

Certification Evaluation Report

Roundtable on Sustainable Biomaterials

Franklin Baker Company of the Philippines – Coronon Plant

SCS Certificate Code: SCS-RSB/PC-0019

Makati City, Philippines

Arceli D. Yap

www.franklinbaker.com

CERTIFIED	EXPIRATION
July 13, 2016	July 12, 2019

DATE OF FIELD AUDIT
December 14-18, 2015
DATE OF LAST UPDATE
June 27, 2016

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FOREWORD

SCS Global Services (SCS) is a certification body accredited by the Roundtable on Sustainable Biomaterials (RSB) to conduct evaluations of biofuel operators (RSB Registration No. 592). Under the RSB/SCS certification system, participating operators meeting international standards of biofuel production can be certified as “sustainable,” thereby permitting the Operator’s use of the RSB endorsement and logo in the marketplace subject to regular RSB/SCS oversight.

SCS deploys interdisciplinary teams of natural resource specialists and other experts all over the world to conduct evaluations of biofuel operations. SCS evaluation teams collect and analyze written materials, conduct interviews with Participating Operator’s staff and key stakeholders, and complete field and office audits of the operation(s) identified in the certification scope. Upon completion of the fact-finding phase of all evaluations, SCS teams determine compliance to the RSB Principles and Criteria.

Please Note: An RSB certificate itself does not constitute evidence that a particular product supplied by the certificate holder is certified to RSB standards. Products offered, shipped or sold by the certificate holder can only be considered covered by the scope of this certificate when the required RSB claim is clearly stated on-product. For more information about the RSB, visit their website at www.rsb.org.

Organization of the Report

This report of the results of our evaluation is divided into two sections. Section A provides the public summary and background information that is required by the Roundtable on Sustainable Biomaterials. This section is made available to the general public and is intended to provide an overview of the evaluation process, the management programs, and policies applied to the Participating Operator, and the results of the evaluation. Section A will be posted on the RSB Participating Operators Database (<http://rsb.org/certification/participating-operators/>). Section B contains more detailed results and information for use by the Participating Operator.

CONTENTS

SECTION A – PUBLIC SUMMARY	4
1.0 GENERAL INFORMATION	4
1.1 Operator Information	4
1.1.1 Name and Contact Information	4
1.1.2 Additional Parties Involved	4
1.2 Scope of Certificate	4
1.3 Standards Used	6
1.3.1 Applicable RSB-Accredited Standards.....	6
2.0 EVALUATION PLANNING & PROCESS.....	6
2.1 Documentation Submitted by Operator	6
2.2 Audit Type and Determination	7
2.3 Audit Team.....	7
2.3.1 Determination of Audit Team	7
2.3.2 Audit Team.....	7
2.4 Evaluation Schedule and Extent of Audit.....	8
2.4.1 Determination of Extent of Audit	8
2.4.2 Evaluation Itinerary and Activities	8
2.5 Evaluation of Management System	9
2.5.1 Methodology and Strategies Employed.....	9
2.5.2 Capacity of the participating operator to implement its management systems.....	9
2.5.3 Evaluation of RSB compliance claims and use of RSB trademarks	9
2.6 Stakeholder Consultation Process	10
2.6.1 Summary of Stakeholder Comments and Responses from the Team, Where Applicable	10
3.0 RISK ASSESSMENT RESULTS	10
4.0 RESULTS OF THE EVALUATION	10
4.1 Process of Determining Compliance.....	10
4.1.1 Structure of Standard and Degrees of Non-Compliance	10
4.1.2 Interpretations of Major and Minor Non-compliances	11
4.1.3 Major Non-compliances.....	11
4.1.4 Non-compliances and Current Status	11

5.0 CERTIFICATION DECISION14

SECTION A – PUBLIC SUMMARY

1.0 GENERAL INFORMATION

1.1 Operator Information

1.1.1 Name and Contact Information

Organization name	Franklin Baker Company of the Philippines		
Operator Number	1463		
Contact person	Arceli D. Yap		
Address	Telephone	+63-917-8670532	
	Fax		
	e-mail	Cel.yap@franklinbaker.com	
	Website	www.franklinbaker.com	

1.1.2 Additional Parties Involved

Organization name	None recorded		
Contact person			
Address	Telephone		
	Fax		
	e-mail		
	Website		
Nature of Involvement:			

