

PUBLIC SUMMARY REPORT

External Verification of Sustainability Policy Transparency Toolkit (SPOTT) Palm Oil Assessment

Daabon Group
2023

Contact

Control Union Colombia SAS
Calle 84A # 11-18 Edif. Torre Andino, Ofi.306
Bogotá, Colombia.
colombia@controlunion.com
Tel: +57 1 696 0191

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PART 1: SCOPE OF THE CERTIFICATION ASSESSMENT AUDIT**1.1 Company and Contact Details**

Company Name:	Daabon Group
Business Address:	Carrera 1 # 22-58. Edificio Bahía Centro, Piso 11. Santa Marta, Colombia.
Contact Person:	Carolina Torrado
Office Telephone:	+57 604237270
E-Mail:	ctorrado@daabon.com.co
Web Site:	www.daabon.com

1.2 Assessment Details

Date of this verification	18/07/2023-21/07/2023. (Revised 31/07/2024)
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1.3 Assessment Type

Third party verification to assess and validate compliance, performance and/or action taken by DAABON group in relation to its commitment by evaluating the information provided by towards SPOTT concerning the latest **SPOTT Palm Oil Indicator Framework 2023** that requires external verification.

1.4 General Description of Daabon Group

The Daabon Group is a company dedicated to the production of Palm Oil and its derivatives, including the companies C.I. Tequendama S.A.S and Palma y Trabajo S.A.S. S.A.S. which are located in Santa Marta, department of Magdalena in Colombia.

The Daabon group is certified in different sustainable certification models, including RSPO, being the most recognized model worldwide for the production of this product.

1.5 Operational Units under scope

Details of the processing operations are as below:

PRU	Name Palm Oil Mill	Mill Capacity	Location	GPS Reference	
	(POM)	MT/Hour	Address	Longitude (E/S)	Latitude (N/S)
POM 1	C.I Tequendama	30	Km 2 Vía Fundación a Aracataca, Municipio de Aracataca – Magdalena	74°10'58.30"W	10°32'59.14"N
POM 2	Palma y Trabajo S.A.S. S.A.S	24	Km. 1 Puente Sogamoso- Puerto Wilches Santander	73°48'00,34"N	7° 14' 18,56"W

Location of the Supply Base

OPP	Oil Palm Plantation	Location	GPS reference		Area Summary (Ha)		
	Name	Address	Longitude (E/S)	Latitude (N/S)	Mature	Planted	Total
POM 1: C.I Tequendama							
OPP 1	Tequendama	Aracataca, Magdalena	10°32'59.14"N	74°10'58.30"W	450	1,661.39	2,399.2
OPP 2	Ariguaní	El Copey, Cesar	10°14'12.12"N	74° 0'6.08"W	981.43	981.43	1,632.9
OPP 3	Gavilán	El Retén, Magdalena	10°40'48.05"N	74°19'51.64"W	892.35	920.41	1,030.3
OPP 4	Gavilán II	El Retén, Magdalena	10°41'45.97"N	74°17'32.66"W	401.58	401.58	678.7
OPP 5	Las Mercedes	Riohacha, La Guajira	11°15'48.20"N	73° 9'28.40"W	324.8	328.5	1,240.5
OPP 6	Asopalthea Association	Aracataca, Magdalena	10°32'59.14"N	74°10'58.30"W	49	49	51
OPP 7	Group of Aliados Palmicultores	Aracataca y El Reten, Magdalena	10°32'59.14"N	74°10'58.30"W	635.8	635.8	783.32
TOTAL					3,734.96	4,978.11	7,815.92
POM 1: PALMA Y TRABAJO S.A.S. S.A.S							
OPP 1	Oleoyuma	Km. 1 Puente Sogamoso	73° 48'00,34"N	7° 14' 18,56"W	2301,41	3023,10	3918.2
TOTAL					2301,41	3023,10	3918.2

2 PART 2: AUDIT PROCESS

2.1 About the Certification Body

Control Union Certifications is a member of the Control Union – an international inspection and certification body. CUC performs assessments and certification in many agricultural based fields such as FSC, RSPO, and Organic production, Sustainable Textile Production, Organic Exchange, GLOBALGAP, HACCP, BRC, GMP and GTP.

