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## PUBLIC SUMMARY REPORT

# INDEPENDENT SMALLHOLDER GROUP INITIAL RSPO CERTIFICATION ASSESSMENT

## UPOIC Nuakhlomg-Khaopanom Hui-Yoong Sub-District, Nuakhlomg District, Krabi Province, THAILAND

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## SUMMARY

BSi has conducted initial certification assessment of UPOIC (Nuakhlong – Khaopanom) operations comprising group of Independent Smallholder members, Group Management/Group Manager, FFB supply chain, support services and infrastructure. This group meets the requirement for the group certification based on the RSPO definition whereby this group members growing oil palm, where the family provides labour, the farm provides the principle source of income and the planted area of oil palm is below 50 hectare in size. The initial certification assessment was conducted on 2 May – 5 May 2012. BSi concludes that the UPOIC (Nuakhlong – Khaopanom) operations, Group Manager and Group Members and internal control system comply with the RSPO requirements for sustainable FFB production.

The UPOIC (Nuakhlong – Khaopanom) Group members were also assessed against the RSPO Supply Chain elements related to independent smallholder's FFB production and sales for the compliance to the RSPO requirement for the FFB sales and delivery to the palm oil mill. During this assessment it is noted that there is no FFB purchased by the group. It is found that the group have implemented Segregation system to ensure traceability of the out-going FFB without any mixing of uncertified FFB. They have the control until the point where the ownership transferred to the mill. It is found that the mill that purchasing the FFB from this group taking up the traceability records from there onward.

BSi recommends that the UPOIC (Nuakhlong – Khaopanom) Independent Smallholder Group, Group Manager and Group Members be approved as a producer of RSPO certified sustainable Fresh Fruit Bunches.

## ABBREVIATIONS USED

CPO	Crude Palm Oil
EFB	Empty Fruit Bunch
FFB	Fresh Fruit Bunch
GIZ	German Society for Technical Cooperation
GPS	Global Positioning System
HCV	High Conservation Value
ICS	Internal Control System
IPM	Integrated Pest Management
ISO	International Standards Organisation
MSDS	Material Safety Data Sheet
NGO	Non Government Organisation
NIWG	National Interpretation Working Group
NPK	Nitrogen Phosphate Potassium
OAE	Office of Agriculture Economics
OER	Oil Extraction rate
OHS	Occupational Health and Safety
P&C	Principle & Criteria
PK	Palm Kernel
PKE	Palm Kernel Expeller
PKO	Palm Kernel Oil
PPE	Personal Protective Equipment
R&D	Research and Development
RSPO	Roundtable on Sustainable Palm Oil
RTE	Rare, Threatened and Endangered
SEIA	Social & Environmental Impact Assessment
SOP	Standard Operation Procedure
THNI	Thailand National Interpretation

## 1.0 SCOPE OF CERTIFICATION ASSESSMENT

### 1.1 National Interpretation and Assessment Document Used

The operations of the independent smallholder group, group management, Group Manager, Group Members and their supply bases of FFB were assessed against the following documents as a reference:

RSPO Principles & Criteria for Thailand (TH-NI) Indicators and Guidance for the Thai RSPO Establishment: Approved 7 June 2011; RSPO Principles & Criteria (TH-NI) Guidance and Indicators for Independent Smallholders under Group Certification (Approved 9 October 2012); RSPO Principle & Criteria for Sustainable Palm Oil Production and Guidance for Independent Smallholder under Group Certification: 19 June 2010; RSPO Standard for Group Certification: 26 August 2010; RSPO Certification Systems: 26 June 2007 (revision 3 March 2011); RSPO Supply Chain Certification Systems: Revision November 2011;

### 1.2 Certification Scope

The scope of Certification covers UPOIC (Nuakhlong – Khaopanom), Group Manager and the Group Members who have been formally accepted to join the group and comply with the group rules, requirements of the RSPO Standard for Group certification and Sustainable palm oil production.

### 1.3 Location and Maps

The UPOIC (Nuakhlong – Khaopanom) is located in Hui – Yoong Sub-District, Nuakhlong District, Krabi Province, Thailand. Figure 1 shows location of the farmers group and Partnering mill, UPOIC. Figure 2 shows the location of the farmers group and their plot.

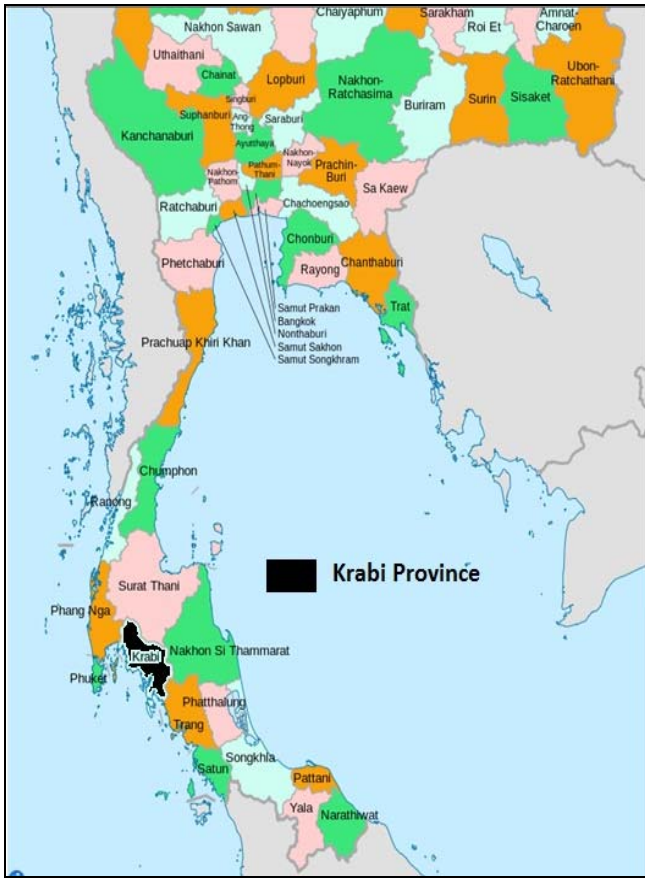
**Figure 1: Location of the UPOIC (Nuakhlong - Khaopanom) Group and Partnering Mill (UPOIC) in Krabi Province, Thailand**



**Figure 2: Location of the UPOIC (Nuakhlong - Khaopanom) Independent Smallholder Group in Nuakhlong District, Krabi Province, Thailand**



**Figure 3: Location of the Krabi Province in Thailand where the Independent Smallholders are located.**



The GPS location of the group office is shown in Table 1 below.

**Table 1: GPS Locations of the Group Office**

Group	Longitude	Latitude
UPOIC (Nuakhlong – Khaopanom)	99° 1' 19.40"E	8° 9' 14.49"N

**1.4 Description of the Independent Smallholders as a FFB producer**

Fresh Fruit Bunch is produced from plots owned and managed by group members. These FFB is sold individually to UPOIC Palm Oil Mill. During the certification assessment, it was highlighted to the audit team that the Independent Smallholders prefers to sell individually to maintain their freedom to sell directly to the palm oil mill. Due to this reason they have not formed the Group Marketing. Smallholder numbers and planted area is shown in Table 2a.

The budgeted FFB productions (certified) for the year 2012 is listed in Table 2b and 2c. As per RSPO requirement, the Independent Smallholders Group Management has collected FFB production data for the year 2011 as shown in Table 2b and 2c.

**Table 2a: Total Smallholder Members, Total Planted Area and Total Plots**

Group	Total Members	Total Area (ha)	Total Plots
UPOIC (Nuakhlong – Khaopanom)	159	1,478.32	372
<b>Total</b>	<b>159</b>	<b>1,478.32</b>	<b>372</b>

**Table 2b: Actual FFB production for 2011 and Projected FFB Production for Jan. – Dec. 2012**

Source	Actual FFB (mt) For 2011	Budgeted FFB (mt) for 2012	Projected increase (%)
UPOIC (Nuakhlong – Khaopanom)	29,825	32,225	8
<b>Total FFB Production</b>	<b>29,825</b>	<b>32,225</b>	<b>8</b>

Note: The average projected increase of 8% is lower because the group is planning for replanting the old palms and about 5% is immature at the moment.

**Table 2c: Average FFB production per hectare for 2011 and Projected FFB Production per hectare for 2012**

Source	Actual FFB (mt) For 2011	FFB per ha (mt) (2011)	Budgeted FFB (mt) for 2012	FFB per ha (mt) (2012)
UPOIC (Nuakhlong – Khaopanom) (1,478.32 ha)	29,825	20.17	32,225	21.80
<b>Total FFB Production</b>	<b>29,825</b>	<b>20.17</b>	<b>32,225</b>	<b>21.80</b>

It is noted that the FFB production per hectare is relatively high in 2011 (20.17 mt/ha) for Independent Smallholders. Due to the favourable weather and rainfall beside good agriculture practices which were introduced in early 2011 gave good yield in 2011. The average yield per hectare is forecast to increase to 21.80 mt/ha in 2012.

UPOIC (Nuakhlong – Khaopanom) was developed as an Independent Smallholders farmers group through initiative from GIZ and OAE. Both GIZ and OAE acted as consultant and supported the implementation of the RSPO requirements for the Group Certification. These Independent Smallholders was assessed by BSI. This initiative was part of GIZ and OAE’s commitment to certify the Independent Smallholders towards RSPO certification. The reference documents used for the assessment are listed in the section 1.1 above. A formal Stakeholder Notification was posted on the RSPO website, BSI website and the group office notice board for 30 days for the stakeholders to give their comments about the RSPO certification of the UPOIC (Nuakhlong – Khaopanom). There were no comments neither feedback received within the 30 days of the notification period from stakeholders.

This summary report covers the findings of the assessment of the UPOIC (Nuakhlong – Khaopanom) and the compliance of the independent smallholders.

The independent smallholders group is managed by a central group management committee which acts as a group manager assisted by a RSPO Cooperator and an ICS and Standard System Administrator. This group was developed from a loose group through initiatives from GIZ and OAE. Advice through training in best oil palm management practices was given by both GIZ and OAE since 2010. There are 159 independent smallholder members in this group covering an area of 1478.32 ha planted with oil palm. The independent smallholders are selling the FFB to specifically UPOIC mill which is acting as a partnering mill although the independent smallholders do not have any obligation to sell the FFB to this mill. UPOIC mill already developed traceability records for the FFB received from the UPOIC (Nuakhlung – Khaopanom).

