

Certification Evaluation Report

Roundtable on Sustainable Biomaterials

Addax Bioenergy Sierra Leone Ltd.

SCS Certificate Code- SCS-RSB/PC-0013

4, Liverpool Street, Freetown, Sierra Leone

Jörgen Sandström

<http://www.addaxbioenergy.com/index.php>

CERTIFIED	EXPIRATION
March 16, 2015	March 15, 2017

DATE OF AUDIT
December 16, 2014-January 14, 2015
DATE OF LAST UPDATE
May 13, 2015

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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. Under the RSB/SCS certification system, participating operators meeting international standards of biofuel production can be certified as “sustainable,” thereby permitting the Operators 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 Database of Participating Operators (<http://rsb.org/certification/participating-operators/>). Section B contains more detailed results and information for use by the Participating Operator.

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SECTION A – PUBLIC SUMMARY

1.0 GENERAL INFORMATION

1.1 Operator Information

1.1.1 Name and Contact Information

Organization name	Addax Bioenergy Sierra Leone Ltd. (ABSL)		
Operator Number	599		
Contact person			
Address	4, Liverpool Street, Freetown, Sierra Leone	Telephone	T. +41 (0)58 702 90 00
		Fax	
		e-mail	info@addaxbioenergy.com
		Website	www.addaxbioenergy.com/

1.1.2 Additional Parties Involved

Organization name	Syntech Company Limited		
Contact person			
Address	Syntech House, Leonoil Terminal, Kissy Mess, Freetown	Telephone	
		Fax	
		e-mail	
		Website	
Nature of Involvement:			
Third party service provider for transport of ethanol between Mabilafu and Kissy Terminal.			
Organization name	Petrol Leone (SL) Limited		
Contact person			
Address	Petrol Leone (SL) Limited Kissy Terminal, Freetown	Telephone	
		Fax	
		e-mail	
		Website	www.oryxenergies.com/
Nature of Involvement:			
Third party service provider for storage of ethanol at Kissy Terminal.			

1.2 Scope of Certificate

The scope assessment agrees with the scope under which the operator applied	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If no, please explain:		

Note: If the scope is different, please contact SCS.

SITE INFORMATION				
Site Type	<input checked="" type="checkbox"/> Agriculture	<input type="checkbox"/> Forestry		
	<input checked="" type="checkbox"/> Biomass Production	<input checked="" type="checkbox"/> Industrial		
Current Land Use		Prior Land Use		
<input checked="" type="checkbox"/> Biomass Production	<input checked="" type="checkbox"/> Biomass Production			
<input checked="" type="checkbox"/> Agriculture	<input checked="" type="checkbox"/> Agriculture			
<input type="checkbox"/> Other:	<input type="checkbox"/> Other: Fallow from abandoned ranching operation			
Current Employment on Site		Prior Employment on Site		
<input type="checkbox"/> Negligible	<input type="checkbox"/> Negligible			
<input type="checkbox"/> Local Average	<input type="checkbox"/> Local Average			
<input type="checkbox"/> Above Local Average	<input type="checkbox"/> Above Local Average			
<input checked="" type="checkbox"/> Full	<input checked="" type="checkbox"/> Full			
Owned/Controlled By:	Addax Bioenergy Sierra Leone			
Location/City:	Makeni			
Geographic location:	Farm/Entity	Location (Lat. – Long.)	Area ()	Area Planted ()
	Mabilafu Factory location	8°42'46.81"N / 12°14'10.86"W	Leased area: 23'848 ha	Area planted: 5938 ha (10'000 ha at steady state)
AGRICULTURE, FORESTRY OR BIOMASS PRODUCTION SITES				
Total Area (ha)	14,300 ha			
Products/Crops Produced				
Product Type	Production Area			
Sugar cane	10,000 ha			
INDUSTRIAL SITES				
Input Type	Volume			
Bioethanol	85,000 m3			

INDUSTRIAL FACILITIES		
Name		
Type	<input checked="" type="checkbox"/> Agriculture Milling and/or Fermentation	<input type="checkbox"/> Vegetable oil Extraction
	<input checked="" type="checkbox"/> Biofuel Production and/or Distribution	<input checked="" type="checkbox"/> Storage or Distribution
	<input type="checkbox"/> Other	

Location/City	Makeni
Geographic location	<i>Latitude & Longitude:</i> 8°42'46.81"N / 12°14'10.86"W
Included in certification scope	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Number of processing steps	<ol style="list-style-type: none"> 1. Cane receipt 2. Cane preparation and juice extraction (milling) 3. Clarification and evaporation 4. Processing and clarification 5. Dispatch and transport of ethanol
Annual Throughput (Litres)	
Material Input:	Sugarcane
Material Output	Bioethanol, vinasse, bagasse, power
% output yield compared to input material	Confidential
Description of Activities:	
Operations of bioethanol plant	

1.3 Standards Used

1.3.1 Applicable RSB-Accredited Standards

Title	Version	Date of Finalization
Consolidated RSB EU RED Principles & Criteria RSB-STD-11-001-01	2.1	Nov 2011
Consolidated RSB EU RED Standard for Traceability of RSB EU RED and EU RED Certified Material (Chain of Custody)RSB-STD-11-001-20-001	3.1	Nov 2014
Consolidated RSB EU RED Standard for risk management	3.0	May 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

1. Summary of events 2014:
2. Explanatory memos
3. Land lease
4. Stakeholder list

5. Maps
6. ESMP overview
7. Supply chain process overview
8. H&S Procedures Estate
9. E&S Monitoring Reports
10. Production Plan
11. Training
12. Chain of Custody
13. Organograms
14. Corrective actions
Additional documents
GHG Calculation
Risk Assessment

2.2 Audit Team

2.2.1 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 noncompliance 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.

