



Alliance for Water Stewardship Assessment Report

**Prepared for
Agricola Chapi S.A.**

Prepared by: SGS
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REPORT DETAILS


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1 EXECUTIVE SUMMARY

The scope of services covers the conformity assessment in compliance with the AWS International Water Stewardship Standard Standard Version 2-0 for **Agrícola Chapi S.A. on a Multi-site scheme for their farms “Don Ernesto” and “Doña Julia”, Ica, Peru**. The assessment has been completed in compliance with AWS Certification Requirements v 2.0 December 2019.

Given the document review undertaken, verification of evidence and site visit inspections performed, SGS recommends that Agrícola Chapi S.A. is awarded an “AWS Multi-site Certificate” at level “Core” to the AWS International Water Stewardship Standard Standard Version 2. The surveillance audit interval is recommended to be annual frequency.

Only one minor non-conformity was identified and an action plan proposed for it, to address at next surveillance audit. Observations were also identified during the course of the audit process, which will remain open until next audit.

2 SCOPE OF ASSESSMENT

The scope of services covers the conformity assessment in compliance with the AWS International Water Stewardship Standard Standard Version 2-0 for Agrícola Chapi S.A. for their farms “Don Ernesto” and “Doña Julia”, Ica, Peru. The assessment has been completed in compliance with AWS Certification Requirements v 2.0 December 2019, and the multi-site requirements stated at the standard “Certification Requirements: Assessment of conformity with the AWS International Water Stewardship Standard v2.0”. The AWS level assessed was CORE. The scope of operation is multi-site for “Agriculture of Grapes, Avocadoes and Asparagus, including a Packing house for fruits”.

The audit was conducted during in 2 Stages through interviews to the AWS representatives, external and internal stakeholders. The Stage 1 audit was conducted on-site the 25th and 27th February 2020. Stage 2 was conducted virtually during 19th & 20th August 2020, as follows:

- 25th February 2020: Agrícola Chapi’s Headquarter full day audit for review of the implementation of the AWS Management System and for interviews with the Multi-site Representative and Top Management of Agrícola Chapi and the non-for-profit association “Horizonte Corporativo” (founded by Agrícola Chapi, as it implements social and environmental initiatives with stakeholders). This was conducted on-site by the Lead Auditor.
- 27th February 2020: On-site visit to farm “Don Ernesto” and farm “Doña Julia”. It was also visited the projects with the stakeholders, and interviews conducted. The visit was carried out by the Lead Auditor, accompanied by a Local Auditor with Agriculture background and based in Ica state. The Projects with stakeholders visited were:
 - “Native Species Conservation Project”
 - “Plant Conservation Center (CCP)” of Agrícola Chapi & Sainsbury’s PLC - conservation project carried out jointly between Kew Garden’s-UK, Sainsbury’s PLC-UK, Barfoots-UK and Agrícola Chapi-Perú.
 - Local Schools in the surrounding areas of Ica where Agrícola Chapi and Horizonte Corporativo implemented WASH infrastructure with biodigestors, as well as waste recycling programs.
- 19th & 20th August 2020: Virtual audit carried out during 2 full days by the Lead Auditor of Lima, supported by a Local Auditor who is agriculture auditor, based in Ica. This was for review further evidences requested at stage 1, and to review the outstanding sections of the standard. Also, the final day, it was verified the compliance against the multi-site certificate requirements of AWS.

The public consultation at the AWS website was uploaded the 26th February 2020, which was prior to the first visit on-site, and it was an open consultation for 7 months for any stakeholder to comment. However, no stakeholder communicated to SGS through this time. Therefore, there was far more than 30 days announcement to provide opportunity for further comments, providing the contact of the auditor of the auditors of Peru.

Agricola Chapi signed a commitment with AWS in December 2019 at a public event in Ica, with the CEO of AWS, organized by the local AWS representative of Latinamerica who is based in Peru. The audit team was present at this event as well. The commitment was for implementing water stewardship and work towards certification of their sites. Agrícola Chapi and Horizonte Corporativo are member of AWS. There was also publishment at social media and at local on-line news.

The company, Agrícola Chapi S.A., started 23 years ago as a family business of Peru. Currently, Agrícola Chapi has more than 40 shareholders. They have other sites (farms and packing houses) in other areas of Peru, but they are not included in the scope of this multi-site certification. They employ in total about 2,000 people. The farms extract water from wells. The discharge is through irrigation and they have septic tanks and letrines.

The sites provided the requested supporting documentation and records as evidence. Also, they provided public information issued by the government and experts. SGS provided feedback on findings raised through the audit.

3 DESCRIPTION OF CATCHMENT

Both sites belong to the catchment of the Ica River and other minor rivers, such as Río Seco, or brooks such as “Quebrada la Pólvora” and “Quebrada Río Seco”. In the underground, there are aquifers in the region. The 2 aquifers that they extract water from, are Ica and Villacurí which are connected, and therefore, some of the research studies present the information of the network, while some of each aquifer. The detail of the water source for each site is explained as follows:

Don Ernesto Farm: It is in the “Rosario de Yauca” area that belong to Ica catchment. It is formed by the River Ica and its affluent. The site uses the underground water from the Ica aquifer. For the Ica aquifer, established in an ANA (National Authority of Water) report of 2017, there are 2,116 water wells authorized, which are 63 for the Yauca del Rosario district. The total estimated of reserves of water in the Ica Aquifer are 1861.02 million m³. The ANA report indicates that there are 231.57 million m³ extracted yearly from the Ica Aquifer. Also, that the average recharge yearly of the Ica Aquifer is 179.4 million m³ yearly, showing the recharge of the Ica-Villacurí aquifer as 266.10 million m³ yearly (page 135 of ANA report).

Doña Julia Farm: It is in the Villacurí area that belongs to “Río Seco” catchment. This catchment is dried and only has water sporadically when there is an extreme natural event about every 20 years, such as heavy rains, forming the brooks “Quebrada La Pólvora” and “Quebrada Río Seco”. Therefore, the area uses the underground water from the Villacurí aquifer. The Villacurí aquifer recharge estimated to be is 86.7 millions m³ yearly, established in an ANA (National Authority of Water) report of 2017.

Agrícola Chapi presented the Hydrogeologist technical report of Dr. Enrique Fernandez, which indicates that the Ica Aquifer has a geological connection of about 6km to the Villacurí Aquifer, so by level difference, the Ica Aquifer drains water to the Villacurí Aquifer. This is approximately 70 million of m³

The report “Evaluación de la Veda de los acuíferos de Villacurí y Lanchas” of ANA indicates the following extractions:

- Villacurí: 169.89 million m³ yearly (hectometros cúbicos) for Salas which is the district of “Pampa de Villacurí”, with 99.5% destined for agriculture use. Table 22 of page 98.

- Lanchas-Pisco: 64.83 million m³ yearly (hectometros cúbicos) for its 5 districts with 93.7% destined for agriculture use. Table 23 of page 99.

Agrícola Chapi presented the Research of Emilio Custodio that indicates that it is possible that the reserves of Villacuri doubled the ones of the Ica Aquifer.

See figure 1, showing the Map of the Ica department and the province of Ica. Then, figure 2 shows the location of both farms. Figures 3 and 4, show the details of each farm. Figure 5 shows the IWRA’s on-site of Fundo Don Ernesto, as Fundo Doña Julia does not have IWRA’s.

Figure 1: Map of Ica department and Ica province



Figure 2: Location of Fundo Don Ernesto and Fundo Doña Julia and surrounding rivers & streams

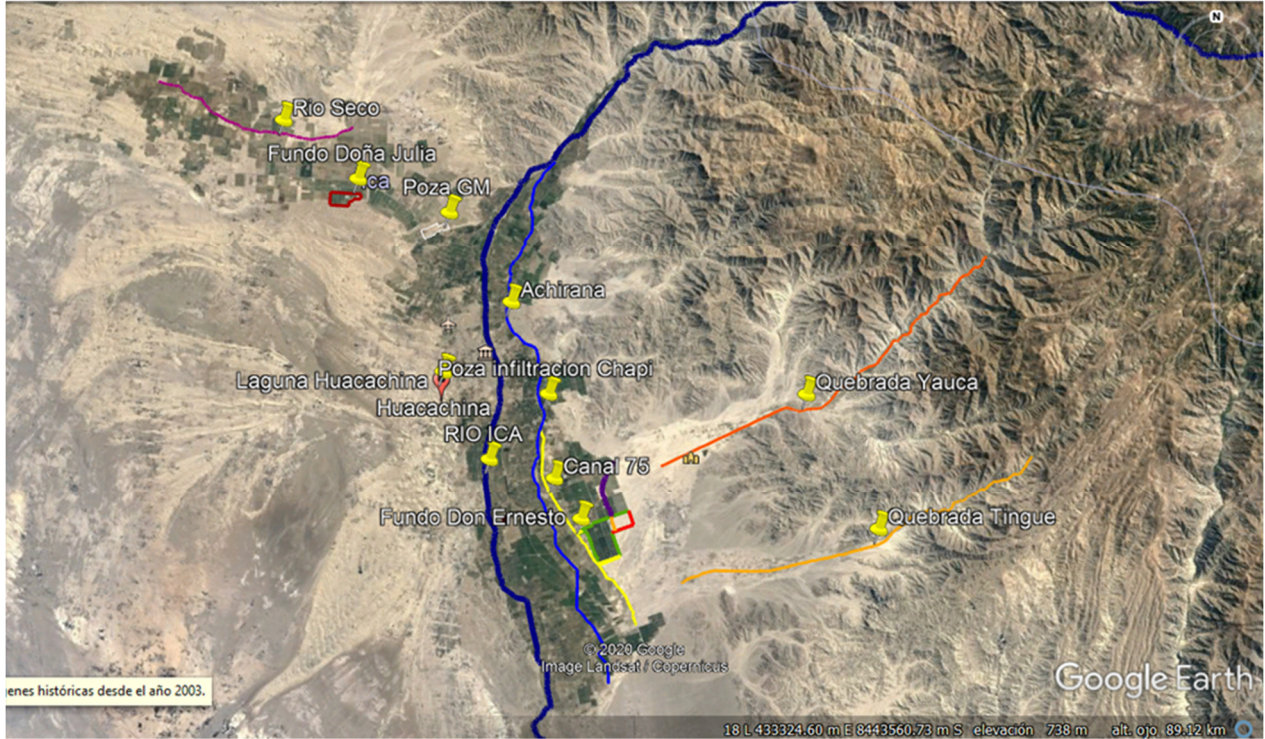


Figure 3: Details of Fundo Don Ernesto

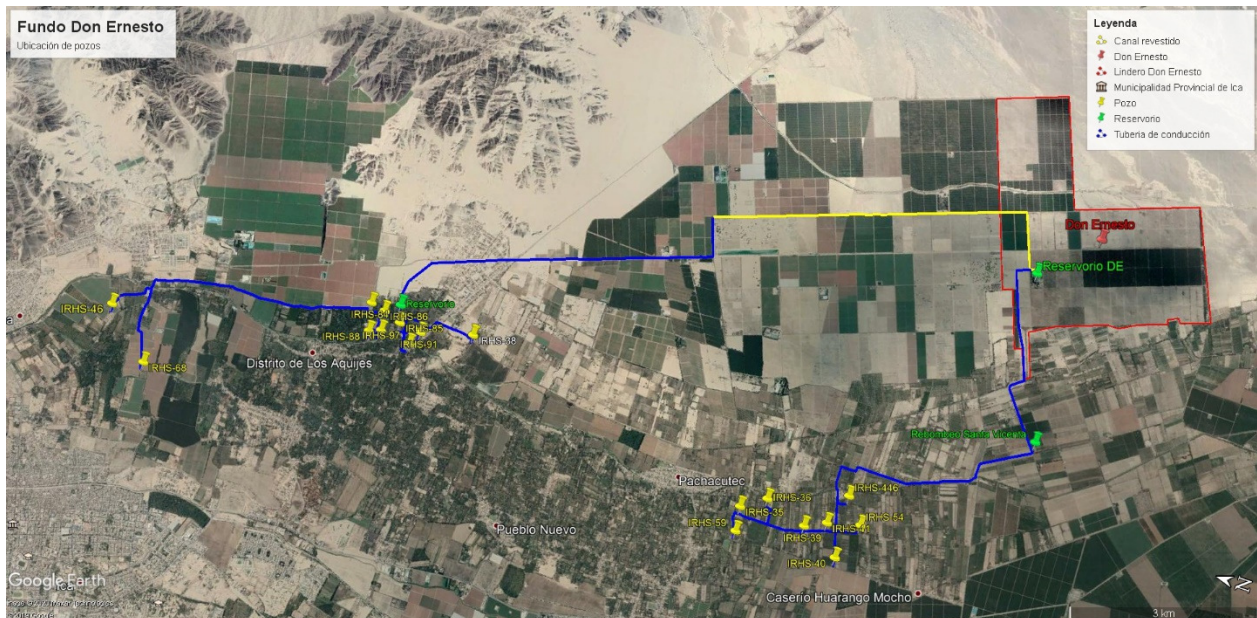






Figure 4: Details of Fundo Doña Julia



Figure 5: IWRA's on-site of Fundo Don Ernesto



Componente	Descripción
	Bosque Área: 9 Ha, Longitud: 2 km, Fecha de siembra: 2007, Especies identificadas: 80 especies de plantas, 58 aves, 3 reptiles, 4 mamíferos, 65 insectos
	Vivero Área: 2500 m ² , Fecha de inicio: 2014, Capacidad de producción: 30,000 plantas por vez, herbario, almacén de semillas.
	Cerco vivo Extensión: 3.1 km, fecha de siembra 2016, Consumo de agua 50% menor a Acacia Karoo (huaranguillo)
	Dique Extensión: 1.2 kms, fecha de siembra: 2016, defensa ribereña, corredor biológico

4 SUMMARY OF SHARED WATER CHALLENGES

The site has identified the shared water challenges and list them in an matrix. The results after the prioritization were:

For the Villacuri Area:

- Technifying the Villacuri user board (junta de usuarios)
- Get new water sources for Villacuri
- Integrate the Rio Pisco board in the sustainability of Villacurí
- Evaluate the completion to the veto (veda) in Villacurí and Lanchas
- Improve the situation of drinking water and sanitation of the neighbourhoods of - Guadalupe and Barrio Chino.
- Eliminate / formalize illegal wells
- Study and improve the Lanchas water problem
- Increase the recharge for Villacurí from the Ica River

For the Ica Valley:

- Technifying the Ica valley underground water user board
- Significantly increase the annual volumes of induced recharging
- Integrate the boards of the Ica River and La Achirana in the sustainability of the Ica valley aquifer
- Set end time to the veto (veda) in the Ica valley
- Changing the drinking water and sanitation situation of a precarious municipality
- Eliminate / formalize illegal wells
- Significantly mitigate or eliminate garbage from the urban channel of the Ica river
- Increase the use of surface waters for irrigation by reducing the use of groundwater
- Search for new water sources for the Ica valley

5 INDICATORS CHECKLIST

As per the requirement set out in the AWS certification requirements Section 2.11.3.1 it was prepared a checklist of all the CORE AWS indicators with the relevant reviewed evidence provided by the site and the indicator with which it is associated.

5.1 MULTI-SITE REQUIREMENTS:

CERTIFICATION REQUIREMENTS: ASSESSMENT OF CONFORMITY WITH THE AWS INTERNATIONAL WATER STEWARDSHIP STANDARD V2.0

- **AWS CRITERIA FOR MULTI-SITE:**

Clause 4.1.1: Both farms are on the same catchment which is the catchment of rio Ica, with the water extraction from the “Acquifer of Ica” and “Acquifer of Villacuri” which are interconnected. Region of Ica, Peru.

Clause 4.1.2: The single management of all the farms is through Agricola Chapi

Clause 4.1.3: Both farms are agriculture only, and both use water from the acquifers. The products of both farms are mostly exported to international retailers.

Clause 4.2: Multi-site operation, as both farm have the same owner and single management.

Clause 4.3: They fall into Multi-site Certification

Clause 4.4: Agricola Chapi prepared a formal document “Memo Multi Site AWS” approved by the General Manager of Agricola Chapi, Augusto Baertl Espinoza, with the following specifics:

- AWS Multi-site representative: Tirco Rojas Costa. His defined responsibilities are:
 - