

Certification Evaluation Report

Roundtable on Sustainable Biomaterials

Sunchem Biofuel Development South Africa (Sunchem SA)

SCS Certificate Code- SCS-RSB/PC-0016

Marble Hall, Limpopo Province - South, 0450, South Africa
Samantha Bartle Hampton
www.projectsolaris.co.za

CERTIFIED	EXPIRATION
August 5, 2015	August 4, 2020

DATE(S) OF AUDIT
October 23, 2017 to October 25, 2017
DATE OF LAST UPDATE
December 22, 2017

SCS Contact:

Matthew Rudolf | Manager, Biofuels
+1.919.533.4886 (direct) mrudolf@scsglobalservices.com



Setting the standard for sustainability™

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 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 (Can be moved to appendix if certain information is confidential)	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	6
2.3 Audit Team.....	7
2.3.1 Determination of Audit Team	7
2.3.2 Auditors.....	7
2.4 Evaluation Schedule and Extent of Audit.....	7
2.4.1 Determination of Extent of Audit	7
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 (for Main audits)	9
2.6.1 Summary of Stakeholder Comments and Responses from the Team, (for Main audits)	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

6.0 CERTIFICATION DECISION..... 13

SECTION A – PUBLIC SUMMARY

1.0 GENERAL INFORMATION

1.1 Operator Information

1.1.1 Name and Contact Information

Organization name	Sunchem Biofuel Development South Africa (Sunchem SA)		
Operator Number	1420		
Contact person	Samantha Bartle Hampton		
Address	7 Coventry Business Park, 675 Pretoria Main Rd Midrand 1685 Johannesburg	Telephone	+27 (011) 8050582
		Fax	
		e-mail	sam@sunchem.it
		Website	www.projectsolaris.co.za www.sunchem.it

1.1.2 Additional Parties Involved **(Can be moved to appendix if certain information is confidential)**

*Confidential information. Moved to Appendix 5.

1.2 Scope of Certificate

Please select one:	<input checked="" type="checkbox"/> RSB EU RED	<input type="checkbox"/> RSB Global
Please select boxes that apply:	<input type="checkbox"/> Pre-assessment <input type="checkbox"/> Initial Assessment <input type="checkbox"/> Re-certification <input type="checkbox"/> Follow-Up to NCs	<input type="checkbox"/> 1st Annual Surveillance <input checked="" type="checkbox"/> 2nd Annual Surveillance <input type="checkbox"/> 3rd Annual Surveillance <input type="checkbox"/> 4th Annual Surveillance
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:	Oil mill has been removed from scope of certificate.	
<i>Note: If the scope is different, please contact SCS.</i>		

SITE INFORMATION FOR AGRICULTURAL SITES OR FEEDSTOCK PRODUCTION SITES	
Site Type	<input checked="" type="checkbox"/> Agriculture <input type="checkbox"/> Forestry
	<input checked="" type="checkbox"/> Biomass Production <input type="checkbox"/> Other:
Feedstock Produced:	Tobacco solaris seed
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:			
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			
Total workers covered by scope of certification:	2 permanent under Sunchem, 2 permanent under Farmer (cultivation campaign included temporary workers, October 19, November 7, January 12, February 4, March 12)			
Number of women workers	0 permanent, (cultivation campaign included temporary workers, October 9 female/10 male, November 5 female/2 male, January 8 female/4 male, February 4 Male, March 8 female/4 male)			
Owned/Controlled By:	Sunchem S.A.			
Location/City:	Marble Hall, Limpopo Province			
Total farms included in certification scope	1			
Geographic location:	Farm/Entity	Location (Lat. - Long.)	Area (ha)	Area Planted (ha)
	1 (Details in Appendix 2 (Confidential))	-25.02972, 29.33485	168,27	9
NEW Please request shapefiles of all farms				
Were shapefiles of farms requested?				
Did Operator provide shapefiles of farms included in scope of certification?	The property owned by this farmer has not changed from previous audit, during which maps of the land have been checked on site. To be provided by next audit.			
Total Area (ha)	168,27			
Total Planted Area (ha)	9			
Total area set aside for conservation purposes (ha)	N/A			
Annual Feedstock Production Volume (please specify unit of measurement)	0 (No tobacco solaris was harvested since the last audit)			

Amount sold as RSB certified in last calendar year (tons)	0 (No tobacco solaris was sold since the last audit)
--	--

1.3 Standards Used

1.3.1 Applicable RSB-Accredited Standards

Title	Version	Date of Finalization
RSB Chain of Custody RSB-STD-11-001-20-001	3.5	August 2016
RSB Standard for Participating Operators RSB-STD- 11-001-30-001	3.2	June 2016
RSB Risk Management RSB-STD-11-001-60-001	3.2	August 2016
RSB Procedure on Communication and Claims RSB-PRO-11-001-50-001	3.2	March 2017
RSB Standard for EU Market Access RSB-STD-11-001	3.1	March 2017
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

Agricultural phase: a) contract for cultivation of Solaris Tobacco, deed of land, map of farm, soil analysis, worker records including contracts, payslips and signed wages for both permanent and temporary workers. b) contract for rented office to follow up agricultural phase.	Updated Organigramme (22.10.2017)
Authorisation to cultivate “Solaris” Tobacco	Company Registration
Stakeholders updated communication through media	Self-risk assessment
GHG Calculation: a) diesel, fertilizer and chemicals bills/invoices with related file of inout comparison over years; b) GHG RSB Tool Solaris 2014-15 season (actual data of cultivation till oil extraction)	SUNCHEM Scope of certification 2016_17

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 year

Main audit	Every 5 years	Every 3 years	Every 2 year
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 Auditors

Auditor Name:	Marinka Vignali	Role:	Lead Auditor
<p>Qualifications: Marinka is a certified Auditor against 2 EU approved voluntary schemes (RSB and ISCC EU) and 2 RED national schemes (Italian national scheme and ISCC DE) with many years of experience in biofuels sector. Previously she has worked at European Commission for 9 years, at DG JRC - Renewable Energy Unit. She has received a Master in Chemical Engineering at Università degli Studi di Pisa (Pisa, Italy) and a PhD in Chemistry at University of Limerick (Limerick, Ireland).</p>			

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 farmer 1 head office 1 office at farming site
--	---

Participating Operator Risk Class	Low risk
Disputes or prior Non-compliances	N/A
Changes in scope since last evaluation	Storage site change
Total number of compliance claims	N/A

2.4.2 Evaluation Itinerary and Activities

Date: 23.11.17	
Operation(s)/ sites visited	Activities/ notes
Desk Audit of Headquarters	Opening Meeting: Scope of audit confirmation
	Document Review: Updated Procedure and Management system
	Check of registrations
	Worker Conditions
	Lunch Break
	Neighboring community members
	Human Resources
	Report Writing
	Closing Meeting
Date: 24.11.17	
Operation(s)/ sites visited	Activities/ notes
Desk Audit of Farmer	Document Review: Contract/Land/Workers conditions
	Check of registrations
	Human Resources
	Report Writing
	Closing Meeting
Date: 25.11.17	
Operation(s)/ sites visited	Activities/ notes
Desk Audit of GHG Emissions	GHG Assessment: Comparison of inputs along the year and confirmation of previous value with actual data of cultivation and tilling.
	Lunch Break
	GHG assessment Part 2
	Report Writing
	Closing Meeting

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.

SUNCHEM has put in place a robust management system for oversight of the production processes from seed to processing, which is not yet operative. It is confirmed that In agricultural phase, the only step which is running until production of tobacco plants, the activities are happening in full cooperation and not merely a simple market exchanges. All declarations and pro-active statements included in the ESMP and the Manual of Sustainability have been implemented at all level of the project.

2.5.3 Evaluation of RSB compliance claims and use of RSB trademarks

Type (compliance claim, trademark use)	Description	Findings
Compliance claim in delivery note template	The template covers all possibility of internal and external production	Template according to requisites

2.6 Stakeholder Consultation Process (for Main audits)

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, (for Main audits)

Stakeholder Comments	SCS Response
Economic Concerns	
Unchanged from previous audit	The new crop offers a valid alternative, without provoking distortion to the current economy.
Social Concerns	
Unchanged from previous audit	The benefit to the tobacco industry has been foreseen by farmers since they can offer another source for continuous work.
Environmental Concerns	
Unchanged from previous audit	The stakeholders are part of governmental institution dealing with environmental programs. There was a main concern since from “protected planet” web site, many of the farms were close to wild areas. However it has been clarified that the areas were agricultural areas/touristic areas to be protected against mining constructions.

3.0 RISK ASSESSMENT RESULTS

Based on the most recent self-risk assessment (no older than 3 months from the audit date) the PO’s risk assessment results are:	Corresponding risk class (low, medium, high):
1	Low risk

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 operator’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 checked="" 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 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)
2017-1	Minor NC	RSB-STD-11-001-30-001 PO Checklist 1.11	Self-evaluation has not been performed since sustainable material has not been acquired and/or handled. However, an internal audit should be carried out regardless of production. An internal audit would show that the company's management and procedures in line with RSB standards	Open
2017-2	Minor NC	RSB-STD-11-001-60-001 PO Checklist 3.1	Assessment against the risk management system must be conducted every year regardless if production or sales of RSB material is taking place, especially as the RSB risk management standard has been updated since the last standard. Operator must check for compliance with this standard and ensure that risk identification, risk assessment, and risk mitigation, and risk monitoring is taking place every year.	Open
2017-3	Minor NC	RSB-STD-11-001 PO Checklist 6.4.3, 9.2.1	Real/ Updated GHG data must be used and verified by SCS prior to Sunchem making any sales into the RSB market.	Open
2017-4	Minor NC	RSB Request	Shapefiles for all farms included in scope need to be provided.	Open

6.0 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:	
To be completed by Certification Decision-Making Entity	Technical Review by: If different to decision-maker Inna Kitaychik
	Certification decision: Continued certification under RSB
	Certification decision by: Matthew Rudolf 
	Date of decision: For initial or continued certification 12/22/17
	Surveillance schedule: Within 12 months of 2017 surveillance audit Notes:

Sub Certificate Codes (if applicable)

Legal Entity/Operational Site	Sub-Certificate Code