		<u>Reply on Root Cause and Corrective Action Plan: (Within 30 days)</u> The company policy is to observe all riparian buffer zones. However, in this case MRICOP has agree that a mistake has been made in planting to close to the natural stream which is about 15 meters in width. The following corrective action has been taken a) The SOP on Land Clearing has been updated and the distances of riparian buffer zones adopted by the company are more discretely described In it. b) The palms in Block 'N'6 were planted in Y2010. As such, a decision has been made by the management not to pull out the palms, considering its age. Instead, 2 rows of palms (distance of about 18 meters) on both sides of the stream will be marked out by putting wooden stakes (red paint marking) along the entire length at a spacing of 10-15 meters. Signboard at strategic location, clearly marked "Riparian Buffer Zone - No manuring or chemical spraying" will also be placed to Inform the workers. C) In field block 'O '5 the young palms on both sides of the stream will be pulled out. Palms bordering the stream at distance of 2 rows (about 18 meters) on either side will be excavated and removed. Signboard at strategic location, clearly marked "Riparian Buffer Zone - No manuring or chemical spraying" will also be placed to inform the workers. (Reply dated:22 May 2013)
		<u>On-Site Verification on Corrective Action taken: (Within 60 days for Major NCR)</u> On-site Verification conducted on: 3-4 June 2013 (conducted by CFK) At Estate C, in field blocks 'O'5- Buffer zone of 10 meters wide from the sides of stream had been maintained. 13 palms had been removed. At field 'N'6, a buffer zone of 30 meters had been demarcated with 278 palms in the area. Only mechanical or manual weeding is allowed to be carried out. The Corrective action taken is accepted. See photograph taken.
		Verification (for effective closure): (During Next Surveillance)

NCR #	Indicator/ Category	Details of NCR
2 of 4	4.7.1 MAJOR	Date issued: 25 April 2013
		Nonconformance: At Estate A and Estate C, some of the First Aid Kits were not available with the trained personnel supervising the workers on the field site.



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	<p><u>Reply on Root Cause and Corrective Action Plan: (Within 30 days)</u></p> <p>First aid kits are currently available at the main office and also at the offices in Estate A, S,C and the mill, However, there are insufficient units for distribution to ensure that it is present at each location of work, The following corrective action will be taken: a)The man agreement will purchase sufficient first-aid kits for each estate to ensure that each supervisor/rnandore will carry a first aid kit so that it is present at location of work during operation b) To ensure that each person carrying the first aid-kit is trained, The MRICOP male nurse, who is a trained person. will conduct basic first aid training for the people concerned, Documentary evidence will be maintained, c) The male nurse and/or OSH officer will also conduct checks on the first aid kits every 2 weeks once , to ensure that the kits are fully equipped at all times. (Reply dated:22 May 2013)</p>
	<p><u>On-Site Verification on Corrective Action taken: (Within 60 days for Major NCR)</u></p> <p>On-site Verification conducted on: 3-4 June 2013 (CFK)</p> <p>First Aid kits and contents had been sighted and verified in the field operation groups and estate main office. The Corrective action taken is accepted. See photograph taken.</p>
	<p>Verification (for effective closure): (During Next Surveillance)</p>

NCR #	Indicator/Category	Details of NCR
3 of 4	5.1.2 Minor	Date issued: 25 April 2013
		Nonconformance: At the Palm Oil Mill, the monitoring of air quality emissions from the stack discharge has not yet been done although the Environment improvement plan to mitigate the negative impact has been included for air pollution control.
		<u>Reply on Root Cause and Corrective Action Plan: (Within 30 days)</u> The laws in Cambodia on installation of smoke density meters and conduct of iso kinetic stack sampling for monitoring of air quality emissions from factories are currently not mandatory. However, the mill management has decided to carry out stack sampling analysis once a year for the monitoring of air quality emissions Since there is no company in Cambodia that is equipped to conduct the stack sampling and analysis, the management has to source this from Thailand. Quotations are being sought. Stack sampling will be conducted as soon as the company is identified and the quotation agreed upon. Results will be collated and corrective action taken, where necessary, if results are adverse. (Reply dated:22 May 2013)
		<u>On-Site Verification on Corrective Action taken: (Within 60 days for Major NCR)</u> - Not Applicable -
		Verification (for effective closure): (During Next Surveillance)

NCR #	Indicator/Category	Details of NCR
4 of 4	6.1.3 Minor	Date issued: 25 April 2013
		Nonconformance: The timetable with responsibilities for mitigation and monitoring is not effectively reviewed and updated for the monitoring of water quality. The mitigation plans shall be identified and implemented whenever there are abnormal results in the water analysis.



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		<p><u>Reply on Root Cause and Corrective Action Plan: (Within 30 days)</u></p> <p>A few drinking water samples taken from various locations and analyzed showed presence of coliform. This is not acceptable. We agree that no immediate corrective action was evident. This is due to lack of awareness and knowledge in interpreting the results</p> <p>We are now instituting immediate corrective action as follows:</p> <p>a) An SOP on monitoring drinking water quality has been drawn up</p> <p>b) For all locations that showed high coliform count in the test results, sampling and retesting of water samples will be carried out immediately.</p> <p>c) To ensure that test results are representative of the actual water quality and that samples are not contaminated, proper sampling procedures using appropriate sterilized bottles or used bottles with alcohol, will be implemented.</p> <p>d) The samples will be sent to a recognized laboratory in Phnom Penh for testing.</p> <p>e) Immediate corrective action will be instituted at the locations if results are not acceptable as per drinking water standard.</p> <p>f) Documentary evidence of results, corrective action and plans to be instituted will be made available.</p> <p>(Reply dated:22 May 2013)</p>
		<p>On-Site Verification on Corrective Action taken: (Within 60 days for Major NCR)</p> <p align="center">- Not Applicable -</p>
		<p>Verification (for effective closure): (During Next Surveillance)</p>

3.2.2 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 own workers and contractors on the needs for Conservation and preservation of environment.
3. Long term employment and steady income for the local community and nearby villagers.
4. Overall contribution to the economic and social development of the people of Cambodia.
5. A total sum of USD 122,420.00 was put aside in the “2013 RSPO Annual Work Plan and Budget” for 11 activities which will benefit villagers, school, students, temple worshipers, children and women as part of social contribution and development.
6. As an organization that support CSR, MRICOP involved itself in social, environmental and community activities and in organizing the following a) Children day Celebration, b) Women Day Celebration and National Tree Planting Day.
7. Another positive element is the provision of New Housing for the estate / mill workers and staff in replacing old wooden houses with 20 new blocks of concrete houses with each block having 10 units. MRICOP has provided assistance to Hun Sen Doung Primary School to obtain land title from the state authority.

3.3 Summary of Issues Raised by Stakeholders and Findings

During the Annual Surveillance Assessment (ASA-01), all pertinent feedback from the stakeholder consultations process on the environmental and social performance of MRICOP operations issues were reviewed and followed up for verification on-site and these had been accordingly incorporated into the report findings. See table below.

Stakeholders' feedback, PMU response and MICM verification / comments

Stakeholders' Feedback	PMU Response	MICM verification / comments
Government Agencies		
Communication done via email on 12 March 2013. See list under para 2.5.	Ongoing consultations will be maintained. No response needed.	Verified during on-site assessment that the PMU that that no response needed.
Non-Governmental Organizations		
Communication done via email on 12 March 2013. See list under para 2.5.	Ongoing consultations will be maintained. No response needed.	Verified during on-site assessment that the PMU that that no response needed.
Local Communities		
On-site consultation and feedback sessions were held during the assessment with local representatives. They comprise the following: <ul style="list-style-type: none"> • 3 Community heads were interviewed ie Commune Head, ChoeungKor (Sak Saron), Village Head, Monorum (Man Chandara), Village Head, Ta Pov (Luch Sophal). • Landfill for waste disposal is made available for community. • Suggestions were made to have better cooperation and improvement on sanitation for the villagers • More steady work needed during the raining and 'flood' season. • Offer of scholarships for university education. 	Ongoing consultation, meetings and relationship building with local communities and contractors will be maintained. The plantation will review and consider the improvement for sanitation of villagers, work for rainy season. On longer term, educational scholarships for plantation workers children will be considered.	Verified during on-site assessment that the PMU has a mid and long term management plan for the improvement of social and environmental needs of the local community.
<ul style="list-style-type: none"> • 3 local contractors (for field workers-harvesters, manurers etc) for Estates A (Kao Pheap), B (Chhim Reoun) and C (Ou Bunthorn) and C were interviewed • PPE was provided to workers, more training and briefing on proper use needed. • Agreement / contract were fair and payments made were timely. • Workers occasionally encounter wild pigs, rabbits and snakes but told not to hunt or kill wildlife, need to further understand the conservation policy. • Positive comments were on the clear signages on Conservation. • Assistance given to the children at estate schools. • Medical checks and assistance given at the estate clinics. • Overall the stakeholders confirm that the PMU has taken adequate positive measures in the social and environmental related issues such as providing employment, protection water sources and prevention of pollution. 	The plantation will consider and schedule more training and awareness on workers safety and health and efforts on the Conservation of wildlife.	Verified during on-site assessment that the PMU has a mid and long term management plan for the imporvement of social and environmental needs of the local community. See report details under P&C 4, 5, 6 & 8)