Control Union Colombia S.A.S.

It has a presence in the Colombian market for more than 15 years, offering the entire catalog of services of Control Union Certifications B.V. We have Certification of global sustainability standards, Inspections, commodities, among others.

2.2 Audit Team

Lead auditor:	
Team member 1:	Mr. Boris Villarreal
Team member 2:	Mr. Franklin Suarez

2.2.1 Qualifications of the Assessors

Name	Qualifications
Boris Villarreal	Andes University Biologist. 10 Years of experience as an Environmental specialist auditor for Sustainability Standard's as RSPO P&C, ISCC EU-PLUS, Bonsucro, among other programs. ISO 14:001:2015 IRCA Lead Auditor.
Franklin Suarez	Experience as a Lead Auditor for RSPO SCC, ISCC EU-W&R standards.

2.3 Audit Methodology

2.3.1 General Overview

Assurance method included,

- Inquiring and interviewing of management, including senior management at executive and functional levels, and of relevant management responsible for the day-to-day management of sustainability.
- Evaluating documentary evidence and management representations that support adherence to the principles.
- Data source validation.
- Limited testing of detail on a sample basis (e.g., re-performance of calculations).
- Verifying analytical procedures (e.g., trend analysis).

All concerned SPOTT indicators 2023: 12, 35, 36, 37, 38, 61, 62, 67, 70, 71, 88, 92, 98, 105, 110, 112 114, 126, 127, 139, 141, 142, 143, 152, 157, 165, 166, 168, 170, 171, 173, 175, 176, 178, 179 and 182

For Data source verification sample of site management will be interviewed by the auditors by virtual means

2.3.2 Sampling

For non-traceability related SPOTT Indicators sampling is not required. Verification scope is limited to two Palm Oil Mills located in Colombia with their supply base. All sites were evaluated.

Sampled operational units for the evaluation

Palm Oil Mill	Refineries	Biodiesel Plant	Crusher Plant
C. Tequendama S.A.S.	Caribbean EcoSoaps S.A.S.	Biocombustible Sostenibles del Caribe S.A.S.	Tequendama S.A.S.
Palma y Trabajo S.A.S.			

PART 3 ASSESSMENT FINDINGS

3 ASSESSMENT FINDINGS

Summary of Findings	Scope and Scoring
Climate risks assessment available (<i>Indicator 12</i>)	
The DAABON group has a "climate change risk assessment report" prepared by the external consultant "Marsh McLennan" in 2022 that includes the agro-industrial activities of palm oil production and its derivatives at C.I. Tequendama S.A.S. and Oleaginosas Yuma. At the agricultural level, there is a "nature risk report" for the Gavilan, Ariguaní, Tequendama, Las Mercedes and Oleoyuma farms prepared in August 2022 by a Marsh McLennan risk consultant. The risk level was evaluated and determined using the "Risk Suite de Munich Re" application. The climatic factors evaluated are floods, lightning, hail and tornadoes. Based on these identified threats, the degree of vulnerability of the palm crop is established and strategies are generated to implement measures to reduce or mitigate climate change threats. The activities are in accordance with the Comprehensive Climate Change Management Plan for the agricultural sector established by FAO.	Comprehensive
Percentage of fresh fruit bunches (FFB) supply to own mills traceable to plantation level. (<i>Indicator 35</i>)	
The DAABON group has the Chain of Custody System RSPO Sustainability Certification for an IP Preserved Identity model which is evaluated annually by Control Union's external auditors. This traceability model ensures that 100% of C.I. Tequendama S.A.S Palm Oil Mill suppliers are Traceable. For Palma y Trabajo S.A.S.'s external suppliers, the traceability information has been updated based on the accompaniment provided to suppliers to obtain information on the farms' geographic location and to verify compliance with the legal clauses of all suppliers that have contracts for the sale of palm oil FFB.	Comprehensive
Percentage of supply from third-party mills traceable to plantation level (<i>Indicator 36</i>)	
The DAABON group has implemented the TRUST project to identify the external extraction plants that supply the organization's refinery. An evaluation is generated that establishes the percentage of compliance with the traceability of its suppliers. However, there is no clarity on the methodology used to ensure that 100% of the suppliers of fresh oil palm fruit bunches have been identified down to the farm level.	Limited
Publishes traceability data at refinery level. (<i>Indicator 37</i>)	
DAABON TRUST project has been implemented with the support of the external consultant Proforest to evaluate the traceability of the extraction plants that provide crude palm oil (CPO). Internally, C.I. Tequendama S.A.S has a supplier re-evaluation form, Code T-RG-GC-04 v01 18/01/2021, which shows the evaluations carried out on 28/03/2023 to the supplier Palmagro S.A., on 27/03/2023 to Palmicultores del Norte SAS, on 21/07/2023 to the supplier Aceites S.A., and on 27/03/2023 to Palmicultores del Norte SAS. The Informe de la base de suministro propia y de terceros v02 (Jan 13, 2023) available online, collects the results and data of all the traceability of Daabon's refinery operations. This information is fully backed up by the RSPO SCC audit that has been audited by Control Union for certification.	Comprehensive
Publishes traceability data at crusher level. (<i>Indicator 38</i>)	
The DAABON group has the Chain of Custody System RSPO Sustainability Certification for an IP Preserved Identity model, which is evaluated annually by Control Union's external auditors. This traceability model ensures that 100% of Crusher suppliers are sustainable.	Comprehensive

