
**Audit Report according Performance
Standards on Social & Environmental
Sustainability (MIGA) and Environmental
Health and Safety Guidelines (IFC)**

13th October, 2011

1. GENERAL INFORMATION

COMPANY:	AGROLITO
SOCIAL ADDRESS:	Route de Zaghouan 4030 Enfidha - Tunisie
CONTACT PERSON:	Emmanuel Leconte (Managing Director)
SCOPE:	Production and supply of winter salads

2. AUDIT DESCRIPTION

OBJECTIVES OF THE AUDIT	<ul style="list-style-type: none"> ▪ To evaluate the fulfillment with the eight Performance Standards. ▪ To evaluate the fulfillment with the four EHS Guidelines. ▪ To present options of improvement.
STANDARD	<ul style="list-style-type: none"> ▪ Performance Standards on Social & Environmental Sustainability (MIGA). ▪ Environmental Health and Safety Guidelines (IFC).
LEAD AUDITOR:	Rafa Sole
AUDIT DATES:	September 29 th and 30 th
VISITED CENTERS:	MARJA plot / TAKROUNA plot Agrolito has a total of some 300Ha of land. The land used for farms are leased to the OTD (Government of Tunisia). The EIA and measures to minimize any negative consequences have been approved through consultation verbal, not written.
METHODOLOGY:	<p>In fulfillment of the audit plan, the following activities have been carried out:</p> <ul style="list-style-type: none"> - Initial Meeting - Evaluation of the implementation of the Social and Environmental Management System: <ul style="list-style-type: none"> . Documentary review . Technical visit to the facilities to evaluate the fulfillment with the eight Performance Standards and the four EHS Guidelines. . Qualitative interviews with key persons of the organization - Final Meeting

3. RESULTS OF THE AUDIT

3.1 ASSESSMENT OF COMPLIANCE WITH THE PERFORMANCE STANDARDS

PS1. Social and Environmental Assessment and Management Systems

Social and Environmental Management System / Social and Environmental Assessment

Evidences found during the audit:

The company is adapting its environmental policy. The communication of the policy to all staff and suppliers is documented and planned, and serves as basis of objectives and goals.

The company has a Global GAP certification since 2007 for all farm operations. The certificate has been verified like a member of the standard.

The company says they haven't eliminated traditional landscape elements (trees, etc.) nor traditional elements of the property (wells, etc.). The last time a tree was moved, it did from the place of production and was placed in another part of the farm uncultivated.

It has carried out an assessment of environmental aspects and impacts, dated 03/09/2010, over:

- Underground
- Tillage
- Water spreaders
- Culture coverage
- Plantations manual
- Fertigation
- Azada
- Spraying
- Collect
- Transport to winery

Actions to take / Actions to consider

Not applicable.

Appreciations of the expert auditor:

Without considerations.

Management program

Evidences found during the audit:

The company has implemented procedures and operating instructions for the activities of:

- Preparation and application of pesticides
- Preparation and implementation of irrigation and ferti-irrigation
- Procedure for vacuum packaging disposal
- Method of harvest
- Planting Instruction

All these instructions have proof of delivery to users.

The company has planned to define their environmental objectives in the short and long term. These objectives will include aspects such as energy, water, pollution, greenhouse gases and other aspects that may have an impact on the environment.

It has a specific plan as a result of the internal audit LEAF.

Actions to take / Actions to consider

Not applicable.

Appreciations of the expert auditor:

Without considerations.

Organizational Capacity

Evidences found during the audit:

The company has the following description of duties and responsibilities:

- Responsible for the operations of irrigation and ferti-irrigation
- Team Leader (Management representative on the ground)
- Tractor driver
- Plantation Watcher
- Grocers

Actions to take / Actions to consider

The roles and responsibilities of the main managers of the system should be defined.

Appreciations of the expert auditor:

Without considerations.

Training

Evidences found during the audit:

At the beginning of each season, all workers in each crew are trained in H&S and Environment. The last trainings dated 26/09/2011 12/09/2011 have been checked. The attendance record of employees has been verified.

The agenda includes:

- Propagation of microorganisms
- Foreign bodies and pollution
- Information on the impact of waste on the environment
- Security

The company carries out training in technical by precision application of nutrients to ensure they are properly implemented to protect the environment. The training sessions are carried out by a technical agronomist of internal staff.

The company has provided training in identification of pests and crop diseases to make decisions regarding the use of pesticides. Training sessions for proper use of pesticides with regular refresher training at appropriate time intervals are also planned.

Actions to take / Actions to consider

Not applicable.

Appreciations of the expert auditor:

Without considerations.

Community engagement

Evidences found during the audit:

The company plans the placement of posters in Arabic and French to communicate its purpose to cultivate shaped like balanced and positive.

Company has a documented record of all complaints received from external customers and stakeholders (residents and the general public), and the actions that have been taken.

Actions to take / Actions to consider

Not applicable.

Appreciations of the expert auditor:

Without considerations.