The UPOIC (Nuakhlung – Khaopanom) group members are traditional farmers who depend on the income from their farming work. Initially their land was planted with sugar cane, tapioca, fruit trees, vegetable and rubber. Due to the poor price of these crops and difficulty in getting farm workers, the group members switched to oil palm cultivation which relatively has stable price and not as labour intensive as the earlier agriculture crops. The farming land was originally from the government and the farmers now have various types of ownership such land title, lease title, land use right and allowed to plant agriculture crops. The independent smallholder palms were planted in various years through conversion from original crop such as fruit trees, rice, vegetable and rubber. The planting year and age profile is shown in Table 4. It is also noted that about 264.8 ha (18%) of the planting was carried out after 2005 due to the trend to change the crop to oil palm from previous crops. The audit team's inspection in the field, document verification, land history and interview with surrounding land owners and government officials confirm that this land was previously planted with other agriculture crops. There is no evidence of any replacement of primary forest or loss of HCV.

In order to bring the independent smallholders into compliance of RSPO certification requirement, group management was formed comprising smallholder members who were elected. This group management acted as group manager and started to communicate all the RSPO certification requirements to each of the members since 2010 to ensure the members can be included into the RSPO certification assessment.

BSI audit team visited a sample of the group members during the certification assessment and checked their status and compliance with RSPO group certification requirements and relevant standards. The methodology is explained in section 2.3 below.

### 1.5 Area of Plantation

The area of palms (mature and immature) at the UPOIC (Nuakhlung – Khaopanom) independent smallholders is listed in Tables 3. There is about 70.08 hectare of immature area and 1408.24 hectare mature area.

**Table 3: Total Mature and Immature Area**

Group	Mature (ha)	Immature (ha)	Total (ha)
UPOIC (Nuakhlung – Khaopanom)	1,408.24 (95%)	70.08 (5%)	1,478.32
<b>Total</b>	<b>1,408.24</b>	<b>70.08</b>	<b>1,478.32</b>

### 1.6 Date of Plantings and age profile

Palms of the independent smallholder members in the UPOIC (Nuakhlung – Khaopanom) were planted between 1978 and 2011. About 95 % of the palms are matured. About 52 ha palms are above 26 year old. The group has a plan to replant this area. Replanting cycle is 25 years. There is a replanting program has been developed. The age profiles of the palms are shown in Table 4.

**Table 4: Age profile of the palms**

Planted year	Total Planted Area (ha)	Age of the palm (years)	% of total Planted area
1978	17.12	34	1.16
1981 - 1982	28.16	30 - 31	1.90
1983 - 1984	6.40	28 - 29	0.43
1986 - 1987	20.46	25 - 26	1.38
1988 - 1989	34.24	23 - 24	2.31
1990 - 1991	48.48	21 - 22	3.27
1992 - 1993	51.52	19 - 20	3.48
1994 - 1995	48.02	17 - 18	3.24
1996 - 1997	416.24	15 - 16	28.15
1998 - 1999	188.16	13 - 14	12.73
2000 - 2001	147.68	11 - 12	10.00
2002 - 2003	135.36	9 - 10	9.16
2004 - Oct 2005	71.68	7 - 8	4.85
Nov 2005 - 2006	79.20	6 - 7	5.36
2007 - 2009	148.96	3 - 5	10.08
2010	29.44	2	2.00
2011	7.20	1	0.50
2012	-	-	-
<b>Total</b>	<b>1,478.32</b>		<b>100.00</b>

*Note: Within next 12 months there will be four members replant the old palm above the lifecycle of 25 years.*

### 1.7 Approximate Tonnages Certified

The approximate tonnages of FFB certified reported during this certification assessment was based on the budget for the year 2012. As per the RSPO Standard for Group Certification and THNI for Independent Smallholder requirement all the members have at least last year's (2011) FFB production record. These records were checked and audited during the document audit. During this assessment, the approximate tonnage certified includes the production from the group members. The national regional reference figure for FFB to CPO conversion rate is 17.4% for the year 2011. This data was obtained from the Office of Agriculture Economics (OAE) through the Independent Smallholders Consultant, GIZ. The group management control system is using the OER given by the partnering palm mill to make FFB conversion to CPO. The FFB production is converted to CPO based on the 17% Oil Extraction rate

(OER) given by the partnering palm oil mill, UPOIC Palm Oil Mill which is lower than the average national OER. This OER is written on the weighbridge ticket and invoice from the mill is used as a guidance to calculate the CPO conversion. This OER figures was confirmed by the Independent Smallholder members, Group Management and the representative from the palm oil mill. The OER is based on the palm oil mill's grading procedure. The detail of the Certified FFB, CPO, PK, PKO and PKE production is shown in Table 5a, 5b, 5c and 5d below.

While the FFB to CPO conversion is based on the OER obtained from the partnering palm oil mill, the PK, PKO and PKE is based on the RSPO Standard for Group certification document (RSPO Certification Documents Review Draft: April 2012) whereby the Standard PK rate of 6% of FFB, of which 45% is counted as Certified Palm Kernel Oil and 55% as Certified Palm Kernel Expeller.

**Table 5a: Approximate FFB and CPO Tonnes produced in 2011 and budgeted for 2012**

Source	CPO tonnages @ 17% OER *			
	2011 Actual FFB	2011 Actual CPO	2012 Budget FFB	2012 Budget CPO
UPOIC (Nuakhlong – Khaopanom)	29,825	5,070	32,225	5,478
<b>Total</b>	<b>29,825</b>	<b>5,070</b>	<b>32,225</b>	<b>5,478</b>

\* This OER was given by the FFB purchasing mill. However RSPO might consider using the National OER of 17.4%.

**Table 5b: Approximate PK Tonnes produced in 2011 and budgeted for 2012**

Source	PK tonnages@ 6% of FFB			
	2011 Actual FFB	2011 Actual PK	2012 Budget FFB	2012 Budget PK
UPOIC (Nuakhlong – Khaopanom)	29,825	1,785	32,225	1,933
<b>Total</b>	<b>29,825</b>	<b>1,785</b>	<b>32,225</b>	<b>1,933</b>

**Table 5c: Approximate PKO Tonnes produced in 2011 and budgeted for 2012**

Source	PKO tonnages@45% of PK			
	2011 Actual PK	2011 Actual PKO	2012 Budget PK	2012 Budget PKO
UPOIC (Nuakhlong – Khaopanom)	1,785	803	1,933	870
<b>Total</b>	<b>1,785</b>	<b>803</b>	<b>1,933</b>	<b>870</b>

**Table 5d: Approximate PKE Tonnes produced in 2011 and budgeted for 2012**

Source	PKE tonnages@55% of PK			
	2011 Actual PK	2011 Actual PKE	2012 Budget PK	2012 Actual PKE
UPOIC (Nuakhlong – Khaopanom)	1,785	982	1,933	1,063
<b>Total</b>	<b>1,785</b>	<b>982</b>	<b>1,933</b>	<b>1,063</b>

### 1.8 Time Bound Plan

UPOIC (Nuakhlong – Khaopanom) is a member of RSPO since March 2012. RSPO Membership No: 1-0120-12-000-00

There are total of 159 independent smallholders in this UPOIC (Nuakhlong – Khaopanom). All the members are formally joined this group and has individual agreement with the group management to comply with the RSPO certification requirements. All the formal members and their plots are included during this assessment. There are no members excluded from certification. Therefore there is no time bound plan required at this initial certification assessment.

### 1.9 Date of Certificate Issued and Scope of Certificate

The scope of the certificate includes the production of FFB from the Independent Smallholder Group: UPOIC (Nuakhlong – Khaopanom), group manager and group members. RSPO Certificate details are included as Appendix A. The certificate issue date will be the date of the RSPO approval of the Assessment Report.

### 1.10 Other Certifications Held

No other certification held by the group or the members. This is the first experience for the independent smallholder group and members to go through a certification process. They have shown the full commitment to implement and comply with the RSPO group certification requirements.

### 1.11 Organisational Information / Contact Person

UPOIC (Nuakhlong – Khaopanom) contact details as follows:

UPOIC (Nuakhlong – Khaopanom)  
98, Moo 6, Nuakhlong-Khaopanom Road,  
Hui-Yoong sub-district, Nuakhlong District,  
Krabi Province, 81130 Thailand.  
Contact Person: Mr. Chatchai Somduang,  
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Fax: +66 75 666 072  
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## 2.0 ASSESSMENT PROCESS

### 2.1 Certification Body

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BSi is a leading global provider of management systems assessment and certification, with more than 60,000 certified locations and clients in over 100 countries. BSI Standards is the UK's National Standards Body. BSi provides independent, third-party certification of

management systems. BSi has a Regional Office in Singapore and an Office in Thailand, Kuala Lumpur and Jakarta.

## **2.2 Qualification of the Lead Assessor and Assessment Team**

### **Senniah Appalasmay – Lead Assessor**

He holds degree in Resource Economics from Agriculture University of Malaysia. He has vast experience in Plantation crop management covering oil palm plantation, rubber, cocoa and pepper for more than 10 years. He is also experience in manufacturing sector as a quality controller and production management. He is involved in RSPO implementation and assessment since 2008 as a team member and subsequently as a lead auditor with RSPO approved certification body covering assessment with RSPO P&C, RSPO SCCS and RSPO NPP in Malaysia and Indonesia. He has completed ISO 9001:2008, RSPO SCCS awareness training, RSPO Lead Auditor Training Course and International Sustainable Carbon Certification (ISCC) Lead Auditor training. Beside RSPO, he is also qualified as ISCC lead auditor. He have experience in other standards i.e. Global Gap Option 1 and 2 (Fruit, vegetable and aquaculture) and GMP B+ as team member.

### **Aryo Gustomo–Team Member**

He holds degree in Agriculture science majoring on Agronomy graduated from Bogor Agriculture University. He is a specialist in oil palm plantation with agronomy background. He had more than 5 (five) years working experienced related to oil palm industries i.e. as Plant breeder/agronomist in one of the Malaysian oil palm seed producer and as a field assistant in oil palm Plantation Company in Indonesia. He had been involved in several RSPO certification audits as a lead auditor/auditor during his career with one of the RSPO approved certification body. Trainings he has completed include ISO 9001, 14001, RSPO Lead auditor courses, RSPO SCCS awareness training as well as training on HCV identification and management. Currently he works for BSi Group Singapore Pte Ltd as a RSPO scheme manager for ASEAN and one of the RSPO lead auditor/auditor.