2.2.2 Audit Team

Auditor Name:	Karolina Kapsa	Auditor role:	Lead Auditor
Qualifications: Dr.-Ing. Karolina Julia Kapsa is a lead auditor for ISCC, RED cert, RSPO, RSB and ISO 14001 / 50001. She did her Master’s degree in Economics in 2003 and obtained PhD degree in Environmental Engineering from the Technical University of Berlin in 2010. Currently she works as an			

Auditor for different Certification Bodies and as an associate Lecturer for Hochschule für Technik und Wirtschaft Berlin (HTW). Dr.-Ing. Karolina Julia Kapsa has extensive project management/Research/Consulting experience in energy & waste management and sustainable biomass certification with various organizations in Europe.			
Auditor Name:	Alex Rogers	Auditor role:	RSB/SCS Global Services Social Expert and Auditor
Qualifications: Mr. Rogers is an accomplished Environmental & Social Expert with over 10 years of working experience in multi-disciplinary sectors in Sierra Leone. He has an MSc in Development Studies and has had extensive background in conducting technical feasibility studies in the extractive sector. Mr. Rogers was a team member of the DNV/RSB Audit on the operations of Addax Bioenergy in Makeni, Northern Sierra Leone and was a member of CEMMATS GROUP Ltd. Technical Team, participating in the design and implementation of a number of baseline socio-economic surveys and Stakeholder Mapping for Oil & Gas and Mining companies in Sierra Leone. Mr. Rogers has also served as Team Leader conducting the Baseline Survey on Stakeholder Analysis and Recommendations for GTZ Interventions in Industrial Mining Communities in Kono District, and facilitated Technical Workshops for development agencies (CEPEL /ARD Inc.) at the behest of USAID. In addition, Alex has conducted a World Bank funded strategic Environmental & Social Assessment (SESA) on Mining Sector Reform in Sierra Leone.			

2.3 Evaluation Schedule and Extent of Audit

2.3.1 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	Three sites: <ul style="list-style-type: none"> • Agricultural production of sugar cane • Production facility – bioethanol production • Transport • Third-party storage in Kissy terminal
Participating Operator Risk Class	Low Risk (Risk Score 6)
Disputes or prior Non-compliances	For Non-compliances from 2013 on site audit, there were corrective actions defined and status presented (see table below)
Changes in scope since last evaluation	None
Total number of compliance claims	0

2.3.2 Evaluation Itinerary and Activities

Date: December 10 th , 2014- December 12 th , 2014	
Operation(s)/ sites visited	Activities/ notes
NA	Off-site audit – initial assessment of Addax Bioenergy documentation
	Documents review on-site
Date: December 16 th 2014 – December 23 rd 2014	
Operation(s)/ sites visited	Activities/ notes
	Alex Rogers conducted field stakeholder consultation and visited a number of villages and sites within the project area in Sierra Leone.
Date: January-February 2015	
Operation(s)/ sites visited	Activities/ notes
Geneva HQ	Lead Auditor met with Addax Bioenergy management to clarify pending issues and review documentation
NA	Lead auditor and social expert finalized reports

NOTE: Given the serious situation of the Ebola outbreak in Sierra Leone, with RSB’s permission, SCS conducted a desk audit with on-the-ground stakeholder consultation as deemed safe by our local social expert. A field assessment to address the gaps in the recertification process will be arranged once the outbreak is contained.

2.4 Evaluation of Management System

2.4.1 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.

Due to a very limited possibility to carry out on site stakeholder consultations, SCS developed and implemented the following approach:

RSB/SCS Global Services Social Expert and Auditor was assigned to carry out RSB re-assessment of Addax Bioenergy, from December 16th to December 23rd, 2014, with the following primary aims and objectives:

- To hold preliminary meeting with ABSL Management Team to inform them about SCS Global Services taking over the DNV Certification;
- To conduct reconnaissance visit in some of the affected villages/communities and attempt to brief them about status of last RSB Audit;
- To visit the Farmer Development Programme (FDP) in beneficiary communities with the aim of ascertaining food security and sustainability, so as to enable SCS Global Services and the RSB in the award of sustainability Certificate for the project;
- To investigate whether or not ABSL has put some remedial actions into place in the area of providing water and mitigation programmes for food provision;
- To investigate and compile possible fresh or outstanding complaints emanating from previous complaints from Stakeholders including project affected beneficiaries/communities;
- To look into the human rights implications of the ABSL operations;
- To develop comprehensive Stakeholder Mapping OR Update the existing Stakeholders List for the next Multi-Stakeholders Meeting during the Audit exercise and with the secondary aim and objective of gathering information to generate a work plan for the main Audit.