1.2 Scope of Certificate

Please choose one:	<input type="checkbox"/> RSB EU RED	<input checked="" type="checkbox"/> RSB Global
The scope assessment agrees with the scope under which the operator applied	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If no, please explain:	Growing, harvesting and supply of coconuts from farms located in the Mindanao island of the Philippines. Manufacture of coconut products including desiccated coconut, sweetened and unsweetened toasted coconut, creamed coconut and coconut concentrate, virgin coconut oil, coconut flour and coconut water (concentrate and single strength)	
<i>Note: If the scope is different, please contact SCS.</i>		

SITE INFORMATION FOR AGRICULTURAL SITES OR FEEDSTOCK PRODUCTION SITES				
Site Type	<input type="checkbox"/> Agriculture		<input type="checkbox"/> Forestry	
	<input checked="" type="checkbox"/> Biomass Production		<input type="checkbox"/> Other:	
Feedstock Produced:	Coconuts			
Current Land Use	Prior Land Use			
<input checked="" type="checkbox"/> Biomass Production	<input checked="" type="checkbox"/> Biomass Production			
<input type="checkbox"/> Agriculture	<input type="checkbox"/> Agriculture			
<input type="checkbox"/> Other:	<input type="checkbox"/> Other:			
Current Employment on Site	Prior Employment on Site			
<input type="checkbox"/> Negligible	<input type="checkbox"/> Negligible			
<input checked="" type="checkbox"/> Local Average	<input checked="" type="checkbox"/> Local Average			
<input type="checkbox"/> Above Local Average	<input type="checkbox"/> Above Local Average			
<input type="checkbox"/> Full	<input type="checkbox"/> Full			
Owned/Controlled By:	Group Certification -Franklin Baker Co. of the Philippines and Local Landowners/Farmers and Traders as Members			
Location/City:	Mindanao Island			
Geographic location:	Farm/Entity	Location (Lat. - Long.)	Area (ha)	Area Planted (ha)
	Mindanao Island – 195 farms as per attached list	6°52'13.7"N 125°26'52.2"E	458	458
Total Area (ha)	458			
Total Planted Area (ha)	458			
Annual Feedstock Production Volume (please specify unit of measurement)	Not provided			

INDUSTRIAL FACILITIES	
Name	Franklin Baker Company of the Philippines Coronon, Davao del Sur Production Facility
Type	<input type="checkbox"/> Agriculture Milling and/or Fermentation <input type="checkbox"/> Biofuel Production and/or Distribution <input type="checkbox"/> Vegetable oil Extraction <input type="checkbox"/> Storage or Distribution <input checked="" type="checkbox"/> Other, please explain here: Biomaterial Production and Distribution

Location/City	Coronon, Santa Cruz, Davao del Sur
Geographic location (<i>Latitude & Longitude</i>)	<i>Latitude & Longitude: 6°52'13.7"N 125°26'52.2"E</i>
Number of processing steps	7
Annual throughput of previous 12 months	
Feedstock Input (Metric Ton)	428,000 MT
Final/Primary Product Output (Metric Ton)	60,000 MT
Intermediate/by-product Output (Metric Ton)	N/A
% output yield compared to input material (total input/total output)	14%
Description of Production/Processing Activities: Weighbridge/Receival, Drilling, Shelling, Paring, Milling, Drying, Packing/Warehouse, Dispatch	

1.3 Standards Used

1.3.1 Applicable RSB-Accredited Standards

Title	Version	Date of Finalization
RSB Principle & Criteria, RSB-STD-01-001	2.1	March 2011
RSB Standard for Operators Taking part in RSB Certification Systems (Participating Operators), RSB-STD- 30-001	3.0	June 2014
RSB Standard for Traceability of RSB Certified Material (Chain of Custody), RSB-STD-20-001	3.4	Nov 2014
RSB Standard for Risk Management, RSB-STD-60-001	3.1	May 2014
RSB Standard for Certification of Bio-Products, RSB-STD-02-001	1.2	April 2015
RSB Procedure on Communication and Claims, RSB-PRO-50-001	3.1	June 2014
All standards employed are available on the websites of the Roundtable on Sustainable Biomaterials (http://rsb.org/sustainability/rsb-sustainability-standards/). Standards are also available, upon request, from SCS Global Services (http://www.scsglobalservices.com/).		