### **Suravet Surakool – Team Member**

He holds BSc in Industrial Electronics and Diploma in Computer. He graduated in 1997 from Rajabhat Institute, Chachaeongsao, Thailand. His Diploma obtained from Rajasitharam Technical College, Thailand. He has completed lead auditor training in ISO 9001: 2000, OHSAS 18001 and ISO 14001. He is involve in certification assessment since 2003 as an auditor and subsequently as a lead auditor for ISO 9001, OHSAS 18001 and ISO 14001. He is also auditor for TLS 8001, Local Social Accountability Standard and conducted various assessment sponsored by the Thai Labour Department. He has experience in local legal issues and workers welfare issues. He is fluent in local language. He has undergone internal RSPO awareness training in March 2012.

### **Kittsopon Thaninsiriphitthaya – Team Member and Translator**

He is the BSi Thailand training manager and organise internal and external training. He has vast experience in managing human resource and understands labour issues. He is fluent in local language. His role was to assist in the translation during the internal and external stakeholder interview and translate the ICS documents for the auditors during the document verification. He is also having experience in local regulation related to land ownership and environmental issues.

## **2.3 Assessment Methodology, Programme, Site Visits**

The assessment was conducted to assess the compliance of the Independent Smallholder Group and its members against the RSPO requirement for Independent Smallholder Group certification. The assessment program is included in Appendix B.

This assessment was conducted using the documents as per in section 1.1 above as a reference during the assessment of the independent smallholder Group Manager, Group Members and Internal Control System. BSi Audit team conducted the certification assessment of the Independent Smallholders operation by conducting document review, field visit, and interview with Group Management Committee, Group Manager, ICS Administrator, Group Members and stakeholders. During this certification assessment a sample of independent smallholder members and their plots were selected from group data. The sampling was based on RSPO sampling formula.

### ***Sampling formula and method of calculating the smallholder members to be assessed.***

During this certification assessment a sample of independent smallholder members and their plots were selected from group data. The sampling was based on RSPO sampling formula.  $N = 1.2\sqrt{y}$ , where  $y$  is the number of smallholder members, with the result rounded up to the next whole integer.

For the purpose of sampling, risk assessment of group members and the group manager was carried out prior to the certification assessment through document review on the application details provided by the group manager. This includes details of members, size of the plot, management structure, diversity of terrain, area planted after 2005, result of internal assessment, the geographical location, distance from the palm oil mill/collection ramp and information gathered from stakeholder. Based on the information gathered prior to the assessment, BSi audit team concluded that the risk is medium. A total of 16 group members were selected from 159 total members.

Plots of the members selected were visited and inspected followed by document assessment for each member's records and data relevant to group certification and THNI for Independent Smallholder. Interview was conducted at the field during the visit to the plot. Field operations such as harvesting, grass cutting and FFB transportation was checked during the



field visit. Checklist which was developed based on the RSPO Standard for Group certification and THNI for Independent Smallholders were used to guide the collection of information.

The assessment program includes assessment against all the applicable RSPO requirements for Independent Smallholder Group Certification. The methodology for collection of objective evidence includes physical inspection of the independent smallholders' facilities, members' plots, and interview with members, Group Manager, Group Management Committee, ICS Administrator, workers and review of documents. The block inspection was aligned with the field operation schedule in order to inspect the operation and interview the smallholder member and workers.

The assessment process was based on random sampling and therefore nonconformity may exist which have not been identified this time. Currently this summary report was reviewed by RSPO Secretariat through external peer reviewer.

#### **2.4 Stakeholder Consultation and List of Stakeholders Contacted**

During the Independent Smallholder Assessment stakeholder consultation was conducted involving internal and external stakeholders. Prior to the assessment external stakeholders were notified by posting the Stakeholder Notification letter on the RSPO website and BSi website for 30 days. Since the independent smallholders group does not have their own website, the Stakeholder Notification was posted on the group's office notice board. During the stakeholder notification period, BSi did not receive any feedback from stakeholders during the 30 days notification period.

During the assessment meeting were held with internal and external stakeholder in the absent of the group members and group management to allow the stakeholders give their feedback freely.

During the meeting, the stakeholders were asked open end questions to seek feedback on the performance of the Independent Smallholder Group's performance with respect to RSPO requirements and aspects that they consider need improvements. Issues discussed were related to legal issues, land ownership issues, agriculture management practices, environment and social performance. Stakeholders included are those immediately linked with the operation of the Independent Smallholder Group such as workers, group members, village head, government officials, school teachers and representatives from the partnering mill. Stakeholder consultation took place in the form of meetings and interviews without the present of the group management members and interview with workers was without the present of the smallholder member.

It is noted that during the Independent Smallholder assessment there was no negative comments or complaints received. Issues raised and discussed are

summarized in section 3.5. The list of stakeholders contacted is included as Appendix C.

#### **2.5 Date of Next Surveillance Assessment Visit**

The next surveillance assessment visit is planned before the first anniversary of the RSPO approval of the initial certification.

### **3. ASSESSMENT FINDINGS**

The assessment findings are reported in two parts. Section 3.1 is referring to the finding based on the RSPO Principles & Criteria for Thailand (TH-NI) Indicators and Guidance for the Thai RSPO Establishment: Approved 7 June 2011, RSPO Principles & Criteria (TH-NI) Guidance and Indicators for Independent Smallholders under Group certification (Approved 9 October 2012).

Section 3.2 is referring to the findings of the Independent Smallholder assessment based on RSPO Standard for Group Certification: 26 August 2010.

Both findings include the assessment of the independent smallholder members, group manager, group management committee, Internal Control System and supply chain elements.

During the Independent Smallholders assessment there were two minor nonconformities and five observations were identified. The group management submitted corrective action plan to BSi audit team and it is found to be sufficient to address the findings. The progress of the closing out the minor nonconformities and observation will be verified during the next annual surveillance assessment.

Based on the findings during the Independent Smallholders assessment, BSi conclude that UPOIC (Nuakhlóng – Khaopanóm), Group Manager and Group Members comply with the RSPO requirements for the independent smallholder group certification.

BSi recommends that UPOIC (Nuakhlóng – Khaopanóm) approved as a RSPO Certified FFB producer and Sustainable Palm Oil.

#### **3.1 Summary of Findings**

*(Based on the RSPO Principles & Criteria for Thailand (TH-NI) Indicators and Guidance for the Thai RSPO Establishment: Approved 7 June 2011 and RSPO Principles & Criteria (TH-NI) Guidance and Indicators for Independent Smallholders under Group Certification (Approved 9 October 2012).*

##### **Principle 1: Commitment to transparency**

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

**1.1.1 Records of requests and responses to be kept and maintained for a specified and appropriate duration**

Records of request and response are recorded on the guest records section on the farm record book. The group members are aware that they need to records any information given to stakeholders. Group manager have separate record when the information is forwarded from the group management to the group members and stakeholders. There is a "Information Request Form RTB-001 version 1 dated 21 January 2012 for group members and stakeholders to fill up when requesting information. These records also incorporated with visitor's information and information given to them. The group members and group management maintain these records for five years as per the internal document control.

**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.**

**1.2.1 Group management documents related to environmental, social and legal issues must be prepared and made publicly available. These, at least, include the following documents:**

- Legal land titles or land use rights;
- Agreement between group manager and members.

Publicly available documents are land title and evidence of land use rights, location map and farm layout of the group members plots/blocks, application and agreement between the group manager and group members, internal audit documents, registration of the group with the local authority, safety and health plan, simplified Social Impact Assessment, details of complaints/grievances, negotiation procedures, simplified budget for the group, group policies, copies of relevant government law, agriculture manual covering oil palm best practices, sustainability manual, farm operation and production records, training records, FFB sales records and continuous improvement plans. All these documents are in local language to allow the group members read and understand easily. All group members are given a copy of the relevant documents. Group documents and records are maintained for a minimum of five years.

Group manager share the information related to RSPO requirements for Sustainable Oil Palm Production by independent smallholders and explain to the group members. This is also explained in the group sustainability manual.

**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.**

**2.1.1 Evidence of compliance with the laws and regulations which are relevant and significant for oil palm production**

Group manager and group members have adequate knowledge regarding legal requirements related to their

operation. Implementation of the related legal requirements relevant to oil palm cultivation, including those related to the group activities are checked regularly by group manager and through the local district government agriculture extension officer. This was revealed by the agriculture officer during interview.

The group manager, group management and the partnering palm oil mill's extension officer regularly provide an up-to-date list of applicable laws and regulation to ensure the group and members aware of the latest regulations. During this initial certification it is noted that external assistance and training was given by GIZ and OAE including preparing list of relevant documents to ensure the group management understand the requirement of this indicator.

Sample of legal documents were checked in the group office during ICS audit as well as at the group members audit. The group manager ensures that group members abide to the relevant and significant laws and regulations such as the use of legally registered pesticides and herbicide. Group manager monitor the group member to check their compliance with any relevant law and regulation prior to joining the group and during internal audit. Group management hold a list of relevant, significant and up-to-date laws and regulations such as the Hazardous Substances Act, the Agricultural Standards Act, the Regulations Governing Land Tenure or Land-use Right, the Oil Palm Bunch Notification of the Ministry of Agriculture and Cooperatives.

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

**2.2.1 Documents or evidence showing legal land ownership or lease, landuse rights, history of land tenures or actual land uses and customary rights or that the right to use the land is accepted without any legitimate claims and contests by local communities.**

It is also noted that the land was initially developed as a traditional farming land for many years ago from generation to generation and handed over to the family members.

All the group members have maps, farm layouts and evidence showing legal land ownership in the form of land title and land use right. The land is owned for many generations and being used for agriculture. There are various types of land ownership noted and each ownership comes with particular rights or term of use. Types of ownership checked are Chanod, Sor Por Kor and Por Bor Tor 5. Group members understand the terms of the ownership and able to explain the history of the land use prior to oil palm planting. These details are made available to the group manager prior to joining the group.

Group manager ensure that group members lands are not claimed or contested by any third parties or local communities and there is no violation of customary rights. There is no dispute noted during this assessment and no issues were raised by the stakeholders during interview. Group manager have negotiation procedure to address any conflict if identified.