<p>The Informe de la base de suministro propia y de terceros v02 (Jan 13, 2023) available online, collects the results and data of all the traceability of Daabon's palm kernel crusher. This information is fully backed up by the RSPO SCC audit that has been audited by Control Union for certification.</p>	
<p>Evidence of monitoring deforestation and/or ecosystem conversion. (Indicator 61) Evidence of monitoring deforestation and/or ecosystem conversion in supplier operations (Indicator 62)</p>	
<p>DAABON has a format for "early warning reports on deforestation and fires on its own and supplier farms for the year 2022". There is also a procedure for "Management and monitoring of fire and deforestation alerts." Fires are recorded using the "GeoRSPO" system. Reports include the date of the event, locations, observations, names of the farms, and the "type", regardless of whether they are external suppliers, the company's own farms, or those of small producers. For deforestation cases, the "Global Forest Watch" web portal application is used to evaluate changes in "vegetation cover" from 2000-2023. The findings reported by these portals are associated with eradications and renewals of oil palm cultivation.</p>	Comprehensive
<p>Implementing a landscape or jurisdictional level approach (ID 67)</p>	
<p>The DAABON group has a "Declaration of <u>collaboration</u> and participation with stakeholders to improve the sustainability in the oil palm areas" published online, valid since 07/14/2023. There has been identified the types of organizations that are involved in the territory where the company's oil palm plantations are located and has established objectives for each of them from a landscape a/o jurisdictional approach (NGO's such as WWF, POIG, educational centers such as the University of Magdalena and the regional environmental authorities CORPAMAG, DADSA and the Chamber of Commerce of Santa Marta).</p>	Comprehensive
<p>Identified species of conservation concern, referencing international or national system of species classification (ID 70)</p>	
<p>DAABON has the High Conservation Value Areas (HCV) identification studies prepared by external consultants. For the northern zone, the study was conducted in May 2016 as part of the GEF IDB cooperation agreement in the "Paisaje Palmero Biodiverso" project with the support of local experts. For the Palma y Trabajo S.A.S. project, the HCV assessment was conducted in 2018 by the consulting firm PROFOREST.</p>	Comprehensive
<p>Examples of species and/or habitat conservation management (ID 71)</p>	
<p>In the C.I. Tequendama S.A.S. HCV study, 10,609 ha. were evaluated, and 688 ha. were identified as management areas for the conservation of local biodiversity associated with HCV 1 on endangered species and HCV 3 on threatened ecosystems such as the Tropical Dry Forest. It was also identified areas of high value such as the <i>Ciénaga Grande de Santa Marta and the Sierra Nevada de Santa Marta</i>, which are nationally and internationally protected areas (RAMSAR). Besides, for Palma y Trabajo S.A.S., a management zone of 182.7 hectares was established for the High Conservation Value areas associated with endangered species of fauna and flora found in the wetlands of the middle Magdalena region of the department of Santander, Colombia.</p>	Comprehensive
<p>Social and environmental impact assessments (SEIAs) available, and associated management and monitoring plans. (ID 88)</p>	
<p>DAABON has presented the Socio-Environmental Impact Assessments (SEIAs) that it conducts through a participatory process in which surveys and workshops were conducted to investigate the perception of communities, workers, and suppliers of RFF on the company's activities with stakeholders, who also participate in the formulation of management plans associated with the impacts identified. These documents have been</p>	Comprehensive