2.0 EVALUATION PLANNING & PROCESS

2.1 Documentation Submitted by Operator

RSB Screening Tool for Davao PF and Bansalan Farmers	Completed SCS Checklists for P&C, COC and Bio-Products
Um Socio Economic Profile Report	HR CSR Activities
Weed Risk Assessment	Sustainability and CSR Policy

2.2 Audit Type and Determination

The following table summarizes the audit types for RSB Audits:

	Low risk class	Medium risk class	High risk class
Certificate validity	5 years	3 years	2 years
Main audit	Every 5 years	Every 3 years	Every 2 years
Surveillance audit	Annual	Annual	Annual

2.3 Audit Team

2.3.1 Determination of Audit Team

- Desk audits shall always be conducted by at minimum one (1) international lead auditor. The lead auditor appointed may include additional auditors and/or technical experts in the audit team if this is required by the extent of the audit.
- Field audits shall always be led by one (1) international lead auditor.
- The lead auditor appointed shall include at minimum one (1) local auditor in the audit team. The lead auditor appointed may include additional auditors and/or technical experts in the audit team if this is required by the extent of the audit.
- For field audits of participating operators in High Risk class shall always the lead auditor appointed shall appoint at minimum
 - one (1) local auditor and
 - one (1) technical expert on social issues to evaluate compliance with social requirements and the risk of non-compliance due to social issues and
 - one (1) technical expert on environmental issues to evaluate compliance with environmental requirements and the risk of non-compliance due to environmental issues.
 - The lead auditor appointed may include additional auditors and/or technical experts in the audit team if this is required by the extent of the audit.

2.3.2 Audit Team

Auditor Name:	Mick Berry	Auditor role:	International Lead Auditor
Qualifications: Bachelor Science (Forestry) Bachelor Economics			
Auditor Name:	Annabelle S. Calicdan	Auditor role:	Local Auditor
Qualifications: Diploma in Agriculture			

2.4 Evaluation Schedule and Extent of Audit

2.4.1 Determination of Extent of Audit

Total number of subsidiaries, branch offices, affiliated entities, external third parties contracted or otherwise engaged, operational structures, sites, facilities, processing and production units, and supply chain structures	1 Corporate Office, Makati City, Philippines 2 Production Facility located at: Coronon, Santa Cruz, Davao del Sur in the Philippines 339 farms located on the Island of Mindanao
Participating Operator Risk Class	The Participating Operator has conducted risk evaluation and determined that FBCoP is Medium Risk Class. Auditor's assessment is Medium Risk Class.
Disputes or prior Non-compliances	None
Changes in scope since last evaluation	Pre-certification assessment included San Pablo PF and farms on Luzon Island.
Total number of compliance claims	No claims made. Entity is not yet certified.

2.4.2 Evaluation Itinerary and Activities

Date: Dec 14, 2015	
Operation(s)/ sites visited	Activities/ notes
Davao PF	Opening meeting, Overview of RSB system documentation and manufacturing controls, Policy, Legal requirements by Mick Berry
Farm Visit	2 Farms visited by Mick Berry and Annabelle Calicdan
Farm Visit	1 additional Farms visited by Annabelle Calicdan
Date: Dec 15, 2015	
Operation(s)/ sites visited	Activities/ notes
Davao PF	Interviews with employees and contractors. Review of RSB system documentation and manufacturing controls by Mick Berry
Farm Visit	4 Farms visited by Annabelle Calicdan
Date: Dec 16, 2015	
Operation(s)/ sites visited	Activities/ notes
Davao PF	Review of RSB system documentation and manufacturing controls including COC recognition system by Mick Berry
Farm Visit	4 Farms visited by Annabelle Calicdan
Date: Dec 17, 2015	
Operation(s)/ sites visited	Activities/ notes
Davao PF	Review of RSB system documentation and manufacturing controls, Closing Meeting by Mick Berry and Annabelle Calicdan.

Farm Visit	4 Farms visited by Annabelle Calicdan
Date: Dec 18, 2015	
Operation(s)/ sites visited	Activities/ notes
Davao PF	Review of RSB system documentation and manufacturing controls including COC recognition system.
Farm Visit	4 Farms visited by Annabelle Calicdan
Date: May 25, 2016	
Operation(s)/ sites visited	Activities/ notes
Davao PF	Follow-up Audit to close NCs
Farm Visit	13 new farms

2.5 Evaluation of Management System

2.5.1 Methodology and Strategies Employed

SCS deploys interdisciplinary teams with expertise in agriculture, ecology, forestry, social sciences, natural resource economics, and other relevant fields to assess an Operator’s compliance to RSB standards and policies. Evaluation methods include document and record review, implementing sampling strategies to visit a broad number of site and facility types, observation of implementation of management plans and policies, and stakeholder analysis. When there is more than one team member, team members may review parts of the standards based on their background and expertise. On the final day of an evaluation, team members convene to deliberate the findings of the assessment jointly. This involves an analysis of all relevant site observations, stakeholder comments, and reviewed documents and records. Where consensus between team members cannot be achieved due to lack of evidence, conflicting evidence or differences of interpretation of the standards, the team is instructed to report these in the certification decision section.