**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.**

**2.3.1 Farm layouts showing the boundary of legal land rights or the extent of recognized customary rights which are agreed upon in a participatory manner (including criteria 7.5 and 7.6).**

Group manager collect farm layouts from individual members and establish a common farm layout for members. This is available on the farm record book and copy maintained by ICS. Members whose land acquisition is by obtained from legal purchase, group manager checks the documentary proof of land holding rights such as transfer of land rights, purchase of land, payment and other agreements based on the details provided during application to join the group.

During the field visit the boundary stones and markings were inspected. The boundary is based on the type of land ownership. Those with type Chanod have clear boundary stone as required by local regulation. Other ownership types have clear marking and no dispute was noted during interview with the neighboring plot owners. There were no encroachment issues noted or highlighted by the stakeholders who were interviewed during the stakeholders' consultation.

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

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

**3.1.1 An annual budgetary plan of the group**

The group manager and the group management committee with participation from members developed estimate income and expense document for the group in the form of an annual budgetary plan called "Operation Plan 2012". Annual budget is used as guidance by the group manager and group members to ensure management plans in the budget are implemented to achieve the economic financial out come. The annual budget includes operational cost and revenue, production and target, cost of production and allocation for the continuous improvement in farm practices. There is also a "replanting plan for 2012" because there are four group members planning to carry out replanting.

Although it is a very simple plan, it shows the income generated for the group through membership payment and incentive from the partnering mill for producing sustainable Fresh fruit Bunches. The expenses include cost of training, internal and external audit. The group

manager also set out plans for accepting new prospective members. Consideration is also given to members who wish to expand the plantation areas. Group manager and the management committee give advice for the group members to develop their own annual budgetary plan. Individual members have their own budgetary plan which covers their oil palm farming activities.

**3.1.2 When the need for replanting becomes apparent, this should be included in the budgetary plan of the group in an appropriate and timely manner.**

Replanting programme is available during this initial assessment because the oldest palms are 28 - 34 years old covering an area of 51.77 hectare. The group management and group members aware that the replanting cycle takes place at the palm age of 25 years. The group manager, group management and group members aware that they need to consider the replanting plans in the budgetary plan to assist the members who will be replanting in 2012. Earlier the group members could not carry out the replanting due to the financial constraints.

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

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

**4.1.1 Documents on management practices in key activities of oil palm farming are established.**

The independent smallholder group was given external support and assistance by GIZ, OAE and local universities in developing their own agriculture manual covering oil palm management and Sustainability manual section 2.2 (Operation and Farm Management), manuring guidance, good agriculture practices, farm record books and training materials which includes safe working instructions for all type of work. The group also have Sustainability manual covering all the requirement of RSPO Group certification. Group manager and ICS administrator ensures that all group members have a copy of these manual and regularly collect the information recorded in the farm record book.

**4.1.2 Evidence of implementing management practices in key activities of oil palm farming**

Initially the independent smallholders were receiving farming advises from local agriculture extension officers and these officers regularly check the farming activities. Since the formation of the group, the group manager and farm advisers (farm adviser is part of the Group management System trained by the external consultant) ensure that the good agriculture practices are implemented by group members. This is checked through internal audits and monthly field visit/inspection by the farm advisers to selected members plots.

The group organises regular training for the group members in order to review and enhance their knowledge on good agriculture practices. During the

assessment it is noted that farm record book is updated by the group members. These records includes FFB harvesting and sales, fertilizer application, grass cutting, herbicide application, rainfall records, training attended, advise received from farm adviser and guest visit details.

The most recent internal RSPO audit was carried out in April 2012. Corrective action plans are prepared for any findings and it is checked during the subsequent visits. Group members carry out daily monitoring through field inspection. It is a routine that the members prepare monthly records and send to the ICS administrator for record updating purpose.

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

**4.2.1 Records of fertilizer usage or evidence of soil fertility maintenance.**

Leaf sampling and analysis is carried out to determine the nutrient level in the palms. Recommendation is made based on the result from leaf analysis. Fertilizer recommendation is received from local university, Lad Kabang University, Bangkok, Thailand. During the preparation period for the RSPO assessment, the partnering consultants (GIZ and OAE) brought Agronomist from local university to visit the independent smallholders and their plots for visual inspection prior to the fertilizer recommendation. Partnering mill gives credit for the purchase of fertilizer.

Fertilizer application is recorded in the farm records book each time fertilizer is applied. Inspection to the farm record book shows that group members apply at-least three rounds of NPK compound fertilizer annually. Some of the members apply very small quantity of EFB (about 15 – 20 mt) annually. Most of the group members are unable to apply EFB due to the high transport cost.

External training is provided to group members to explain the importance of best practices for soil fertility maintenance such as frond sampling for nutrient analysis, need for fertilizer recommendation, application method and frequency.

**4.2.2 Records of annual FFB harvest.**

All the group members assessed have at-least last years' FFB record. FFB harvested is recorded in the farm record book by the group members. The weight is based on the weight bridge ticket received at the palm oil mill and collection ramps. These monthly records is checked and verified by the Group Manager and ICS administrator and updated in the ICS documentation.

*However, a minor noncompliance was raised against this indicator. During the assessment it is noted that FFB records by the Group Manager and the members are not updated regularly since February 2012.*

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

**4.3.1 Evidence of management practices of oil palm farming to minimize and control erosion and**

**degradation of soils (by considering the specific topographic and climate conditions)**

During the field visit it is noted that only selective and circle herbicide spraying carried out. Majority of the farmers use grass cutting because the herbicide is costly. Soft grass and soft weeds are maintained to minimize erosion during heavy rainfall. Erosion is also controlled through frond stacking along the inter-row to minimize the speed of the running surface water during heavy rainfall. It is also noted that some farmers constructed silt pits in the field to minimize erosion and surface run-off. Immature area is planted with cover crop and soft grass is established to avoid any bare ground.

**4.3.2 The establishment of terracing practices or other efforts in planting oil palm on slope lands during or prior to replanting.**

Majority soil is clay and clay loam. There is no peat or fragile soil. Terrain is flat to undulating. Road are well maintained because there is no heavy trucks using these roads. FFB is transported with 1mt pick up vehicles. Government roads are very close to the group members plots.

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

**4.4.1 Evidence of efforts to reduce the run-off of chemicals to natural water courses including the maintenance of natural water courses to avoid contamination.**

During field visit it is noted that most of the group members' plots are away from water course. There was one member with plot close to a stream. Natural buffer zones are managed along the stream. No chemical treatment carried out along the buffer area.

Group members are provided with knowledge on maintaining the quality and availability of water resources such as maintaining buffer zones by avoiding spraying and maintaining natural vegetation.

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

**4.5.1 An Integrated Pest Management (IPM) Plan or Documented IPM for oil palm farming exists and is implemented.**

IPM is documented in the agriculture manuals prepared by the external consultants. This manual describes all the IPM techniques and methods to be used by the group members in managing oil palm pest and disease. The techniques include prevention through planting beneficial plants such as tunera subulata.

Group manager provides knowledge to group members to understand the IPM techniques such as biological control for pest. Initially the training was conducted by external resources from GIZ, OAE, extension officers from the district agriculture office and partnering mill.

Manuals related to IPM practices kept in the group office and copy is distributed to group members. Group members aware how to identify pest attacks if any by conduction visual observation. Group member began to plant beneficial plants such as tunera subulata. This was noted during the field visit.

Group members are able to explain the IPM and pest control measures including census of leaf eating pest. They are also aware of the benefit of barn owl. During field visit it is noted that there is no serious pest attack.

There is no pesticide usage noted during this assessment. Agrochemical used mainly is herbicide for the circle and selective weeding. Spraying is carried out once annually. Grass cutting is the main activity to control weeds in the field.

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

**4.6.1 The pesticides used are legally registered pesticides in accordance with the Hazardous Substances Act B.E. 2535 (1992) and its amendments.**

**4.6.2 Records of chemical pesticide use.**

**4.6.3 Proper and safe storage of pesticides.**

Agrochemicals used are legally registered in accordance to the Hazardous Substances Act B.E. 2535 and regularly checked by the Field Extension Officers from the Department of Agriculture. It is noted that only approved and registered agrochemicals which are permitted by the local relevant authorities are used.

There is no type 1A and 1B agrochemical used. The group members aware of the requirement in RSPO related to use of paraquat. Glyphosate is used for weed control once a year. No blanket spraying noted during the fields visited.

Record of agrochemical used for the targeted weeds with appropriate dosage as per the recommendation on the label is recorded in the farm record book by group members if they use agrochemical. Record shows date, type of herbicide used and quantity used. PPE is implemented and given by the group member to spraying worker if they hire outside worker. Most of the spraying is carried out by the group members themselves. The applicator and the group members involve in spraying have annual medical check up at government clinic. No female workers or female family members and children involve in handling chemical. Interview with village head, neighbouring farmers and family members confirm that there are no female and children handle chemical spraying.

There is no agrochemicals storage because the group members who are using agrochemical, purchase

agrochemical once a year and just enough for the application. No balance stock is kept.

The group members do not keep any stock. Those members using agrochemical collect the empty containers and deliver to the seller for further disposal through the authorised collectors.

Interview with group manager and group members reveal that there is no toxicity case. Record of training available, conducted by Group Manager, agrochemical supplier, local district agriculture extension officers and by external consultants from GIZ and OAE. Last training conducted on April 2012 and attended by all members.

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

**4.7.1 An occupational health and safety policy of the group and monitoring the implementation by group members.**

The group has OSH policy and described in the Sustainability Manual and “Occupational Health & Safety for Oil Palm Smallholders and Workers” manual is used as a guidance document for matters related to OSH. This is prepared by GIZ and OAE. A copy is provided to all group members. OSH Plan includes training programme developed by the group manager. This information is shared with all the group members to ensure the group members attend the required training. Group Manager, Field adviser and group chairman ensure that group members implement the safety aspects in their daily activities.

**4.7.2 Records of accidents related to work.**

Guidelines on accident and emergency procedures are available and briefed to all group members. Standard form is prepared for recording any accident occurred. During assessment it is noted that there is no any major accident. This was confirmed by the stakeholders interviewed, surrounding farmers, group members and workers. Only common minor thorn pricks cases highlighted by workers. Safety measures explained to workers by group members and included in safety training. Interviews with workers confirmed knowledge of the plans and procedures for emergency.

**Criterion 4.8: All staff, workers, smallholders and contractors are appropriately trained.**

**4.8.1 Training program and records on trainings received by farm workers and group members.**

Annual training programme is developed by the group manager to cover all group members. Group members conduct briefing to their workers if any. There is no contractors involve in the group members activities. Training includes awareness on relevant RSPO standard, legal requirements, SOP, soil and water management, IPM, agrochemical use, OSH, farm record keeping, Good Agriculture Practice and functions of group members and responsibly. Training records are documented in the individual farm record book.