<p>extensively verified since 2010 by numerous Control Union auditors that have visited the Daabon operations throughout their journey through the RSPO certification.</p> <p>The ESIA's were conducted by the company's internal personnel with the appropriate professional profile to carry out the social research activities. At C.I. Tequendama S.A.S. the ESIA was done during the year 2021 by the personnel and at Palma y Trabajo S.A.S. it was done during the year 2023. All industrial and agricultural processes have been analyzed using an environmental impact assessment matrix that establishes a significance value according to a methodology appropriate to the scale of the company's operations. C.I. Tequendama S.A.S. has Environmental Management Plans for the Extraction Plant and Plantations updated on 07/15/2023. For Palma y Trabajo S.A.S., the environmental management plans for the palm plantations and the extraction plant were updated on 02/01/2021. The management plans include action plans for the mitigation and management of environmental impacts. Based on the results, management sheets are established with the objectives and actions to be implemented.</p> <p>At the industrial level, aspects such as the following are considered: By-product management; wastewater management; and management and control of atmospheric emissions. D. Solid Waste Management, management of solid by-products, efficient use and conservation of water, efficient use and conservation of energy, and management of hydrocarbon spills and harmful substances. The plantations establish plans for land suitability, soil erosion, soil compaction, planting, infrastructure, civil works, irrigation, drainage, water resources, fertilization, pollination, plant health, solid waste management, and management of natural areas. The monitoring plan establishes specific indicators to evaluate the effectiveness of the implementation of the environmental management plans.</p>	
Implementation of commitment to no planting on peat of any depth. (Indicator 92)	
<p>Daabon has a Sustainability Policy that includes a commitment not to plant on potential peatlands. RSPO declaration of no planting on peat and no expansion.</p>	Comprehensive
Evidence of fire monitoring and management (ID 98)	
<p>The monitoring of deforestation cases is executed through the application of the web portal "Global Forest Watch", which allows evaluating the changes in "vegetation cover" from 2000-2023 for the polygons of the group's oil palm estates, both in the northern zone of C.I. Tequendama S.A.S. and the Magdalena Medio zone in Palma y Trabajo S.A.S..</p>	Comprehensive
Progress towards commitment to reduce GHG emissions intensity (ID 105)	
<p>Daabon has a GHG Emissions Management Protocol in force since July 12, 2023, which establishes reduction goals focused on achieving "0 net carbon emissions by 2040". The company monitors greenhouse gas emissions through RSPO certification tools for palm oil plantations and extraction plants. For the refining process, GHG emissions are calculated using the methodology applicable to IPCC certifications such as ISCC EU. During the year 2022 the company conducted a management to validate the calculations of the carbon footprint of the products obtained in the refinery through the international initiative called "Climate Partner". The Environmental Management team generates Greenhouse Gas emissions reports for C.I. Tequendama S.A.S. and Palma y Trabajo S.A.S. for the year 2022 based on the results obtained with the RSPO Palm GHG v 0.3 tools and the calculation of emissions under IPCC. The analyzed data shows a % reduction for each unit. C.I. Tequendama S.A.S. 0.03% for the extraction plant and 0.13% for the refinery. In Palma y Trabajo S.A.S. a figure of 0.18% is obtained. The GHG emissions data for the C.I. Tequendama S.A.S. plantations increased from 0.31 to 0.38 and for the Palma y Trabajo</p>	Comprehensive*