Field investigations were carried out from 16th to 23rd December, 2014 in the operational areas of ABSL, in Northern Sierra Leone. Review of available data and appropriate available literature materials on the project of influence i.e. documents on the Company operational policies and procedures relevant to the audit were reviewed with the responsible departmental heads.

The fieldwork was conducted using four key data collection methods:

- Focus Group Discussion Meetings (including 'Village Liaison Committee (VLC) Meetings, consisting of:
- VLC Meeting held at Yankissa on the 16th December, 2014 - 6 villages within the Bombali Sebori Chiefdom; each village being represented by 5 stakeholders (Section Chief, CSO representative, ABSL Social Department team and RSB/SCS Global Services Social Expert & Auditor)
- VLC Meeting held at Masory on the 17th December, 2014; each village being represented by 5 stakeholders (the Paramount Chief, Treasury Clerk, Media Reporter, CSO representative, ABSL Social Department team and RSB/SCS Global Services Social Expert & Auditor)
- VLC Meeting held at Mara on the 18th December, 2014 - 30 villages within the Malal Mara Chiefdom, being represented by 5 stakeholders each (the Paramount Chief, Chiefdom Speaker, 4 Section Chiefs, Treasury Clerk, Media Reporter, CSO representative, ABSL Social Department team and RSB/SCS Global Services Social Expert & Auditor)
- Women's VLC Meeting held at the ABSL FDP Workshop at Kontobe on the 19th December, 2014 - 47 villages each village being represented by 3 representatives of the "Village Vegetable Garden (VVG) Programme 2014
- Administration of Structured RSB-SCS Checklist on ABSL Operations. Focus Group Discussions were conducted in which a diverse group of community members attended, including:
 - Local authorities,
 - Traditional leaders,
 - Opinion leaders,
 - Landowners etc,

- Youths and women's groups were invited to participate.
- Meetings with ABSL Management, Civil Society Organizations (CSOs), Local and National Authorities
- Conduct Reconnaissance visit in some of the villages with alleged Complaints of Non-compliance.

Issues that were discussed:

- Awareness of ABSL project operations
- Concerns and perceptions about the project
- Land lease and compensation process
- Farmer Development Programme (FDP)
- Road rehabilitation/upgrading
- Water and sanitation
- Sites of cultural significance
- Gender issues.

Records submitted by Social auditor and reviewed by Lead Auditor:

- UPDATED STAKEHOLDER LIST ON ABSL OPERATIONS: DECEMBER 2014
- ABSL VLC Meeting Yankissa-Stakeholder List
- ABSL_VLC Meeting Masory--Stakeholder list
- ABSL_VLC Meeting, Malal--Stakeholder Attendance List
- ABSL_VLC Meeting Women's VLC Stakeholder list
- Report on Field Observations and Findings on Addax Bio_Final

Conclusion

The partial audit/reassessment on ABSL operations in Sierra Leone was conducted against the relevant RSB Principles and Criteria and Chain of Custody Standards in December 2014, the outcome of which a field assessment to address gaps in the recertification is expected following the containment of the Ebola epidemic in the country. The result of all the 4 ABSL VLC/FGD Meetings, stakeholder consultation and engagement with Civil Society Organizations (CSOs) and governmental agencies, including on the spot investigations carried out in some communities explicitly revealed ABSL compliance with the RSB Principles and Criteria and all other international and national regulations regulating its operations.

Considering the excruciating challenges ABSL is faced with amidst the Ebola Virus Disease (EVD) which has ravaged the entire country, the Company continues to operate and make progress in the socio-economic fabric within the local communities and the country as a whole. Where ABSL in its operations tends to fall short, it adopts remedial actions as mitigating measures. ABSL relations with the local communities have improved significantly. Also, it could be noted that the Company relations with CSOs and governmental agencies monitoring its operations in Northern Sierra Leone, particularly SiLNoRF and EPA-SL could now be described as positive.

2.4.2 Capacity of the participating operator to implement its management systems

Off-site evaluation was based on documentation sent by the PO and findings from the report on Field Observations. Additionally, on 14 Jan 2015 a meeting at Addax Bioenergy HQ in Geneva was organized to clarify all the open issues and finalize the audit process.

According to ABSL self-assessment in the period November 2013 – November 2014 the following developments were made:

In **agricultural area**:

- An additional 2'670 hectares were bush cleared.
- An additional 81 km of roads were developed.
- 47 new pivots were installed
- Additional 2'003 hectares of sugarcane were planted.

In the **production area (factory)**:

- The ABSL power station was synchronized with the national grid in early May and export trials of between 1.5 and 3.0 MW were successfully undertaken.
- The first cane was crushed on 29 April and progressive operation of the factory was undertaken.
- First anhydrous ethanol within EU quality specification was produced on 12 May.
- 2014/15 season crush shall start on 01 December 2014 and will be split into four campaigns and is planned to be completed on 17 May 2015.