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Other Interested parties		
<p>School principals/ teachers, clinic doctors:</p> <ul style="list-style-type: none"> • Teachers and school is assisted / financed by the plantation • Field workers who occasionally have snake bites were transported to hospital in a prompt manner and treated. • No serious health issues encountered by the plantation workers from MRICOP. • Stakeholders generally confirm that the PMU has taken adequate positive measures in the social issues such as providing basic education, health and medical care. 	<p>Ongoing consultation, meetings and relationship building with interested parties will be maintained.</p>	<p>Verified during on-site assessment that the PMU has a mid and long term management plan for the improvement of social and environmental needs of the local community. See report details under P&C 4, 5, 6 & 8)</p>

4.0 Assessment Conclusion and Recommendation

Based on the findings above, Mong Reththy Investment Cambodia Oil Palm Co. Ltd., MRICOP had been able to demonstrate its compliance with the RSPO Principles and Criteria (October 2007), Cambodian Local Indicators (2012) and the RSPO Supply Chain Certification Standard (November 2011) for Palm Oil Mill.

Therefore, it is recommended that the certification of Mong Reththy Investment Cambodia Oil Palm Co. Ltd., MRICOP be approved and continued.

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



Mr. Augustine Loh
Lead Assessor

Date: 18 June 2013

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 (MRICOP)



Mr. Sumate Pratumswan
VP – Agriculture/Oil Palm

Date: 18 June 2013

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4.2 MICM RSPO Certificate details for MRICOP

Certificate No:	RSPO 928088
Issue date:	15 August 2012
Expiry date:	14 August 2017
Organization	Mong Reththy Investment Cambodia Oil Palm Co. Ltd (MRICOP)
Address of Head Office:	#52, St. 598 Sangkat Boeung Kak II, Khan Toul Kork, Phnom Penh, Cambodia.
RSPO Membership No:	1-0109-11-000-00
Plantation Management Unit:	MRICOP
Address of POM:	National Road 4, Monorum, ChoeungKor, Prey Nop, Sihanouk Province, Cambodia
Standards:	RSPO Principles and Criteria (October 2007); Cambodian Local Indicators (March 2012); RSPO Supply Chain Certification Standards (November 2011) for the Palm Oil Mill.
Certification scope:	Production of Crude Palm Oil and Palm Kernels
Supply Chain model for CPO & PK:	Segregated (SG)

Details of the Mill and Supply bases covered by this certificate and the tonnage approved are:

Name	Address	GPS Reference	
		Latitude	Longitude
MRICOP Palm Oil Mill (Capacity: 30 MT/hour)	National Road 4, Monorum, Choeungkor, Prey Nop, Sihanouk Province, Cambodia	10°54.50' N	103°49.65' E
Estate A	National Road 4, Sangkat Cheung Kor, Khan Prey Nop, Preah Sihanouk province, Kingdom of Cambodia.	10° 49' 04.2" N	103° 48' 33.1" E
Estate B	National Road 4, Sangkat Cheung Kor, Khan Prey Nop, Preah Sihanouk province, Kingdom of Cambodia.	10° 52' 15.5" N	103° 51' 05.3" E

The annual certifiable tonnages of CPO and PK production by MRICOP from the supply base/suppliers as assessed and verified during the current Annual Surveillance Assessment (ASA-01) are detailed as follows:

POM	April 2012 / March 2013 - Actual		April 2013 / March 2014 - Projected	
	Total FFB Processed (MT)	94,780.42		104,258.46
Total CPO Production (MT)	18,197.84	OER: 19.20%	20,330.40	OER: 19.50%
Total PK Production (MT)	3,317.32	KER: 3.50%	3,961.82	KER: 3.80%
SCCS Model for POM	SG		SG	