2.5.2 Capacity of the participating operator to implement its management systems

Note: include an overall evaluation of the participating operator’s responsiveness and ability to consistently and effectively implement its management system based on the financial, technical, and human resources available.

See Appendix 2 for the details of the observations and substantiating evidence collected during evaluation of the central management office and management systems of the participating operator.

2.5.3 Evaluation of RSB compliance claims and use of RSB trademarks

Type (compliance claim, trademark use)	Description	Findings
Not applicable	Not applicable	Claims and Logos are not yet used by the entity.

2.6 Stakeholder Consultation Process

In accordance with SCS and RSB protocols, consultation with key stakeholders is an integral component of the evaluation process. Stakeholder consultation takes place prior to, concurrent with, and following field evaluations. The primary purpose of such consultation is to solicit input from affected parties as to the strengths and weaknesses of the Participating Operator’s management system and operations, relative to the standard, and the nature of the interaction between the company and the surrounding communities.

Principal stakeholder groups are identified based upon the certification scope of the participating operator.

Stakeholder consultation activities are organized according to the requirements of the RSB. The table below summarizes the major comments received from stakeholders and the assessment team’s response. Where a stakeholder comment has triggered a subsequent investigation during the evaluation, the corresponding follow-up action and conclusions from SCS are noted below.

2.6.1 Summary of Stakeholder Comments and Responses from the Team, Where Applicable

Stakeholder Comments	SCS Response
Economic Concerns	
None	
Social Concerns	
None	
Environmental Concerns	
None	

3.0 RISK ASSESSMENT RESULTS

SCS Risk Assessment Results	Deviations from Operator Risk Assessment Results	Risk Factor Difference
Medium Risk	Medium Risk	N/A

Due to the results of the Risk Assessment, the evaluation did not need to be rescheduled.

4.0 RESULTS OF THE EVALUATION

4.1 Process of Determining Compliance

4.1.1 Structure of Standard and Degrees of Non-Compliance

RSB-accredited biofuel standards consist of a three-level hierarchy: the principle, the criteria that correspond to that principle, and then the performance indicators that elaborate upon each criterion.

Consistent with SCS Sustainable Biofuels Program evaluation protocols, the team collectively determines whether or not the subject operation is in compliance with every applicable indicator of the relevant sustainable biofuel standard. Each non-compliance must be evaluated to determine whether it constitutes a major or minor non-compliance at the level of the associated criterion or sub-criterion. Not all indicators are equally important, and there is no simple numerical formula to determine whether an operation is in non-compliance. The team therefore must use their collective judgment to assess each criterion and determine if the Operator is in compliance. If the Operator is determined to be in non-compliance at the criterion level, then at least one of the applicable indicators must be in major non-compliance.

4.1.2 Interpretations of Major and Minor Non-compliances

Major Non-compliances, either alone or in combination with non-compliances of other applicable indicators, result (or are likely to result) in a fundamental failure to achieve the objectives of the relevant RSB Criterion. These non-compliances must be resolved or closed out before a certificate can be awarded. If Major NCs arise after an operation is certified, the timeframe for correcting these non-compliances is typically no more than three months. Certification is contingent on the certified FME’s response to the NCs within the stipulated time frame.

Minor Non-compliances are typically limited in scale or can be characterized as an unusual lapse in the system. Most minor NCs are the result of a non-conformance at the indicator-level. Non-compliances must be closed out within a specified time period of award of the certificate.

4.1.3 Major Non-compliances

<input type="checkbox"/>	No major NCs were issued to the Operator during the evaluation. Any minor CARs from previous surveillance audits have been reviewed and closed prior to the issuance of a certificate.
<input checked="" type="checkbox"/>	Major NCs were issued to the Operator during the evaluation, which have all been closed to the satisfaction of the audit team and meet the requirements of the standards. Any minor CARs from previous surveillance audits have been reviewed and closed prior to the issuance of a certificate.
<input type="checkbox"/>	Major NCs were issued to the Operator during the evaluation and the Operator has not yet satisfactorily closed all major NCs.