In **dispatch and transport**:

- The Transport Agreement was signed with Syntech on 29 July. Under this agreement Syntech is responsible for the transport of ethanol between Mabilafu and Kissy.
- The AD4 storage facility was completed and is ready for storage of ethanol. AD4 will be operated by Petroleone

Regarding areas of interest the following general progress was made:

Social aspects:

- **Staffing:** There were a number of staff resignations (for which ABSL found replacements and/or made organizational changes. Currently:
 - Appointment of a new General Manager from 06 June onwards
 - Appointment of a Senior Manager of Environmental, Social and FDP department September 2012
 - Appointment of a new Factory Manager from 9 October 2014 onwards
 - Appointment of a new Distillery Manager.
- Current staff amounts to 170 expats, 3,747 monthly / daily workers. Of this total, the number of permanent national staff amounts to 1,594 and including expats the number of permanent staff altogether is 1,701. **Land lease:** Leased area was reduced from 35'473'83 to 23'848 hectares.

- **The annual landowners meeting:** One meeting was held in March 2014 and was widely considered to have been useful and successful. It will be repeated in March 2015.
- **ABSL social initiatives:** Farmer Development Programme (FDP), Farmer Development Services (FDS) and Village Vegetable Gardens' programmes are ongoing initiatives.
- **Ebola outbreak:** ABSL engagement in the fight against Ebola and a number of measures taken and include:
 - Ensuring the experienced medical personnel at its on-site health clinics;
 - Construction of an on-site Ebola isolation unit (with 6 expatriate nurses), with reception, dressing and undressing rooms for medical staff, and three single wards, to diagnose persons in the event that symptoms of the disease are exhibited;
 - Personal Protective Equipment, including gloves, suits, face masks and boots;
 - Installation of over 300 chlorine wash stations across the factory and agricultural estate, and the distribution of soap to all employees to take home and use as disinfectant;
 - Procedures to screen people entering the sites (e.g. employees, service providers and trade contractors), including recording temperatures at over 50 measurement stations, and to take action in the event of a suspected case;
 - Regular patrols of the operational area in order to obtain timely information on the potential spread of the disease;
 - Communication sessions for employees and local communities (all 52 villages in the ABSL leased areas) on best-practice standards to prevent contracting or spreading the disease, including an Ebola education video in the local language;
 - Daily on-site updates for all staff;
 - Reorganization of the market camp at the factory entrance, which was identified as an infection risk.
 - Establishment of an Ebola Task Team, comprising senior management, to lead the different interventions and development of a detailed Emergency Response Plan with procedures to deal with reports of suspected cases for all stakeholder groups.
 - In addition, ABSL donated a vehicle to the national MOHS in mid-July to contribute to efforts to fight the disease, gave a further two vehicles to the health authorities in Bombali District and one to the authorities in Tonkolili District to support local actions.
 - ABSL has provided funds and constructed a 100 bed Ebola Treatment Centre and an Ebola Isolation Unit in Makeni, and has donated PPE, mattresses and other equipment to the hospitals. It must be noted that all these activities led to only 5 lethal Ebola cases and 5 recovered cases at ABSL. .

Environmental aspects:

- According to ABSL, they are unaware of any breach relating to applicable Environmental or Social Law and of any litigation, existing or threatened, relating to any breach of applicable Environmental or Social Law.
- The Environmental License from the Sierra Leone Environmental Protection Agency (EPA SL) was applied for and issued in 2015.

Summary of the management system:

The **RSB EU RED Principles & Criteria** (P&C) standard is fully implemented and operational at ABSL. **Two observations** have been made.

One relates to new environmental license. Updated license has been provided to SCS after audit. The other regards improvement of H&S management by f.e. review of risks at relevant positions, analyses of causes and results of accidents to introduce specific corrective actions and yearly statistics analyses.

The **RSB EU RED Chain of Custody** (CoC) standard could not have been verified fully due to only 9 production days in Dec 2014. This is due to the commissioning phase with the first crushing of cane on 29 April 2014, first ethanol production on 12 May, and the crush end on 15 May (season end). There were also some technical problems short before stop for rainy season. Therefore, relevant data for a complete picture of the operations of the bioethanol plant is not sufficient. To date there have been no sales, which is why there are no records. Very first sale is scheduled to take place in April 2015.

However, it must be noted that all the necessary trainings on H&S and CoC procedures were implemented and carried out.

Because the sites included in the project scope could not have been visited on site in 2014 and there have been major changes in project, as mentioned above, for on-site evaluation in 2015 the following sites will be areas of special concern:

- Newly developed land
- Bioethanol plant
- Waste Management Centre
- Kissy terminal.

Regarding practical implementation of relevant RSB Standards a special attention will be paid to:

- CoC Standard (and all the relevant documents for sales of final product, especially GHG calculation and values achieved)
- H&S issues and procedures (f.e. use of protective equipment, injuries on site and handling of accidents) due to the operations for bioethanol plant
- Social and water aspects that were raised in the report by RSB/SCS Global Services Social Expert and Auditor (for details see the relevant checklist) and
- Open issues after audit in 2013.

Based on the information provided in the documents submitted by ABSL and from findings after the field audit there is a notable development in the project despite challenges regarding Ebola. In general, the management system of the PO is very well-organised, maintained and updated and has a sufficient capacity to implement RSB standard. ABSL is fully aware of their duties under RSB.