<p>S.A.S. plantations it increased from 0.80 to 0.93. This situation is associated with the renewal processes of oil palm crops, where gains are "lost" because the young palms do not represent a significant capture of emissions compared to the old plantations of more than 20 years.</p> <p><i>*Observation.</i> DAABON Group does not have a valid ISCC certification for external verification of the values entered. Information submitted to a GHG "accreditor". The Climate Partner verification process is in the process of external verification.</p>	
Progress towards commitment on water use intensity (ID 110)	
<p>Daabon has an efficient water use plan. Monthly irrigation indicators were verified, which are based on daily consumption records recorded in the SIAGRI database platform, where daily irrigation maintenance activities or other associated tasks are reported. SIAGRI reports the date and the lot where irrigation was applied to the plantations and the net area. According to the census, the area is established, and the irrigation of the lots is monitored based on the consumption indicator in L/S - with graphs according to the flow rates obtained. These data are validated with gauges taken from the main canals and in the water catchment in the rivers of the region (R Ariguaní Periodically, the Company establishes % savings goals according to the commitments with the competent environmental corporations Corpamag or Corpocesar. Although for some months the 5% goal is not met, reductions in consumption were evidenced. During the year 2022, at the regional level in the Colombian Caribbean area, there were cases of high rainfall and irrigation cycles were reduced while in others, such as in the area of the Department of Cesar, the use of irrigation had to be increased to cover the needs of the crop and therefore certain goals were not met. Regarding small producers, some do not have irrigation. Those who have access to the irrigation districts of the Usoaracataca, Usoariguaní, Uсотurcinca zone have the "payment slips" issued by the irrigation districts for the collection of the water use fee. This information is based on the gauges generated by the different irrigation districts. Although this information is handled directly by the producers, the personnel who monitor the productive alliances validate compliance with the concessions and maintenance activities are being done on the irrigation channels. In Palma y Trabajo S.A.S. Oil Palm crops there is no irrigation system; activities are focused on periodic maintenance of the drainage canals to prevent flooding during torrential rains in the winter season.</p> <p>In relation to water consumption intensity, expressed in (m³/tFFB or tCPO), a reduction was evidenced in 2022 compared to the values reported for 2021. This is the case for the Tequendama plantations, which decreased from 39.46 to 2.99, Ariguaní from 16.36 to 11.65, Finca Las Mercedes from 33.53 to 31.95, the extraction plant from 1.52 to 0.79, and the refinery from 1.99 to 1.22, for C.I. TEQUENDAMA S.A.S. Additionally, the extraction plant of Palma y Trabajo reduced from 1.37 to 1.29, all showing reductions greater than 5%, which is the target set by the companies.</p>	<p>Comprehensive</p>
Progress towards commitment on water quality (BOD or COD) (ID 112)	
<p>DAABON performs adequate wastewater treatment. The Company has physicochemical and microbiological analyses of industrial effluents that include data on BOD, COD, TSS, G&A, among other variables. These reports, prepared by accredited external laboratories, are submitted to the Colombian environmental authorities. C.I. Tequendama S.A.S. Testing conducted by LABORMAR laboratory. Extraction Plant. Report 10523 dated 09/02/2023. BOD 387 mgO₂/L, COD 1859 mgO₂/L. Although this COD value is above the permitted value for industrial discharges to water sources according to Resolution 631 of 2015, which is 1500 mgO₂/L, Resolution 1207 of 2014 on discharges to soil issued by the</p>	<p>Comprehensive</p>