Monitoring

Evidences found during the audit:

A full internal LEAF audit in their version 9 has been carried out at 14/05/2010. It is documented and has a corrective action plan.

It is planned to carry out energy efficiency audits to cover fuel, heating, cooling and lighting and to identify ways to reduce dependence on nonrenewable energy.

Actions to take / Actions to consider

Not applicable.

Appreciations of the expert auditor:

Without considerations.

Reporting

Evidences found during the audit:

Reports are available for all activities described.

Actions to take / Actions to consider

Not applicable.

Appreciations of the expert auditor:

Without considerations.

PS2. Labor and working conditions

Working conditions and management of worker relationship

Evidences found during the audit:

All employees have an employment contract detailing the terms of employment and they have been informed, through training, about working conditions.

The right of workers to join labor organizations is recognized, complying this way with national law, and they does not get any interference to negotiate collective bargaining agreements and protect their rights. The agriculture sector has no collective agreement.

There is currently no representation of workers, but are aware of their rights in this area. In harvest season, when increases the number of employees, there are delegation and representation.

There is no evidence that employment relationships are not based on principles of equal opportunity and fair labor, and employment decisions are not based on personal characteristics unrelated to inherent requirements of the position.

The company has established written social commitments related with:

- Respect to the main principles of the United National Global Compact:
 - Human Rights
 - Abolition of child labor
 - freedom of association
 - non-discrimination
- Develop the loyalty of temporary workers to consolidate their knowledge and experience to better product quality
- Protection of workers from the plant health risks
- To promote an emotional connection with the company

When there are workers representatives, complaints are handled through them, otherwise, the complaints are addressed through managers.

Actions to take / Actions to consider

Not applicable.

Appreciations of the expert auditor:

Without considerations.

Protecting the work force

Evidences found during the audit:

There are not employing children. Forced labor is not employed.

Actions to take / Actions to consider:

Not applicable.

Appreciations of the expert auditor:

Without considerations.

Occupational Health and Safety. GENERAL GUIDELINES: HEALTH AND SAFETY

Evidences found during the audit and actions to consider

There has been a risk assessment of work processes

General facility design and operation	
Integrity of workplace structures	Appropriate
Severe weather and facility shutdown	Not applicable
Workspace and exit	Pending of risk assessment. But during the visit no potentially dangerous situations there were found.
Fire precautions	Pending of risk assessment in office
Lavatories and showers	Not applicable
Potable water supply	Appropriate
Clean eating area	Not applicable
Safe access	Appropriate
First aid	The company has trained staff and has material for first aid available.
Air supply	Not applicable
Work environmental temperature	Procedures should be established to combat adverse weather conditions and extreme outdoor.

Communication and training	
OHS Training	Appropriate
Visitor orientation	Not applicable
Area signage	Not applicable
Labeling of equipment	Not applicable
Communicate hazard codes	Not applicable

Physical hazards	
Rotating and moving equipment	Pending of risk assessment in machines
Noise	Not applicable
Vibration	Not applicable
Electrical	Pending of risk assessment in facilities
Eye hazards	Pending of risk assessment in work environment

Welding / Hot work	Not applicable
Industrial vehicle driving and site traffic	Not applicable
Ergonomics, repetitive motion, manual handling	Pending of risk assessment (mechanical assists, tools that reduce force requirements, and improve posture,.....)
Working at heights	Not applicable
Illumination	Appropriate

Chemical Hazards	
Air Quality	Appropriate
Fire and Explosions	Appropriate
Corrosive, oxidizing and reactive chemicals	Not applicable
Asbestos containing materials	Not applicable

Others	
Biological hazards	Pending of risk assessment. A priori, there are not products considered that may pose a biological hazard to workers.
Radiological hazards	Not applicable
Personal protective equipments	Appropriate
Special hazard environments	Not applicable
Monitoring	Annual medical examinations are performed with documented results. There should be an investigation of workplace accidents.

Actions to take:

The risk assessment must cover all materials, equipment and facilities used and all existing conditions. the risk assessment for office staff must be carried out also.

Appreciations of the expert auditor:

Without considerations.

Non-employee workers

The company meets the same requirements as for permanent workers.

Supply chain

The company has assessed the impact occurred in the supply chain and they have significantly reduced pollutant values of CO₂ in the client routes to their destinations.

See Carbon balance (Bilan carbone).

PS3. Pollution prevention and abatement

General requirements

Evidences found during the audit:

There have been soil tests to check the soil types of exploitation and to identify factors that can lead to problems of compaction, slumping, erosion, runoff and seepage.

The company plans to extend the instruction of application of manure to dispose a management plan for organic matter that record the application rate and timing of applications of organic fertilizer in each plot.

The company takes steps to minimize harm to beneficial organisms and wildlife, using specific products for pests and diseases. For example: Previcur against mildiu.

The company plans to conduct a documented procedure to inform the actions to be taken in case of a effluent that could be dangerous for the environment. The contact details and phone numbers relevant that may be necessary to call in case of emergency are available to staff.