Based on the actual documentation provided by the PO, field audit and after meeting in Geneva SCS auditors have not stated any major non-compliances in the RSB system operated at ABSL.

2.4.3 Evaluation of RSB compliance claims and use of RSB trademarks

Type (compliance claim, trademark use)	Description	Findings
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NA- This is not relevant at the moment for the PO because sales of final product are not taking place.	NA	NA
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2.5 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.

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

Stakeholder Comments	SCS Response
Economic Concerns	

Stakeholders commended ABSL Management for supporting the Village Vegetable Gardens' programmes which expanded the FDS Programme in 2014 hence empowering women's groups.

Stakeholders expressed concern over food security within their communities particularly when beneficiary villages complete and leave the 3 years FDP Programme. They expressed fear of hunger and poverty when the last villages leave the FDP Programme in 2017.

Action by ABSL:

Stakeholder concerns on food security were investigated with ABSL Management, and the finding was that ABSL in a bid to maintaining food security within the affected communities, has set up the Farmer Development Services (FDS) to support villages leaving the FDP, and that the FDS will give them soft landing. It also needs to be noted that a great deal of responsibility also lies with individual households and if they are willing to support themselves, to learn from three years of ABSL support with training and land preparation.

Explanation by Addax:

The rationale for the implementation of the FDP programme to ensure food security in the ABSL operational area is included in previous reports. The programme has been operating since 2010.

Stakeholder concerns on food security were investigated. The ABSL Farmer Development Programme and Farmer Development Services were audited. Since 2010 the FDP assist every household affected by ABSL's land development with ploughing, harrowing, seeding and harvesting the local staple crop rice. ABSL also train all affected households in 30 week Farmer Fields and Life Schools in new and better farming skills. To cater for continued sustainability for those villages leaving the FDP ABSL has set up the Farmer Development Services (FDS) that offer farmer support and extension services at cost price. It also needs to be noted that a great deal of responsibility also lies with individual households and if they are willing to support themselves, to learn from three years of ABSL support with training and land preparation.

ABSL Management also explained that the purpose of the FDS is to support local farmers and entrepreneurs with properly available extension services for food production on residual land within the ABSL operational area.

Action by SCS: OBS has been issued.

Further investigation will be required during the next on-site audit to ascertain the status of food security in the affected communities. SCS will continue to follow up with ABSL to ensure that the programme becomes sustainable. The progress of FDP and FDS will be verified on site in 2015.

Inadequate provision of employment systems for the indigenous of the project affected communities.

Action by ABSL:

The grievance was investigated with ABSL HR/Labour Relations responsible persons, and it was explained that there is a "Memorandum of Understanding" on recruitment processes in relation to local staff, between ABSL Management and the local stakeholders.

The process was explained to be as follows; The HR Department notifies the Members of Parliament within the operational constituencies about existing vacancies; the Members of Parliament in turn contact the respective Ward Councilors to help identify and subsequently nominate suitable candidates; and the final list of nominees is compiled and submitted to the HR Department for vetting and subsequent recruitment.

ABSL explained that management of expectations remains a challenge in an area with previously close to no formal employment before the arrival of ABSL. Currently 3'747 monthly daily national employees work for ABSL. An absolute majority are from the area of operation which previous to the arrival of ABSL had close to 100% unemployment. ABSL also have about 1000 additional workers who are contracted with various third party service providers. An absolute majority of these people are also from the operational area.

Action by SCS: OBS has been issued.

SCS is aware of ABSL is contributing to increasing the employment. SCS will verify the status of provision of employment systems for the indigenous of the project affected communities in 2015.

Social Concerns

Dissatisfaction expressed by some crop owners over the alleged unfair crop assessment and payment.

Action by ABSL:

ABSL has established a "Settlement of Grievances Committee" within the Social Affairs Department, staffed by competent field officers and assessors through which all grievances received are registered and addressed. Stakeholders are advised to avoid any means of force including indiscriminate stoppages, threats and intimidation of operators and surveyors to advance or bias the procedures in their favor.

Action by SCS: OBS has been issued

The alleged dissatisfaction was investigated and no objective evidence was found of an unfair crop assessment process nor could it be verified that crops were under-valued by ABSL.

A review of available operational documents and interviews with relevant stakeholders revealed that the Company has established a team called "Asset Compensation Programme (ACP)" Team which conducts crop assessments and payments accordingly.

ABSL Social Affairs Department has set up a Grievance Committee with a defined procedure for the settlement of grievances. The rates paid by ABSL are agreed by Government, local authorities and key stakeholders, and the total value is based on crop and trees physically counted in the presence of crop owners. The crux of dissatisfaction as investigated emanates from an ABSL policy which does not pay for seedlings. In the past there have been attempts on the part of crop owners to plant seedlings and argue these were mature trees in an attempt to get additional money.

This policy needs to be reviewed in 2015 during next assessment to ensure compliance with the Ministry of Agriculture Policy on Crop Rates.

Stakeholders from some villages complained that the operations of ABSL have damaged their roads, and that the Company has failed to upgrade their roads.

Action by ABSL:

ABSL is not responsible for public road maintenance but has constructed more access roads within its operational communities. An additional 81 km of roads have been developed since last year making the total 440 km of roads constructed by the company.