4.1.4 Non-compliances and Current Status

Instructions:

- Initial certification audit: list all Non-conformities and Opportunities for Improvement issued during this audit.
- Surveillance/Recertification: list status of minor NCs that were not closed in previous audit, then list new NCs/OFIs issued during this audit.

Summary of Non-compliances and Current Status				
Non-compliance Number	Type of Non-compliance	Relevant RSB Standard & Indicator No.	Summary of Finding and Evidence Collected	Status of Non-compliance (Open/Closed)
201501	Major	1a	Identification and evaluation of compliance to all relevant Compliance with laws regulations	Closed
201502	Minor	1.a.i.3	Compliance with permit reporting	Closed
201503	Major	2a.i.1	Completion of RSB Screening Tool	Closed
201504	Major	2.a.i.3.	No documented Environmental and Social Management Plan available to public	Closed
201505	Major	2.a.i.5.	No formal RSB agreement in place with biomass producers/ farms/traders	Closed
201506	Major	2.b.i.1-9,	No stakeholder consultation has occurred in development of ESMP	Closed
201507	Major	2c	Inclusion of social and environmental aspects of company's operations in Business Plan	Closed
201508	Major	3.b.i.1-4	Life Cycle greenhouse Gas Emissions have not been calculated for biomass producers/farms	Closed
201509	Major	4.e.i.4.	Breach of legal requirement relating to number of days worked consecutively	Closed
2015010	Minor	4.f.i.5	Safety performance reporting	Closed
2015011	Minor	4.f.i.8.	Access to first aid kits/ emergency response equipment on farms	Closed
2015012	Major	4.f.i.9.	Use of Personal Protective equipment	Closed
2015013	Major	4.g.i.2.	Minimum wage payments for contractors in construction/canteen not determined	Closed
2015014	Major	4.g.i.2.	Minimum wage payments for piece rate farm workers not determined	Closed
2015015	Major	5.a.i.7.	Training of workers employed on farms not undertaken	Closed
2015016	Major	6.b.i.3	Food security survey not completed	Closed
2015017	Major	7.a.i.1-10	No review conducted of land and species with conservation values	Closed
2015018	Major	7.b.i.1-2	No plans to enhance ecosystem functions	Closed
2015019	Major	7.c.i.1-3	No Buffer zone establishment/protection	Closed
2015020	Major	7.d.i.1-3	Identification and protection or ecological corridors	Closed

2015021	Major	9.b.i.1	No Water Management Plan developed for farms	Closed
2015022	Minor	9.c.i.1	External Reporting/Monitoring requirements for waste water management not met	Closed
2015023	Minor	9.d.i.2	Measures to enhance/protect water quality not implemented.	Closed
2015024	Major	10.a.i.1	No emission control plan developed	Closed
2015025	Major	10.b.1.3	Open air burning occurs with no phase out plan	Closed
2015026	Major	11.d.i.4-6	Storage handling and use of chemicals on farms ineffective	Closed
2015027	Minor	11.d.i.3	No training of staff and contractors in storage, handling and disposal of chemicals	Closed
2015028	Major	11.e.i.1	No waste management plan developed for farms	Closed
2015029	Major	12.a.i.1-3	Identification of land rights disputes and consultation with stakeholders to verify same	Closed
2015030	Major	COC	COC system not documented nor implemented	Closed
2015031	Minor	8.a.i.3	Soil health and management	Closed
2015032	Minor	4.f.i.5	Injury rate at Davao PF requires improvement	Closed
2015033	Major	1.a	Agreements established with coconut growers	Closed

5.0 CERTIFICATION DECISION

Certification Recommendation		
Operator to be awarded RSB certification subject to the minor non-compliances stated in Section 4.2.5.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
The SCS evaluation team makes the above recommendation for certification based on the full and proper execution of the SCS Responsible Biofuels Program evaluation protocols. If certification is recommended, the Operator has satisfactorily demonstrated the following without exception:		
Operator has addressed any Major NC(s) assigned during the evaluation.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
Operator has demonstrated that their system of management is capable of ensuring that all of the requirements of the applicable standards are met over the sites and facilities covered by the scope of the evaluation.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
Operator has demonstrated that the described system of management is being implemented consistently over the sites and facilities covered by the scope of the certificate.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
Comments and/or details of any issue which was difficult and/or impossible to evaluate:	None	
To be completed by Certification Decision-Making Entity	Certification decision by:	Neil Mendenhall
	Date of decision: For initial or continued certification	June 27, 2016
	Surveillance schedule:	Notes: annually

Sub Certificate Codes (if applicable)

Legal Entity/Operational Site	Sub-Certificate Code