Actions to take / Actions to consider:

Not applicable.

Appreciations of the expert auditor:

Without considerations.

Technical guidance. GENERAL GUIDELINES: ENVIRONMENTAL

Evidences found during the audit and actions to consider

GENERAL GUIDELINES: ENVIRONMENTAL	
Air emissions and ambient air quality	Not applicable
Energy conservation	Electricity consumption is register in warehouse, fields and wells. It is planned to include in the environmental policy to purchase energy efficient equipment.
Wastewater and ambient water quality	It is planned to establish a Nutrient Management Plan to ensure that nutrients are optimized for crop yield and minimize the environmental impact of nitrate leaching. There are no natural water courses around the farm.
Water conservation	In order to get soil stability and reduce erosion it takes place the application of manure and tillage of crop residues and grass; this improves efficiency in water use and helps to maintain good soil structure. There are plans to make maps of drainage in warehouses and plots. There are also plans to make a water management plan

	<p>that includes measurements and record the efficiency of its use (consumption m³ / Tm crop). Some practices to improve efficiency in water use are being carried out, as the placement of plastic to reduce their consumption and the collection of rainwater in the dam.</p>
Hazardous material management	<p>The crop protection products are available in containers with metal shelf, locked, signposted and not accessible to unauthorized personnel. All crop protection products are authorized for ministry for their import and their employment. Expired products are not used. The company has planned an inventory of all pollutants including the degree of danger and a subsequent action plan to reduce the impact of these potential contaminants in the environment.</p>
Waste management	<p>The company has identify the waste generated during the production system. The company ensures that sub-products and waste are managed so that there is no risk to water quality or harm to the environment. The company has planned a waste minimization plan. Documentation should be modified to suit the requirements of the standard in waste matter. It is planned to include an instruction of spraying, how to manage all waste treatment.</p>
Noise	Not applicable
Contaminated land	<p>Containment tanks and fitobag are used to prevent possible escapes that can reach waterways. There is no fuel tanks on the farm</p>

Actions to take:

Not applicable.

Appreciations of the expert auditor:

Without considerations.

Ambient considerations

Not applicable

Greenhouse gas emissions

Evidences found during the audit:

The company has made a carbon balance study, through to estimate of emissions of greenhouse gases (GHGs) and carbon consumption in plantations. The parameters taken into account in the study were:

- Inputs (fertilizers,...)
- Total energy production-related (direct, related to irrigation, consumed by others)

- Materials related to the production
- Transportation from the place of production to the packing
- Packaging
- Final transport to the client processing plant Mcdonal

Actions to take

Not applicable.

Actions to consider:

It should be make Efficiency measures of nitrogen per ton of crop like a nutrient management measures to minimize GHG emissions.

Appreciations of the expert auditor:

Without considerations.

Pesticide use and management

Evidences found during the audit:

The company performs a control of plant protection products through a selection of active substances together with manufacturers and of the residue analysis.

The doses of pesticides are recorded in the files of the treatments.

It is planned a documented procedure to ensure compliance with the terms of security when using crop protection products. However, the date allowed for collection is registered in the treatment card.

Actions to take

Not applicable.

Actions to consider

The company should register the application of organic and inorganic fertilizers to confirm that it respects the Nutrient Management Plan.

The company should define a periodicity to use a product (herbicide, fungicide, insecticide) to prevent pest resistance should be defined. Pest levels and thresholds should be monitored and recorded.

Appreciations of the expert auditor:

Without evidence.

PS4. Community Health, Safety and Security

The company takes precautions to ensure that the use of pesticides is limited to the area in which it is necessary, and does not affect adjacent.

The farms do not have neighboring, businesses or public. However, it is planned to include in instruction of spraying, treat only cultivated area and not the surrounding areas.

PS5. Land Acquisition and Involuntary Resettlement

Not applicable.

PS6. Biodiversity Conservation and Sustainable Natural Resource Management

The company has planned to carry out the control of flora and fauna of the exploitation.

Although in plots have not nesting areas, are underway out operations on the ground to avoid possible damage to birds that can nest during the breeding season. For example: manual weeding and not try the areas near the river.

Measurements have been considered to provide habitat for nesting.

PS7. Indigenous Peoples

Not applicable.

PS8. Cultural Heritage

Not applicable.

3.2 ASSESSMENT OF THE STRONG AND WEAK POINTS

3.2.1 STRONG POINTS

The strong measures taken to minimize emissions, water consumption and environmental impacts.

3.2.2 WEAK POINTS

The lack of documented management.

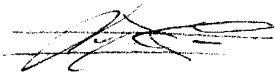
3.3 CONCLUSIONS

Environmental and occupational hazards controlled. In the absence of more comprehensive assessments, grave impacts not appreciate.

3.4 FINAL DECISION ON THE PROJECT

Favorable.

Lead auditor signature:



Rafa Sole

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