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

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

**5.1.1 An appropriate and documented environmental impact assessment.**

The external supporting team from GIZ and OAE organised the SEIA and HCV assessment covering four Independent Smallholder Group: UPOIC (Nuakhlong-Khaopanom) Independent Smallholders group, Community Enterprise Group for Sustainable Palm Oil Production (Chonburi), Sustainable Oil Palm Smallholders Production (Univanich – Plaipraya) Community Enterprise Group and Community Enterprise for Sustainable Oil Palm Producer Group (Suratthani).

Environmental and Social Impact identification was carried out by the members and group manager which covers the activities during the initial planting of oil palm from previous crop by interviewing the neighbouring farmers and community. This was arranged by the external consultants and conducted by a team of university professors from Faculty of Economics, Prince of Songkla University. This study was supported by experts from Thai Forest Industry Organisation (State Enterprise under Ministry of Natural Resources and Environment) with experience in HCV assessment. The significant positive impact identified was increase in family and workers income. Since oil palm is less labour intensive, the group members have more time to spend with family and better quality of life. Through this study, the group members are also made aware of the possible negative impacts such as contamination of agrochemical if not used appropriately.

Group manager and group members are also aware that they must undertake environmental impact assessment by consulting members and community when replanting take place, the group members expand their land holding and clearing the remaining natural vegetation.

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

**5.2.1 A list of Rare, Threaten and Endanger Species (RTEs) and High Conservation Value (HCV) habitats within the boundaries of the oil palm plantations of the group and in the surrounding areas.**

At initial stage of forming the independent smallholder group, external consultants collected information related to HCV habitat within and adjacent area with the group members plots. It is noted that the group members' plots were previously cultivated with different

crops such as rice, sugarcane and tapioca. There is no any kind of HCV or RTE identified within and adjacent boundary area. Boundary is also planted with either oil palm or other agriculture crops.

Documented list of RTE and protected species was prepared based on the local government regulation. This list is available to all the group members. Interview with group manager and members reveal that they are able to name the species and aware of the regulation. Training on HCV was given to all group members by external trainer from local university and consultant.

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

**5.3.1 An appropriate and safe management of pesticide containers and other hazardous agrochemicals.**

**5.3.2 Must ensure that group members are made aware of the effort to dispose of pesticide containers and other hazardous agrochemicals in a responsible manner.**

Waste products have been identified and documented. Waste product includes empty agrochemical containers, fertilizer bags and farm waste such as palm frond. Those group members using herbicide avoid pollution by collecting empty herbicide containers and all the members collect fertilizer bag. This is disposed through delivery to the seller and further disposal through the authorised collectors. Fertilizer bags are washed and reused for loose fruit collection. Palm frond is stacked in the field as an organic fertilizer.

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

This criterion is not applicable to Independent Smallholders Group and members. However, the Independent Smallholders are aware that they must use energy efficiently as a cost saving measure and always consider energy saving.

**Criterion 5.5: Use of fire for waste disposal and for preparing land for replanting is avoided except in specific situation, as identified in the ASEAN guidelines or other regional best practice.**

**5.5.1 In the case where fire is used for land preparation for oil palm replanting, a documented impact assessment must be conducted.**

Group members are aware that they cannot use fire for land preparation during replanting from oil palm to oil palm or from any other crop. Zero burning techniques have been explained to group members through internal training by GIZ and representatives from OAE. During field visit there is no evidence of any kind of burning signs noticed. Interview with stakeholders' i.e government officers, village head and neighbouring farmers confirmed that fire is not used.

During the interview, the group manager and group members highlighted that there are no pest and disease problem. So the use of fire during replanting is unlikely.

However they are aware that fire is only permitted in special cases which involve elimination of pest and diseases where recommendation from relevant government agencies must be in place prior to use of fire.

Household waste is disposed through government municipality waste collectors. Some group members owns fire extinguisher and kept at their house. This is for any emergency purpose.

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

This criterion is not applicable to Independent Smallholders Group and members.

**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.**

**6.1.1 Records or evidence of a consultative meeting to assess social impacts conducted with the affected stakeholders.**

The group manager, chairman, his assistant and the group members assessed able to explain the social impacts of their operations. They have not received any complaints regarding their operation.

Through the assistance from GIZ and OAE, SEIA was conducted for the whole group involving group management, group members, surrounding farmers, communities and other internal (i.e. family members and relations) and external stakeholders (partnering palm oil mill, suppliers and workers).

The SEIA was conducted by University Professors and experts from Faculty of Economics, Prince of Songkhla University, Hat Yai, Songkhla, Thailand in early January 2011 as a pilot SEIA involving four Independent Smallholder Group including this UPOIC (Nuakhlong-Khaopanom) Independent Smallholders group. The other three groups are Community Enterprise Group for Sustainable Palm Oil Production (Chonburi), Sustainable Oil Palm Smallholders Production (Univanich – Plaipraya) Community Enterprise Group and Community Enterprise for Sustainable Oil Palm Producer Group (Suratthani). The Social Impact Assessment includes detail on positive and negative effects and documented affected parties.

**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.**

**6.2.1 Procedures on consultation and communication.**

**6.2.2 Records of communication and response to the recommendations from stakeholders.**

Procedure on open and transparent system of consultation and communication with local stakeholders and external stakeholders is available. An identified line of communication is developed for the group. The partnering mills' extension officer communicates with the group management and members in providing technical advice and ensures communication between the group members and the partnering mill is effective.

Records of communications and consultations are available at the group ICS. Stakeholder lists are available and up dated. Record of request and action taken is recorded. The group chairman, deputy chairman and group manager communicates with the stakeholders.

**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.**

**6.3.1 An established mechanism for dealing with complaints and grievances open to affected stakeholders.**

**6.3.2 Evidence showing the dispute resolution process and outcome.**

Complaints and negotiation procedures is available in the sustainability manual. Group manager and members are aware of the procedure. Suggestion/complaint box is placed at the group office for the members and stakeholder to send their grievances if any. Stakeholders are aware of this procedure. This was confirmed by stakeholders during interview.

During the assessment it is noted that there are no complaints launched to the group management.

**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.**

**6.4.1 Evidence of compensation to eligible persons according to legal and customary rights.**

**6.4.2 The process on achieving the result of negotiated agreements including any compensation requests is open to the public.**

Group manager and group members aware of procedure for negotiations for any lost of legal and customary rights. There are no any issues related to loss of legal right to land because the group members are having their own land ownership documents. Stakeholders interviewed did not raised any issues related to compensation or lost of legal and customary rights.

**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.**

**6.5.1 Evidence of wage payment.**

There are no permanent workers hired for oil palm operation. Majority work force is by family. Temporary or seasonal workers are hired during harvesting, maximum twice per month and sometime for herbicide spraying. Contract between workers and group members are made verbally and accepted with transparently with freedom of choice by the workers. Interview with workers reveal that they know the group member for many years and they accept and prefer verbal agreement because of the good relationship with the smallholders. Pay is determined by task and ranges from 335 - 350 Thai Baht. According to sub-district Agriculture and Administration officer, there is no minimum wage for agriculture workers hired on daily basis. The minimum wage applies to industrial sectors and range from 180 Thai Baht, varies from province to province. There are no migrant workers. Workers are paid equal wages for same type of work.

Wage payment is documented. Workers sign to acknowledge receiving their wage. Interview with workers reveal that they receive wages without any deduction. Workers own their own housing whereas migrant workers return to their border housing.

**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.**

This criterion is not applicable to Independent Smallholders Group and members.

**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.**

**6.7.1 Evidence showing that child labour is not used as stipulated in the laws and regulations.**

Group members are provided with training and briefing to understand the requirements of national labour law, Ministerial Order on agriculture labour protection and RSPO requirement related to child labour. Group manager and group management committee ensure that group members are not employing any child labour. Interview with surrounding farmers and community reveal that there is no child labour hired. There are no group members children work in the farm. Children's education is given priority. It is common among group members that the children help the group members to update the farm record book at home. There is a documented group policy not to hire child labour.

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

**6.8.1 A publicly available equal opportunities policy for workers.**

There is a publicly available equal opportunities policy. No evidence of discrimination among workers. Workers are treated equally with regard to working opportunities. This was confirmed by workers interview and feedback from stakeholder.

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

**6.9.1 A policy on preventing sexual harassment, violence and on the protection of women's reproductive rights.**

Policy on preventing sexual harassment and violence against women and protection is documented as one of the group Policy. The grievance mechanism to address sexual harassment issues is similar to the complaint procedure as highlighted in indicator 6.3 above. Interview with workers and external stakeholder reveal that there is no any kind of harassment took place.

**Criterion 6.10: Growers and mills deal fairly and transparently with smallholders and other local businesses.**

**6.10.1 Records of Fresh Fruit Bunch (FFB) prices.****6.10.2 Records or evidence showing the payment according to the agreed condition.**

The pricing mechanism for FFB and other services provided by the partnering mill's extension officer to the group manager and this information is available to all members. Members have freedom to choose the mill to sell their FFB. There is only one mill servicing this group at the moment. The collection ramp is belongs to another cooperative. The group is not purchasing any FFB from external source. According to the group chairman, since this is a new group, they have no plan to make group sales. Group members directly deal with the mill on price and they prefer to keep this freedom. Payment received from the mill and group members have evidence of receiving payment. These records are also given to ICS administrator for documentation.

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

This criterion is not applicable to Independent Smallholders Group and members.

**Principle 7: Responsible development of new plantings**

Although there is no new planting at the time of assessment, this principle was assessed to assess the status of the planting after 2005. Group members' plots established after 2005 are not in primary forests or any area containing one or more High Conservation Value. These areas are formerly planted with other agriculture crops. It is converted to oil palm because it gives better income to the family.



During this assessment it is noted that the expansion after November 2005- 2011 is about 264.8 hectare. Group manager and group members aware of RSPO requirement related to planting after November 2005. Since there are planting after 2005, principle 7 was assessed.

**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.**

**7.1.1 Evidence of land use history for new plantings.**

**7.1.2 Evidence of social and environmental impact assessment undertaken through a participatory approach of group members and neighbouring communities**

**7.1.3 Appropriate management plan according to the results of social and environmental impact assessment. The plan is brought into practice**

Group members have land use history and evidence of the previous use. Previously this land was used for other agriculture crops such as rice, rubber and fruits.

A baseline assessment incorporating the SEIA was conducted by University Professors and experts from Faculty of Economics, Prince of Songkhla University, Hat Yai, Songkhla, Thailand in early January 2011 through a participatory approach of group members and surrounding community. This study was supported by experts from Thai Forest Industry Organisation (State Enterprise under Ministry of Natural Resources and Environment) with experience in HCV assessment

The significant positive impact identified is increase in family and workers income. Since oil palm is less labour intensive, the group members have more time to spend with family and better quality of life. Through this study, the group members are also made aware of the possible negative impacts such as contamination of agrochemical if not used appropriately. To reduce the impact to environmental, the farmers are choosing to do grass cutting rather using herbicides.

**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.**

**7.2.1 Maps showing soil suitability or soil survey.**

The soil suitability advice is given by the sub-district agriculture officers based on the agriculture departments' survey. It is a main constraint for the independent smallholder members to develop a comprehensive soil map without the external assistance from the agriculture departments due to the technicality and cost.

**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.**

**7.3.1 Evidence showing that no expansion of new planting areas for oil palm occurred in primary forests or on any High Conservation Values area/habitat.**

Prior to accepting members into the group, Group managers consult relevant local sub-district agriculture officials to ensure that the members who are accepted into the group with planting after 2005 are not replaced any primary forest or any area required to maintain or enhance one or more HCV. Group manager also checks the land use history. Records shows planting are carried out by replacing previous agriculture crops and evidence available are such as land use history, legal land rights and land use rights. Interview with surrounding agriculture land owners reveal that there is no primary forest or HCV.

**Criterion 7.4 Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.**

**7.4.1 In case where new plantings are established on steep terrain, marginal or fragile soils, a protection plan should be in place and brought into practice.**

Planting after 2005 is from previous agriculture land with flat to undulating terrain. There is no steep terrain or marginal fragile soil.

**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.**

**7.5.1 Evidence showing the agreement of previous landowners with their free, prior and informed consent, FPIC.**

The land ownership documents show that the land belongs to the group member who has planted on his own land. Any purchase was transferred to the new owner through voluntarily and adequately compensated in accordance to local law.

**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.**

**7.6.1 Evidence of transfer of rights, payments or agreed compensation.**

The land ownership documents i.e. land title and land use right documents show that the land belongs to the group member who has planted on his own land. Transfer of rights is mutually agreed through legal process.

**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.**

### **7.7.1 Evidence that burning is not used for land preparation.**

During field visit to immature area shows that no fire was used when previous crop is replaced with oil palm. This is also confirmed by the sub-district agriculture officer and neighboring stakeholders.

### **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.**

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

**Growers and mills prepare a plan for continuous improvement, implement, monitor, and regularly to review major of operational activities. These must include, but not necessarily be limited to the following indicators:**

#### **8.1.1 A plan on continual improvement in the main group activities.**

The continuous improvement plan includes training enhancement to the group members focusing on best agriculture management practices. The Group Manager in consultation with the group members developed improvement plan based on the social and environmental impacts. This includes maintaining the best oil palm practices through continuous training, further improve group members farm records, minimise herbicide usage through grass cutting and encourage new members to be part of the group. The status of the improvement will be assessed during the surveillance assessment.

### **3.2 Summary of Findings**

*(Based on the RSPO Standard for Group certification: 26 August 2010 reference to requirement for the Group Manager, Group members, Independent Smallholders group structure, Internal Control System and FFB Supply Chain Elements;*

During the Independent Smallholder Assessment, the group manager and a sample of group members were assessed against the compliance to the requirement of RSPO Standard for Group Certification. Sampling of the member is explained in the section 2.3 above. It was assessed how the internal control system documentation and mechanism supports the group members, controls the group members' sustainable oil palm management, monitors the group members through internal assessment to ensure they meet the RSPO requirement for group certification and assessed the supply chain element of the FFB produced and sold.

#### **Requirement 1.0: Group requirements**

The UPOIC (Nuakhlong – Khaopanom) is an Independent Smallholder Group formed and trained to certifiable

standard with support from external consultants namely GIZ and OAE. The group is managed by a group manager who reports to a central group management committee comprised by elected group members. The committee comprise of Group Chairman, Vice Chairman, Group Manager, Internal Control System administrators, Farm Adviser and person in-charge for Marketing/public relation, OSH, Social and Labour Assessment, Environment and Oil Palm Management training. The group manager is assisted by two Internal Control System administrators to manage the group's management documents. The group manager ensures that the group members meet the requirement RSPO standard for Group Certification.

All the 159 members formally applied (Application form UPOIC-001) to join the group and accepted to join the group. Once accepted to join the group, the members sign an agreement with the group manager to follow the group rules and meet the RSPO requirement for group certification. The application contains details of the group member name, photo, national identification details, age, date applied, plot size, location address, planting year, details of land ownership and farm layout.

Evaluation is made to the application by the group management and group manager through evaluation form UPOIC-002 prior to accepting as a group member. This is used as a group management document to monitor the group members for membership status, FFB production and transport, good agriculture practices and farm records. The approval is obtained from the group chairman prior to accepting members into the group. Once accepted, group member signs an agreement with the group manager.

Group management has developed Sustainability manual in 2011 (Doc. CEP-001 rev.0) which is used as a guidance to manage Internal Control System document. The Sustainability Manual includes the responsibility of Group Manager and ICS staff, group policy and objective, member application and registration procedure, training and competency, guidance for best farm practices and required records, OSH, Environment and social assessment documents, document control guidance, internal auditing procedure and documentation required, and records required for the sales of FFB from the group members related to supply chain elements. It is specified that the maximum number of members that can be supported by the Group Manager and ICS is 500 members. It is noted that the Group Management has the capacity to manage the group with maximum of 500 members.

All the group members sign an agreement with the Group Manager to comply with the required RSPO Standard for Sustainable Oil Palm Production and RSPO standard for group Certification, accept the group rules, allow internal assessment by the Group Manager and external assessment by RSPO approved certification body.

Group manager plan and implement training for the group members to support in achieving RSPO compliance. Group Manager is aware that once the prospective members are in compliance with the RSPO

standard through initial internal assessment before accepting into the group, they shall be formally included as a member of the group. Until RSPO compliance is achieved through an initial assessment by external certification body, the FFB production from prospective member sites is not included to the total certified production of the group.

All the 159 formal group members have agreement with the Group Manager committing to achieving compliance to RSPO requirements for group certification. A copy of the agreement is kept at the ICS administrator and by the group members. Internal assessment is carried out to ensure that group members adhere to the internal requirement on group objective and policies. During this certification assessment there are no members excluded.

Regular internal assessment shows that group members continuously committed to improve their compliance with relevant RSPO requirements by adhering to group rules and system. Non compliance identified during internal assessment was addressed through corrective action to ensure compliance prior to the external assessment. Group members adopted best oil palm management practices introduced through group's sustainability manual.

The group manager and the group management committee are elected by members and have the capacity to manage the group certification through the formation of the group committee. Decision making is through meeting with members. The group legally registered with Department of Agriculture Extension in Nuakhlong, Krabi Province since 15 March 2012 with registration number 5-81-02-01/1-0017. The Group Management committee had meetings on 19/3/2012 and attended by 14 committee members to discuss about the RSPO audit preparation.

Group policies are:

1. To produce oil palm in a sustainable way as per RSPO requirement.
2. To implement best management practices by considering OSH to ensure safe working environment.
3. To treat all workers and operation related persons equally. No discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation or age.
4. Prevent sexual harassment, violence and protect the women's rights for reproductive.

Group Objective:

1. To produce sustainable oil palm by implementing the above policies.
2. To provide knowledge and skill to group members about sustainable palm oil production.
3. To plan and provide budget for strengthening long term economic and financial of the group.

Responsibility of the group management comprising group chairman, vice chairman, secretary, group manager, ICS administrator, farm adviser and committee members are available in the sustainability manual and the committee understands their roles. The Group

Management committee members and Group Manager are able to communicate and write in local language.

The Group Manager and his personnel able to demonstrate knowledge of the requirements of RSPO Standard for Sustainable Oil Palm Production, RSPO Standard for Group Certification, and internal group procedures and policies as stated in the sustainability manual. It is also noted that there is no conflict of interest in the group management structure and they are elected by the group members.

The Group Manager through group chairman and his farm advisers monitor and evaluate all members regularly based on the monitoring schedule to ensure their compliance to the RSPO requirements. This is carried out through filed visit to the members' plots, check the farm records, and collect the FFB sales from group members from the mill. This information is submitted to the ICS administrator for documentation and updating.

Training programme is developed by the group manager in consultation with the group management committee. Group Manager through internal and external resources provides training programmes for group members to ensure understanding of the relevant RSPO Standards for Sustainable Oil Palm Production and the RSPO Standard for Group Certification, and apply best management practices in their respective plot. Training covers GAP, agrochemical use, fertilizer application, safety and health, environment, HCV knowledge, zero burning technique for replanting, IPM, farm record keeping, reporting FFB sales to ICS administrator etc.

Group Manager and the group management committee highlighted that it is too early for them to develop a group marketing system because the group members prefer to be independent in deciding the sales of their FFB. Furthermore the group has no plans to purchase any FFB from outside source. However the Group Manager and group members aware that they must report the sales to the Group Manager and ICS administrator to update the documentation related to the FFB traceability and they only can claim RSPO certified for the FFB produced from the certified members. Obviously all the FFB produced from the group members in this scope of the certificate.

The Group Manager and ICS administrator aware that that the total of all sales and claims of RSPO certified FFB production from group members shall not exceed the total certified FFB production of the group in its entirety. This can be further verified during the surveillance assessment when the group already start producing certified FFB. Once certified the group will be producing segregated FFB and the group is aware that they will be able to trade through GreenPalm. The ICS documentation able to track the FFB production to the group members based on the information on the sales invoice and weighbridge document issues by the palm oil mill and the collection ramp whereby the group member number is indicated on these documents by the mill. The group has past FFB production and sales record

for the year 2011 which obtained from the palm oil mill and verified with the group members records.

**Requirement 2.0: Group Management Documentation Requirement**

The Group Manager has Sustainability Manual which contains operating structure, internal control system documents, decision making process and responsibility of the personnel involve in the group management. It is indicated in the Sustainability manual that all the group management documents/ICS documents are retained for at least for 5 years throughout the validity of the RSPO certificate. Interview with the Group manager and ICS administrator reveal that they are aware of the document retention period.

During the initial assessment, records dated since late 2010 are available. The Sustainability Manual includes:

1. Membership requirement and procedure to join the group.
2. Procedure for leaving the group.
3. Procedure for expulsion from the group.
4. Procedure for internal assessment protocol and entry requirement.
5. Procedure for issuing Corrective Action Request (CAR) to members with non-compliance during internal assessment and external assessment including timeline to respond to the CAR.
6. Procedure for communication between Group Management committee, Group Manager and Group Members.
7. Complaint and negotiation procedure.
8. Procedures for group monitoring and internal assessment, including carrying out and updating group risk assessment and annual surveillance of group members based on the RSPO sampling formula.
9. Procedure to record FFB production and Sales from the group members.

Group Manager and ICS administers has developed a database of the group members which includes, member information, membership number, address, contact details, application and agreement details, land ownership data and related documents, size of plots, map of the plot, GPS, FFB sales and farm records such as FFB production data (previous year and projection), fertilizer application and other details of farm management.

*However, a minor noncompliance was raised under indicator 2.1.5.2 RSPO Standard for Group certification (Total annual production and production per unit area (hectare) for previous years, from at least one year prior to joining the group, and the estimated production for the current year) because although members have production records in the farm record book, minimum one year, some of the records are not updated to calculate the per unit area (FFB/ha) since February – April 2012.*

**Requirement 3.0: Chain of Custody**

The Group Manager has ICS to monitor and register the sales of FFB from the group members to the palm oil

mill. The ramp that purchasing the FFB is belongs to the government own cooperative acting as a collection point. The group manager receives the FFB sales summary from the group member as well as from the palm oil mill with the member number indicated in the summary report. This facilitates the traceability by the Group Manager and to ensure that the total sales volume and claimed are from the certified group members. The Chain of Custody of the Independent Smallholder Group members stops at the palm oil mill and collection point. The palm oil mill takes over the chain of custody from the Independent Smallholders.

Appendix D shows the assessment against supply chain element. During this initial assessment there was no any FFB purchased by the group Manager or the Group members. Sale invoice indicated with group member's identification number, name of the group member, palm oil mill's name and address, date and quantity.

Sales of the FFB from the Group members reported to the ICS administrator. These records enable the Group Manager to track back where the FFB is sold. There is no contractual agreement with buyer. It is common that the group members use their own transport to deliver the FFB to the palm oil mill or the palm oil mill's collection ramp. In case where the transport is outsourced, the legal ownership of the FFB remains on the group members. It is common among Independent Smallholder that they do not have a written agreement with the outsourced transport provider because the transport is provided either once a month or when the group members own vehicle under service. However, interview with the outsourced transport provider confirmed that the FFB ownership belongs to the group member. The outsourced transport details are available to Group Manager.

It is noted that the Group Manager unable to access to GreenPalm the RSPO IT System due to the language constraints. He is only able to communicate in local language.

**3.3 Detailed identified Nonconformities, Corrective Actions and Auditor Conclusions**

**MINOR NONCONFORMITIES**

Two minor nonconformities were identified during the initial certification audit. There were five observation was raised. The detail of the nonconformities and observations are listed in the following section below. The group manager has prepared a Corrective Action Plan for the identified minor nonconformities, which BSi reviewed and accepted. The close out evidence and implementation will be checked during the annual surveillance assessment.

**CAR reference A717168/1/2012:**

**4.2.2 THNI P&C for Independent Smallholder: Records of annual FFB harvest.**

*A minor nonconformity was raised against this indicator. During the assessment it is noted that FFB records by the Group Manager and the members are not updated regularly since February 2012.*

**CAR reference A717168/2/2012:**

**2.1.5.2 RSPO Standard for Group certification: Total annual production and production per unit area (hectare) for previous years, from at least one year prior to joining the group, and the estimated production for the current year.**

*A minor nonconformity was raised against this indicator. Although members have production records in the farm record book, minimum one year, some of the records are not updated to calculate the per unit area (FFB/ha) since February – April 2012.*

**Observation for improvement**

There were five observations/opportunities for improvement was raised during this certification assessment. The progress with the observation/opportunities for improvement will be checked during the annual surveillance assessment.

**OBS 1 (2.1.1 THNI for Independent Smallholder):**

Group manager aware of compliance to legal requirements and compliance found during assessment. However, as an observation for improvement the group manager provides systematic mechanism to check and ensure all relevant regulations are implemented.

**OBS 2 (2.2.1 THNI for Independent Smallholder):**

It is found that documents and evidence showing legal land ownership, lease, landuse rights, history of land tenures or actual land uses and customary rights the right to use the land is accepted without any legitimate claims and contests by local communities. However an observation is raised as an area for improvement for the Group Manager to ensure that all the members have complete set of use right and copy is kept by the Group Manager.

**OBS 3 (4.5.1 THNI for Independent Smallholder):**

During the field visit it is noted that planting of beneficial host plants for predator insects to control leaf eating pest is planted but very limited. As an area for improvement an observation is raised to consider increasing the area of the beneficial plants.

**OBS 4 (4.8.1 THNI for Independent Smallholder):**

Training program and records of training implementation and attendance by group members are available. However the evaluation of the effectiveness of the training will be an area for improvement.

**OBS 5 (6.1.1 THNI for Independent Smallholder):**

Beside the SEIA by external consultants for this initial certification assessment, simplified social impact assessment was carried out through consultation and questionnaire by the Group Manager. However, as an area for future improvement regular action plan needed.

**3.4 Noteworthy Positive Components**

It is noted that the Independent Smallholder Group committed to RSPO certification process because it has indirectly introduced best oil palm practices to the group members. Group members realised that best management and sustainable practices can ensure long term economic viability to the members and the group.

The Group Management and Group Manager have future plans to make the group stronger financially by producing good quality FFB and selling certified FFB for higher price.

Generally the group members have enhanced their knowledge on good agriculture practices, OSH, environment protection, legal requirement and engagement with stakeholders through much training which was new for them. The group sees introduction of RSPO requirement as a positive way to move forward to increase the family income through producing sustainable palm oil. The productivity has improved since the RSPO requirements introduced to the group about two years ago.

The palm oil mill or partnering mill purchasing the FFB from the group members supports the group through its extension officer who consults with the group members regularly and assists in training.

During this assessment there was no any kind of dispute highlighted to the audit team. Interview with workers, local community and government department officials further confirm that there is no any kind of disputes.

**3.5 Issues Raised by Stakeholders and Findings with Respect to Each Issue**

Appendix C contains list of stakeholders contacted. Methodology used was group discussion and interview by the audit team member with social auditing background. Stakeholders interviewed include participants from community representatives, surrounding farmers, group members and their group chairman, government officials from Agriculture Extension Office and Office of Agriculture Economics.

Stakeholders' interview had positive comments about the Independent Smallholder Group's practices. There were no issues related to legal or land disputes highlighted. Workers interviewed revealed that they are paid fairly and promptly.

Group members interviewed highlighted that they are glad to be part of the group because they have improved their productivity through the best practices. Their family income has increased. They hope that the government will ensure the palm oil price is stable.

During the Independent Smallholder Assessment Notification on the RSPO and BSI website (the Independent Smallholder Group does not have a website), there was no any comments or feedback received in writing.

**3.6 Acknowledgement of Internal Responsibility and Formal Sign-off Assessment Findings**

Signed for on behalf of UPOIC (Nuakhlung – Khaopanom)



.....  
Mr. Chatchai Somduang  
ICS and Standard System Administrator

Signed for on behalf of BSi Group Singapore Pte Ltd



.....  
Senniah Appalasamy  
Lead Auditor

## Appendix A: UPOIC (Nuakhlong – Khaopanom) RSPo Certificate Details

**Group Name:** UPOIC (Nuakhlong – Khaopanom), Hui-Yoong Sub-District, Nuakhlong District, Krabi Province, THAILAND

**Certificate Number:** SPO 585127

**Initial Certificate Issued Date:** (RSPo Approval of Summary Report)

**Standard:** RSPo Principles & Criteria for Thailand (TH-NI) Indicators and Guidance for the Thai RSPo Establishment: Approved 7 June 2011; RSPo Principles & Criteria (TH-NI) Guidance and Indicators for Independent Smallholders under Group Certification (Approved 9 October 2012); RSPo Standard for Group Certification: 26 August 2010; RSPo Certification Systems: 26 June 2007 (revision 3 March 2011); RSPo Supply Chain Certification Systems: Revision November 2011.

UPOIC Nuakhlong - Khaopanom	
Location	Krabi Province, THAILAND
Address	98, Moo 6, Nuakhlong-Khaophanom Road, Hui-Yoong Sub-District, Nuakhlong District, Krabi Province, 81130 THAILAND
GPS	Longitude: 99° 1' 19.40"E Latitude: 8° 9' 14.49"N
Total Number of Members	159
Total Number of Plots	372
Total Certified Hactare	1478.32
Fresh Fruit Bunch (FFB) Tonnage	32,225
CPO Tonnage Total Production (Certified)	5,478
PK Tonnage Total Production(Certified)	1,933
PKO Tonnage Total Production (Certified)	870
PKE Tonnage Total Production (Cerified)	1,063

List of Certified Members						
SURASIT	WEERA	PINWADEE	JITR	CHAITAT	WAYUREE	UDOM
NIPON	SOPHA	NOPPAMAS	JANEJITR	CHAMNI	WANNA	JATUPORN
AMPHOL	SERI	AKAWUTH	WAI	TAWEEPORN	WITAYA	BOONKIENG
AMPHA	SOPHON	THEERACHOTE	SITTICHOKE	TEERACHAI	WIRAT	WANNA
AMPHA	THANAKORN	PIRAYUTH	CHATCHAI	NAPAPORN	SOMKID	NATTHAWAN
NIYOM	MONRUDEE	CHORBSAK	YUTHAHAT	NIKORN	SOMNUEK	TAWEEP
WARIN	THANAWAT	PRASAN	MONHEIN	NITIPAN	SOMPONG	THAMRONG
SAKUNA	SUNANTRA	WIRAT	BOONCHANA	BANCHA	SOMPOL	REKA
TAWORN	SUWIT	SOMJIT	SAKDA	BOONLUE	SOMPAK	SOMPAS
APORN	SAWANG	CHAN	KRIENGKRAI	PAKASIT	SOMMAS	
RATTIKAN	KAMOLWAN	PIROJ	AKEKALUK	PRASART	SANCHAI	
AKAWIN	CHANTHANE	JARAN	AKEKASAK	PRAMOTE	SUPA	
SOMMAI	KAWEE	NOOPIN	CHOKESAK	PRANEE	TANATCHAPORN	
SOMJIT	WIROJ	KAMOL	CHALERM	PANICH	WANLAPA	
WINAI	NITCHAYAPORN	PRASIT	KANOKWAN	PICHAI	ORNJIRA	
SUMIN	PORNPAYA	THANU	KANOKORN	PIRAT	SAMNOA	
CHAROEN	SOMSAK	KERM	KAWEE	PAKWAN	SUKON	
SOMYOT	NOONORM	KEM	KANCHANA	APISIT	SUJITTRA	
ONPAK	WIWAT	SUNAN	KAMPOL	MANIT	SUTTHIPONG	
KHLONG	NARONG	SUTHAM	KWANJAI	RATANA	SURIYAN	
RATTAKORN	ANURAK	SOMCHAI	JAREE	RANONG	SUWAT	
SOMBUN	BOONKRD	SUKON	JAMNIAN	LAMOM	APISAK	
PATCHARIN	BOONNAK	SUPATR	JAMPEE	LAMAI	ATCHARAWADEE	
PARIMATR	LINDAWAN	AMNUOY	JITR	LADDAWAN	ARTON	
NANTHALAK	PORNSIRI	SATCHA	CHANA	WONGSRI	AMNUI	

## Appendix B: Assessment Programme

Date	Time	Activity	Senniah Appalasaamy	Aryo Gustomo	Suravet Surakool	Kittsopon Thaninsiripitthaya
2 May 2012 Wednesday  Group Office at Partnering Mill	8.00 am	<ul style="list-style-type: none"> <li>➤ Opening meeting.</li> <li>➤ Presentation by the Group manager (Brief explanation of the group structure and management).</li> <li>➤ Finalise field inspection schedule.</li> <li>➤ Document review –Group Smallholder management department/ICS.</li> </ul>	√	√	√	√
	2.00 pm – 5.00 pm	<ul style="list-style-type: none"> <li>➤ Physical inspection of smallholder blocks and interview with members.</li> <li>➤ Best Field Practices/ OSH/HCV/ Environment/stakeholder interview/ workers interview/Social Issues</li> </ul>	√	√	√	√
3 May 2012 Thursday	8.00 am	<ul style="list-style-type: none"> <li>➤ Opening Briefing.</li> <li>➤ Physical inspection of smallholder blocks and interview with members.</li> <li>➤ Best Field Practices/ OSH/HCV/ Environment/ stakeholder interview/ workers interview/Social Issues</li> </ul>	√	√	√	√
	2.00 pm – 5.00 pm	<ul style="list-style-type: none"> <li>➤ Document review and Facility inspection.</li> <li>➤ Legal, FFB data, Training, SOPs, membership etc.</li> </ul>	√	√	√	√
4 May 2012 Friday	8.00 am	<ul style="list-style-type: none"> <li>➤ Opening Briefing.</li> <li>➤ Physical inspection of smallholder blocks and interview with members.</li> <li>➤ Best Field Practices/ OSH/HCV/ Environment/ stakeholder interview/ workers interview/Social Issues</li> </ul>	√	√	√	√
	2.00 pm – 5.00 pm	<ul style="list-style-type: none"> <li>➤ Document review and Facility inspection.</li> <li>➤ Legal, FFB data, Training, SOPs, membership etc.</li> </ul>	√	√	√	√
5 May 2012 Saturday	8.00 am – 10.00 am	<ul style="list-style-type: none"> <li>➤ Audit team meeting, Clarify stakeholders' comments and prepare for closing meeting.</li> </ul>	√	√	√	√
	10.00 am - 12.00 noon	<ul style="list-style-type: none"> <li>➤ Closing meeting</li> </ul>	√	√	√	√



## Appendix C: List of Stakeholders Contacted

<p><b><i>Smallholders</i></b></p> <ol style="list-style-type: none"> <li>1. Khun Surasit – Group Chairman Acting as Group Manager</li> <li>2. Khun Niyom – Group Deputy Chairman</li> <li>3. Khun Chat Engchuan – RSPO Co-operator</li> <li>4. Khun Chatchai Somduang – ICS and Standard System Administrator</li> <li>5. Khun Chaiporn – Group Member</li> <li>6. khun Rattikan – Group member</li> <li>7. Khun Chawin – Group Member</li> <li>8. Khun Kamolwan – Group Member and Data Collector</li> <li>9. Khun Amphol– Group Member</li> <li>10. Khun Ampha – Group Member</li> <li>11. Khun Kampol – Group Member</li> <li>12. Khun Sakda – Group Member</li> <li>13. Khun Taworn – Group Member</li> <li>14. Khun Pornsiri –Group Member</li> <li>15. Khun Satcha – Group Member</li> <li>16. Khun Jaran – Group Member</li> <li>17. Khun Kamol – Group Member</li> <li>18. Khun Thanu –Group Member</li> <li>19. Khun Narong – Group Member</li> <li>20. Khun Pirayuth – Group Member</li> </ol>	<p><b><i>Local Communities</i></b></p> <ol style="list-style-type: none"> <li>1. Farmers Surrounding the Independent Smallholder’s land holding.</li> <li>2. Community Leader.</li> <li>3. Village Head.</li> <li>4. School Teacher.</li> <li>5. Ramp Owner</li> </ol>
<p><b><i>Internal Stakeholders</i></b></p> <ol style="list-style-type: none"> <li>1. Seasonal/Temporary Workers</li> <li>2. Family members</li> <li>3. Khun Anongnit Jaikliang - Smallholder’s Daughter/Female representative</li> </ol>	<p><b><i>External Stakeholders</i></b></p> <ol style="list-style-type: none"> <li>1. Khun Apichart Sriwimon -Partnering Mill’s Assistant Mill Manager</li> <li>2. Dr. Yotsawin Kukeawkasem – GIZ, Thailand.</li> <li>3. Mr. Jonas Dallinger – CIM Expert, Office of Agriculture Economics (OAE), Thailand.</li> <li>4. Ms. Julia Majail – RSPO</li> <li>5. Mr. Bob Norman – GreenPalm</li> <li>6. Mr. Daniel May – GIZ, Thailand.</li> <li>7. Khun Sudarat – OAE, Thailand.</li> <li>8. Khun Thitinai Pongpiriyakit – GIZ, Krabi Province, Thailand.</li> <li>9. Mr. Chawin Hemyakorn – UPOIC Representative</li> <li>10. Khun Chaiporn – UPOIC Representative</li> <li>11. Khun Sujitra – UPOIC Representative</li> </ol>

## Appendix D: Supply Chain Assessment for the FFB Sales (Segregated by Individual Independent Smallholder Members) (Reference to Chain of Custody section under RSPO Standard for Group Certification)

Requirements	
<b>1. Documented procedures</b>	
The Group Manager shall have written procedures and/or work instructions to ensure implementation of all the elements specified supply chain requirements.	The group has written documented procedures for the FFB chain of custody with Segregation model covering certified FFB from group members. The chain of custody is under the control of the group members until the FFB reaches either the collection ramp or the partnering mill directly. The sales information is given to the Group Manager and ICS Administrator to update the group management document. At the FFB collection point and mill takes over the responsibility to ensure the continuity of the FFB chain of custody by indicating group member number on the weighbridge ticket and invoice.
The group Manager shall have documented procedures for selling and receiving certified and non-certified FFBS.	The group has documented procedures for the sales of certified FFB. No purchase of non-certified FFB by the Group manager and group members.
<b>2. Purchasing and goods in</b>	
The Group Manager shall verify and document the volumes of certified and non-certified FFBS received.	No purchase of FFB.
The Group Manager shall inform the CB immediately if there is a projected overproduction.	The group management and Group Manager aware of this requirement.
<b>3. Record keeping</b>	
The Group Manager shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of certified and noncertified palm products.	FFB sales records are made by the group member in their farm record book once they receive the weighbridge ticket and sales invoice from the mill. Monthly summary prepared and documented by ICS Administrator for all the certified FFB sold. Records verified by Group Manager.
Retention times for all records and reports shall be at least five (5) years	The retention period is specified as five years.
(a) The Group Manager 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.	All the sales of FFB records are maintained and updated on monthly basis by the group management. No CPO, PK, PKO and PKE sales during the initial certification.
(b) All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.	Delivery/sales of FFB are deducted from the annual budgeted FFB to monitor any over production.
(c) The Group Manager can only deliver Segregated sales from a positive stock.	There is no certified FFB during initial assessment. However the group is aware that they cannot over sell.
The following trade names should be used and specified in relevant documents, e.g. purchase and sales contracts, e.g. *product name*/MB or Mass Balance. The supply chain model used should be clearly indicated.	Independent Smallholders use Segregated Model and indicated on the weighbridge ticket. However the receiving mill confirms that the mill will be using Mass Balance model by indicated on the mill's relevant documents. No sales contract. The group members are free to sell to the mill or collection ramp of their choice. It is clear that the FFB from each of the group members are certified and segregated. The partnering mill makes a marking on the weighbridge ticket to indicate the FFB is from certified group members i.e. written as RSPO and members number. Group members indicate the ramp details and send the details to Group Manager.
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 the crush is covered through a signed and enforceable agreement.	Not applicable for the Independent Smallholders.
<b>4. Sales and goods out</b>	
The Group Manager shall ensure that all sales invoices issued for RSPO certified products delivered include the following information	Group Manager checks and verifies sales through the ICS administrators.
(a) The name and address of the buyer	Name and address of buyer written on the invoice and weigh bridge ticket. Group member name and member number is written as well.
(b) The date on which the invoice was issued	Date is written.
(c) A description of the product, including the applicable supply chain model (Segregated or Mass Balance)	Product description is written as FFB. Supply chain model is Segregation identified through the group member number.
(d) The quantity of the products delivered	Quantity in Kilogram/tones.
(e) Reference to related transport documentation	Weighbridge documents include all the transport references.
<b>5. Training</b>	
The Group Manager shall provide the training for all staff as required to implement the requirements of the Supply Chain Certification Systems.	The Independent Smallholder group members and ICS administer were given basic understanding of the supply chain requirement and records maintained by the Group Manager.

**6. Claims**

The Group Manage shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules for Communications and Claims.

No claims made by the group.