A majority of the operational area was without roads before the arrival of ABSL. New roads have increased access to market, access to healthcare and schools as well as increased access to new land for cultivation.

Action by SCS: OBS has been issued

No objective verifiable evidence was found to the complaint.

A field investigation confirmed that additional roads have been developed whilst maintenance of some roads is being regularly carried out by ABSL.

This issue needs a further investigation on site in 2015.

Environmental Concerns

<p>Alleged contamination of main source of drinking water within the affected communities.</p>	<p>Action by ABSL:</p> <p>The case of Tonka village and general maintenance of the quality of the surface & groundwater resources was widely discussed with stakeholders during the site assessment.</p> <p>According to ABSL, maintenance of the quality of the surface & groundwater resources is part of their standard agricultural practices. Effluent (vinasse) is used as a fertilizer however no waste water is directed to rivers. When there are heavy rains, runoff from the factory may appear (spillage of heavy oil near Tonka village which needs further investigation during next on-site audit). This issue was addressed immediately.</p> <p>This was confirmed by ABSL Management during the Closing Meeting. The issue will remain open for further investigation at the next audit. ABSL can provide water quality testing data during next audit.</p> <p>Action by SCS: OBS has been issued</p> <p>The villages namely Mabilafu, Maronko and Tonka were visited only to investigate the alleged contamination of water source but no visible element of contamination was observed.</p> <p>SCS would like to see results of a water quality test to attempt to determine the level of contamination and possible sources.</p>
<p>Effluents from surrounding pivots enter main water stream</p>	<p>Action by ABSL:</p> <p>On the spot investigation carried out by SCS RSB Social Expert & Auditor it was discovered that ABSL had taken corrective action, and has planned to construct new wells. ABSL claims these issues are minor.</p> <p>Action by SCS: OBS has been issued</p> <p>This issue needs a further investigation on site in 2015.</p>

<p>Offensive smell and heavy noise from the factory affecting Tonka village being very close to the factory</p>	<p>Action by SCS: OBS has been issued</p> <p>The alleged offensive odor was investigated and it was found that there is in fact an odor that comes from the factory very occasionally. A noise was also heard but was not that loud. It should be noted that this village is very close to the ABSL Mabilafu Factory.</p> <p>The decibel level of the noise should be measured at the village along with the frequency and time of day to better understand this issue. This will be further investigated on site in 2015.</p>
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3.0 RISK ASSESSMENT RESULTS

SCS Risk Assessment Results	Deviations from Operator Risk Assessment Results	Risk Factor Difference
Low Risk (to be verified at next on-site audit)	Low Risk (risk score 6) Form: Self Risk Assessment Submitted by Addax Bioenergy Thursday, December 11, 2014 - 03:58 195.119.114.201	0

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

4.0 RESULTS OF THE EVALUATION

4.1 Equivalence between the Audit Team Evaluation and the Operator Self Evaluation

Principle/ Subject Area	Summary of Audit Team Findings	Comparison to Operator Self Evaluation (Equivalence)	Added Risk
P1:Legality	Conform	The same result	NA

P2: Planning, Monitoring & Continuous Improvement	Current documentation review indicates compliance but the situation cannot be fully evaluated due to Ebola situation in Sierra Leone. On-site verification will be determined at the next on-site evaluation.	The same result	NA
P3: Greenhouse Gases	GHG calculation was done for both RSB and RED. However, relevant documentation of & evidence to support the GHG emissions calculations & the data used in the calculations could not be validated and will make part of next on-site audit. The EU RED-approved default value shall be used until actual values can be validated. RED Directive default GHG emission savings for sugar cane ethanol is 71%.	-	-
P4: Human and Labor Rights	Current documentation review indicates compliance but the situation cannot be fully evaluated due to Ebola situation in Sierra Leone. On-site verification will be determined at the next on-site evaluation.	The same result	NA
P5: Rural & Local Development	Current documentation review indicates compliance but the situation cannot be fully evaluated due to Ebola situation in Sierra Leone. On-site verification will be determined at the next on-site evaluation.	The same result	NA

P6: Food Security	Current documentation review indicates compliance but the situation cannot be fully evaluated due to Ebola situation in Sierra Leone. On-site verification will be determined at the next on-site evaluation.	The same result	NA
P7: Conservation	Current documentation review indicates compliance but the situation cannot be fully evaluated due to Ebola situation in Sierra Leone. On-site verification will be determined at the next on-site evaluation.	The same result	NA
P8: Soil	Current documentation review indicates compliance but the situation cannot be fully evaluated due to Ebola situation in Sierra Leone. On-site verification will be determined at the next on-site evaluation.	The same result	NA
P9: Water	Current documentation review indicates compliance but the situation cannot be fully evaluated due to Ebola situation in Sierra Leone. On-site verification will be determined at the next on-site evaluation.		NA
P10: Air	Current documentation review indicates compliance but the situation cannot be fully evaluated due to Ebola situation in Sierra Leone. On-site verification will be determined at the next on-site evaluation.	The same result	NA

P11: Technology	Current documentation review indicates compliance but the situation cannot be fully evaluated due to Ebola situation in Sierra Leone. On-site verification will be determined at the next on-site evaluation.	The same result	NA
P12: Land Rights	Current documentation review indicates compliance but the situation cannot be fully evaluated due to Ebola situation in Sierra Leone. On-site verification will be determined at the next on-site evaluation.		
FINAL RISK CLASS	Low (risk score 6)	The same result	

4.2 Process of Determining Compliance

4.2.1 Structure of Standard and Degrees of Non-Compliance

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

4.2.2 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 nonconformance at the indicator-level. Non-compliances must be closed out within a specified time period of award of the certificate.