<p>Ministry of Environment and Sustainable Development of Colombia does not define the BOD or COD parameters for the "reuse of water for agricultural work of non-food crops" and the company reuses 100% of the water thus no COD/BOD legislation applies. DAABON has included other indicators (pH, heavy metals, biocides, microorganisms, etc.) in its water quality studies to evaluate compliance with regulatory requirements. Palma & Labor. Studies conducted by Chemilab. Extraction Plant Report 4910 dated 12/20/2022. BOD 70.9 mgO₂/L, COD 145 mgO₂/L.</p> <p>The progress of the results for COD and BOD parameters for the periods 2021 and 2022 is verified, showing a reduction for the analyzed production centers. In the case of the Tequendama extraction plant, COD (mgO₂/L) decreased from 2480 (2021) to 1849 (2022), and BOD₅ (mgO₂/L) decreased from 588 (2021) to 387 (2022). In the refinery, COD (mgO₂/L) decreased from 791.5 (2021) to 302 (2022), and BOD₅ (mgO₂/L) decreased from 246.3 (2021) to 132.5 (2022). Finally, for the Palma y Trabajo extraction plant, COD (mgO₂/L) decreased from 1119 (2021) to 145 (2022), and BOD₅ (mgO₂/L) decreased from 349 (2021) to 70.9 (2022).</p>	
Treatment of palm oil refinery effluent (PORE) (ID 114)	
<p>DAABON performs adequate wastewater treatment. Industrial discharges are analyzed and submitted to the Colombian environmental authorities. The analyses are performed by external consulting firms. C.I. Tequendama S.A.S. Study prepared by the accredited laboratory LABORMAR Refinery. Report 9203 May 2022. BOD 132.5 mgO₂/L, COD 302 mgO₂/L, 631</p>	Comprehensive
Implementation of commitment to protect natural waterways through buffer zones	
<p>The environmental management plans of the oil palm supplier farms of C.I. Tequendama S.A.S. and Palma y Trabajo S.A.S. establish a management sheet for the "Special Natural Areas" associated with areas near water sources. The procedures for agricultural activities also establish special management measures for areas near rivers, streams, and drainage canals of the plantations, with the objective of implementing special management for their delimitation during renovations, land preparation, at the time of redesigning the plots or during the application of phytosanitary inputs, promoting the use of compost for the fertilization. Action plans for the protection of riparian zones are also included in the procedures for irrigation and drainage activities, where the restoration of vegetation located in the areas surrounding irrigation canals is promoted to avoid risks associated with situations of vulnerability due to climatic issues such as flooding or drought in the summer season.</p>	Comprehensive
Implementation of commitment to minimize inorganic fertiliser use (ID 126)	
<p>DAABON has implemented organic agriculture in its oil palm plantations, thereby significantly reducing the use of inorganic fertilizer inputs. There is a management and production manual for organic plantations for the 2015/2022 group. The management plan for organic production PMO is implemented in the plantations of the "productive alliances division". In Palma y Trabajo S.A.S. there is an Oleoyuma palm production plan for the year 2023. These documents describe the plant nutrition processes that promote the use of biomass from pruning leaves and by-products from the extraction process (rachis, compost, dry sludge, ash).</p>	Comprehensive
Integrated Pest Management (IPM) approach (ID 127)	
<p>DAABON has implemented organic agriculture in its oil palm plantations and for this reason no chemical synthesis phytosanitary inputs are used. The 2015/2022 group's management and production manual for organic plantations defines the activities to</p>	Comprehensive

perform as part of the plant health program based on the use of biological inputs and the implementation of agroecological practices such as biological control by means of beneficial insects or the use of Entomopathogenic Fungi. For the plantations of the productive alliances, there is a General Sanitary Management Plan that establishes the prevention and control measures for pests and diseases of the palm crop.	
Examples of local stakeholder engagement to prevent conflicts (ID 139)	
<p>DAABON has established a Conflict Management Protocol V01 in force since 02/01/2023, which defines the tools and mechanisms for conflict prevention, such as the implementation of prior diligence to investigate the acquisition of new farms or start new operations, the mechanisms for Petitions, Complaints or Claims available to stakeholders. It also establishes how to manage a possible conflict, such as the diagnosis of the situation, direct dialogue, negotiation, or compensation. Such activities are carried out with the Sergio Arboleda University and Proforest.</p> <p>It is evident that the company has undertaken specific activities for conflict prevention, such as meetings with the community to present social and environmental impact studies and their management measures. These activities are carried out with the communities located in the area of influence of the production centers. Additionally, evidence was validated for the implementation of social programs such as "<i>Con el fogón prendido</i>," which promotes food security, and training and support in entrepreneurship processes.</p>	Comprehensive
Supports the inclusion of women across palm oil operations, including addressing barriers faced (ID 141)	
The DAABON Group's Social Policy includes a section on the freedom of women to join the company's activities and establishes that they will enjoy the same employment opportunities. The DAABON Group's Sustainability Report for 2019-2021 shows the support work that the company has provided for the inclusion of female personnel in its daily business activities, both in field work and in industrial process activities, even occupying management positions within the organization.	Comprehensive
Commitment to mitigate impacts on food security (ID 142)	
DAABON has a social policy which includes a commitment to support the food security of local communities.	Comprehensive
Progress on commitment to mitigate impacts on food security (ID 143)	
DAABON has a social impact study that defined the implementation of a food security project called " <i>con el fogón prendido</i> ". The main objective is to contribute to the food improvement of workers in neighboring communities by supporting the planting of vegetables in home gardens and promoting healthy eating.	Comprehensive
Progress on commitment to eliminate gender related discrimination with regards to employment (ID 152)	
The Human Development Policy Manual Code T-MN-GH-01 v06 dated 03/25/2023 applies to the entire company and consolidates the guidelines of the policies related to human resources. Chapter VI defines the company's Anti-Discrimination Policy, which states that the company will refrain from preventing access to professional training and admission to employment based on gender, race, color, sex, religion, politics or social origin. This policy has been socialized to the company's employees by internal personnel. The attendance controls T-RG-GH-11 where the activities are recorded were verified.	Comprehensive
Progress on commitment to pay a Living wage (ID 157)	
The efforts made by the DAABON group to implement the living wage in its agro-industrial operations have been validated during the RSPO certification; follow-up audits performed by Control Union auditors during their annual visits.	Comprehensive

Programme to support scheme smallholders (ID 165)	
A program has been implemented to strengthen the technical, environmental, and social assistance unit, with a view to adopting better sustainable agricultural practices in small and medium-sized producers linked to the C.I. Tequendama S.A.S. SAS palm oil palm nucleus. These activities are carried out by the staff of the "DAABON Group Social Foundation". The work plan has been projected for the years 2021 to 2026. Palma y Trabajo S.A.S. SAS has defined a Strategic Plan for technical assistance nucleus Palmas & Trabajo LTDA for the years 2021-2025. These programs are distributed by stages. The first is to identify gaps in the productive, environmental, and social aspects at the level of each small palm producer. The second is to structure the agricultural extension plan. Stage 3 focuses on the implementation of RSPO, and Organic standards.	Comprehensive
Percentage of scheme smallholders involved in programme (ID 166)	
This verification shows that as of December 31, 2022, the Tequendama nucleus of the DAABON Group has 33 partnerships with small-scale producers and 3 partnerships with medium-scale producers, all of which are certified in sustainable production (RSPO) and organic production. These partnerships represent around 15% of the fresh fruit bunches processed at the extraction plant. Additionally, it is evidenced that 100% of the small-scale producers participate in the continuous improvement plans, which are implemented by the suppliers and directly evaluated by the company through internal and external audits.	Comprehensive
Percentage of independent smallholders/outgrowers involved in programme (ID 168)	
The DAABON group currently does not have a group of certified independent small-scale producers. In Palma y Trabajo, for the 2022 period, there are 59 independent small-scale producers and 21 independent medium-scale producers who are part of the productive partnerships program of Palma y Trabajo S.A.S. These producers participate in a continuous improvement plan aimed at achieving sustainability certification. In the case of C.I. Tequendama S.A.S., for the 2022 period, there are 33 small suppliers and 3 medium suppliers certified under the RSPO scheme.	Comprehensive
Number or percentage of suppliers assessed and/or engaged on compliance with company's policy and/or legal requirements (ID 170)	
The DAABON group has developed a program to support the legality of small producers, focused on the registration or resolution before the Colombian Agricultural Institute ICA as an oil palm producer, which is the main evidence to support the legality as owners of the land where the plantations that supply the Palm Oil mills. It was evidenced that the company evaluated 100% of its fresh fruit bunch (FFB) and oil suppliers, resulting in all of them (100%) complying with legal and company policies. (Jun 7, 2023)	Comprehensive
Suspension or exclusion criteria for suppliers (ID 171)	
The DAABON Group has conducted an "evaluation of suppliers of fresh fruit bunches, effective as of June 7, 2013, which quantitatively measures the levels of compliance with various aspects such as the legality of ownership, compliance with contractual regulations, observance of human rights, respect for local livelihoods, compliance with labor rights, pest and disease control, soil protection, rational use of water, and biodiversity conservation. This evaluation applied for 28 production units corresponding to 28 of the company's suppliers. This process was performed in accordance with the Evaluation of suppliers in the oil palm supply chain in force as of 02/20/2023.	Comprehensive
Proportion of supply from suppliers that is verified as deforestation- and/or conversion-free (DCF) (ID 173)	

All suppliers that provide oil palm to the DAABON Group's mills are monitored through the "Global Forest Watch" web platform by the company's qualified technical staff, who generate periodic reports on the cases identified.	Comprehensive
Programme to support high risk mills to become compliant with sourcing policies (ID 175)	
The DAABON group is implementing a project to ensure the traceability of CPO crude palm oil suppliers through the DAABON TRUST project (Supply Chain Sustainability Assessment) implemented with the support of the external international consulting firm Proforest during the year 2021.	Comprehensive
Regularly engages with a subset of high-risk mills (ID 176)	
The company's databases were checked and there is no evidence of external extraction plants that are high risk. Therefore, there are no agreements in this regard.	Comprehensive
Regularly assesses and categorizes the risk level of all their own- and third-party supplying mills (ID 178)	
<p>C.I. Tequendama S.A.S. has a supplier re-evaluation form, Code T-RG-GC-04 v01 18/01/2021, which shows the evaluations carried out at the extraction plants that supply CPO on 28/03/2023 to the supplier Palmagro S.A., on 27/03/2023 to Palmicultores del Norte SAS, and on 21/07/2023 to the supplier Aceites S.A. The owned and third-party supplying extraction mills are evaluated for risk every six months, at minimum. Regarding the Oil Palm Plantations, the DAABON group established a procedure to evaluate the RFF suppliers. There is evidence of a report made on 01/13/2023 that includes all suppliers of C.I. Tequendama S.A.S. and Palma y Trabajo S.A.S. This document includes the links where you can access the files to visualize the geographical location of the suppliers.</p> <p>https://www.daabon.com/es/sustainability_procedures</p> <p>C.I. Tequendama S.A.S.'s suppliers are in northern Colombia, in the Caribbean region. The farms are located outside of the protected areas of the SNSM and CGSM, and have been farming bananas, rice, palm oil, and cattle for more than 50 years. The indigenous communities are in the Sierra Nevada de Santa Marta, in mountainous areas outside of the zones of influence of the farms where the oil palm plantations are located.</p> <p>As for Palma y Trabajo S.A.S.'s Palm Oil Mill located in the Magdalena Medio region of Colombia, the company has implemented a "due diligence" protocol to ensure the legal compliance of palm oil fruit suppliers.</p>	Limited
Regularly reports the risk level of all own- and third-party supplying mills identified in its supply chain (ID 179)	
It was verified the report prepared by the external international consulting firm Proforest during the year 2021 on the DAABON TRUST traceability project, which covers the extractive plants that supply the group's refinery. Reports on deforestation are generated by the Information Systems staff. The owned and third-party supplying extraction mill risk is reported publicly (online) every six months, at minimum.	Comprehensive
Progress on commitment to ethical conduct and prohibition of corruption (ID 182)	
DAABON has a corporate code of ethics for the group documented in 2020, signed and endorsed by the Board of Directors, which defines the corporate responsibility and commitment strategies for the organization's activities. This code applies to all shareholders, employees, customers, suppliers, and contractors of the group's companies. Chapter 9 defines the ethical behavior guidelines for the members of the organization and establishes disciplinary measures in accordance with the internal work regulations for cases of corruption or illegal practices.	Comprehensive

3.1 Signing by the Client

I the undersigned, being the most senior relevant management representative of the operation seeking or holding certification, agree with the contents and findings as presented in this document.

I also confirm:

- Acceptance of liability in execution of the instructions given.
- That this company was made aware that the findings of the audit team are tentative, pending review and decision making by the duly designated representatives of Control Union Certifications.
- That during the closing meeting all agenda items was covered by the Lead Auditor.

Acknowledged by:

Name: Carolina Torrado
Position: Sustainability Director


Signature

3.2 Signing by the Lead Auditor

I the undersigned, being the Lead Auditor, confirm that this report is an accurate record of the findings and of the closing meeting. I further confirm that the summary of the findings as presented in this report are a true representation of the actual findings of the audit team.

Acknowledged by:

Name: Boris Villarreal Morales
Position: Lead Auditor



Signature

3.3 Signing by the Certifier

I the undersigned, being the Certifier, confirm that the information and conclusions included in this report have been prepared in good faith and that the certification decision has been based upon this information.

Acknowledged by:

Name: Ignacio Falcone
Position: Country Manager CU Colombia.



Signature