4.2.3 Major Non-compliances

<input checked="" type="checkbox"/>	No major NCs were issued to the Operator during the evaluation. Any minor CARs from previous surveillance audits have been reviewed, closed or their deadlines extended prior to the issuance of a certificate.
<input 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.

4.2.4 Non-compliances and Current Status

Summary of Non-compliances and Current Status				
Non-compliance Number	Type of Non-compliance	Relevant RSB Principle and Criteria	Summary of Finding and Evidence Collected	Status of Non-compliance
2013-1 (2013 on-site audit)	Minor NC	Criterion 4.f conditions of occupational safety and health for workers shall follow internationally-recognized standards Criteria 11d. Good practices shall be implemented for the storage, handling, use, and disposal of biomass and biomaterials and chemicals.	Use of chemical procedure is in place. Training took place and training registers were provided for trainings conducted on: a. HP0037_Acid Base Ph b. HP0038_Magnesium Sulphate c. HP0040_Lithium Bromide d. HP0041_MSDS Sulphuric Acid e. HP0042_Fermentation area However, implementation will need to be verified.	Open: SCS will verify the implementation during next on-site audit.

2013-2 (2013 on-site audit)	Observation	Criterion 11.e. Residues, waste and byproducts from feedstock processing and biofuel production units shall be managed such that soil, water and air physical, chemical, and biological conditions are not damaged.	In the Waste Management Centre area description of single compartments for different wastes was partially missing or storage of waste not in accordance with the description.	Open: Signs were in place but were removed or lost in storms. This remains to be corrected. Further investment of the Waste Management Centre site is anticipated in 2015 and this aspect will be included.
2013-3 (2013 on-site audit)	Observation	Criterion 11.e. Residues, waste and byproducts from feedstock processing and biofuel production units shall be managed such that soil, water and air physical, chemical, and biological conditions are not damaged.	Storage of household waste takes place on an unprotected ground. Subcontractor is obliged to put a protection layer on the ground surface of the planned landfill area. Construction works at the Waste Management Centre are planned to end at the end of 2013. Waste Management Centre should be observed in the next audit.	Open: Investment of the Waste Management Centre will involve further development of the main land fill including; <ul style="list-style-type: none"> • Provision of a well to remove leachate to a septic tank • Concentration of all land fill at the one trench • Expanding the site re-fencing • EPA Sierra Leone has recommended a monitoring borehole be put in place. • There are no plans to line the main landfill site
2013-4 (2013 on-site audit)	Opportunity for improvement	Criterion 11.e. Residues, waste and byproducts from feedstock processing and biofuel production units shall be managed such that soil, water and air physical, chemical, and biological conditions are not damaged.	Training of employees at the Waste Management Centre in should be addressed in the next audit to check the effectiveness of measures taken to avoid inappropriate waste and chemicals handling.	Open: The WMC team has been strengthened to ensure the site is properly managed. Training to date has been on the job under supervision. A course is being designed and will be implemented before the end of 2014.

2013-5 (2013 on-site audit)	Minor NC	Principle 1. Biofuel operations shall follow all applicable laws and regulations.	Ex-patriate work permits are not completed in the required time frame. Ex-patriate head count is over the limit.	Open: Limits were exceeded during development but are now being reduced as the project moves to production. This will be phased and will take time. Answers regarding work permits remain unchanged, however slow progress is being made – some of this is beyond ABSL control.
2013-6 (2013 on-site audit)	Observation	Criterion 4.f conditions of occupational safety and health for workers shall follow internationally-recognized standards. Indicator 4fi6 requires training on emergency response procedures.	The organization must be able to demonstrate that all workers understand the participating operators' accident and emergency procedures and measures. At the time of the audit, there were no records indicating that training has been delivered; no procedure awareness records were available. Indicator 4fi6 requires training on emergency response procedures. This requirement has not been met. Since this gap has been identified by the organization and corrective actions have been identified and on track for delivery, this is an observation that will be followed up on at the next audit.	Open: Training on emergency procedures is routinely given during safety induction. This explains the complete procedure reaction to be taken in the event of an emergency – including incident reporting. Detailed supplementary task emergency training is still being developed for field and factory.
2014-1 (2014 audit)	minor	1. 4. 2. The participating operator shall retain all records and reports related to and/or relevant for implementation of and compliance with the requirements of this standard (e.g. purchase and sales documents, training records, production records, volume summaries, etc.) for at least five (5) years.	Retaining period of 5 years for all records and reports related to and/or relevant for implementation of and compliance with the requirements of this standard is not stated in the procedure	Closed
2014-2 (2014 audit)	Observation	1.a.i.3. PO prov. objective evidence that all applicable licenses, permits & other legal requirements are valid.	Environmental license by EPA SL (Environmental Impact Assessment License EPA-SL 006): The environmental license for 2014 (valid from 1.11.2013 till 31.10.2014) was presented. This license is not valid any more.	Closed New license has been provided.

2014-3 (2014 audit)	Observation	4.f.i.5. PO prov. objective evidence that procedures & measures addressing emergencies & accidents are in place, fully implemented, continuously monitored & improved, & apply to all workers engaged in the operations of the participating operator.	Although according to the PO there are corrective actions and mitigation measures introduced, followed by training change of the procedure (if necessary) it has been observed by the Auditor The PO has implemented corrective actions including the introduction of procedures and changes to the training program, however H&S management could still be improved by incorporating other best practices such as reviewing specific risks by position, analysis of root causes along with providing more specific results of accidents so that corrective actions can be proposed and better statistics can be provided to track the effectiveness of improvements.	Open
2014-4 (2014 audit)	Observation	Criterion 6a biofuel operations shall assess risks to food security in the region and locality and shall mitigate any negative impacts that result from biofuel operations. Criterion 6b in food insecure regions, biofuel operations shall enhance the local food security of the directly affected stakeholders.	Stakeholders expressed concern over food security within their communities particularly when beneficiary villages complete and leave the 3 years FDP Programme. They expressed fear of hunger and poverty when the last villages leave the FDP Programme in 2017. This is to be monitored. Addax responded by saying "It is important to clarify here that villages leaving the FDP have access to the FDS which was set up to provide a soft landing for those leaving."	Open
2014-5 (2014 audit)	Observation	Principle 4 Biofuel operations shall not violate human rights or labor rights, and shall promote decent work and the well-being of workers. Principle 5 In regions of poverty, biofuel operations shall contribute to the social and economic development of local, rural and indigenous people and communities.	It was claimed by indigenous that Inadequate provision of employment for the indigenous of the project affected communities is provided. This is disputed by Addax and claims need to be verified at the onsite audit.	Open

2014-6 (2014 audit)	Observation	<p>Principle 4 Biofuel operations shall not violate human rights or labor rights, and shall promote decent work and the well-being of workers.</p> <p>Principle 5 In regions of poverty, biofuel operations shall contribute to the social and economic development of local, rural and indigenous people and communities.</p>	Dissatisfaction expressed by some crop owners over the alleged unfair crop assessment and payment. Claims need to be verified.	Open
2014-7 (2014 audit)	Observation	Principle 5 In regions of poverty, biofuel operations shall contribute to the social and economic development of local, rural and indigenous people and communities.	Stakeholders from some villages complained that the operations of ABSL have damaged their roads, and that the Company has failed to upgrade their roads. Claims need to be verified.	Open
2014-8 (2014 audit)	Observation	Principle 9: Biofuel operations shall maintain or enhance the quality and quantity of surface and ground water resources, and respect prior formal or customary water rights.	Alleged contamination of main source of drinking water within the affected communities. Effluents from surrounding pivots enter main water stream. Needs to be tested/verified. Explanation by Addax: "There is no evidence of pollution from the pivots other than increased sediment loads from drainage excavations. ABSL has completed inventories of all water sources for villages (groundwater and surface run-off), relative to the position of the pivots. This will enable proper monitoring of this issue. However to date there is no scientific evidence to support assertions of massive pollution."	Open
2014-9 (2014 audit)	Observation	Principle 10: Air pollution from biofuel operations shall be minimized along the supply chain.	Offensive smell and heavy noise from the factory affecting Tonka village being very close to the factory. Needs to be measured and verified.	Open

2014-10 (2014 audit)	Observation	RSB-STD-11-001-20-001- vers.3.1 Criterion 1.6.3	A written contract between ABSL and the legal owner of the site – Petroleone could not be verified during off site assessment. Both contract and control over their product while it is being stored will be verified during next on site evaluation.	Open
2014-11 (2014 audit)	Observation	RSB-STD-11-001-20-001- vers.3.1 Criterion 1.8.	GHG calculation on real values with all the evidences and records will be verified during next on site assessment.	Open
2014-12 (2014 audit)	Observation	RSB-STD-11-001-20-001- vers.3.1 Criterion 1.11	Calculation of the mass balance is based at the moment only on theoretical values. Including different materials and correctness of the mass balance calculation will be verified on site during next assessment.	Open
2014-13 (2014 audit)	Observation	RSB-STD-11-001-20-001- vers.3.1 Criterion 4.1	Contractual issues cannot be verified at the moment because no active sales. This will be verified on site during next on site assessment.	Open

4.2.5 New Non-compliances

Select one:	<input type="checkbox"/> N/A Initial Evaluation	<input checked="" type="checkbox"/> New NC(s)	<input type="checkbox"/> No New NC(s)
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5.0 CERTIFICATION DECISION

Certification Recommendation	
Operator 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:	
Many issues were impossible to fully evaluate based on the Ebola outbreak and these are mentioned within the P&C and CoC checklists. All gaps in the re-certification process will be addressed once the outbreak is contained.	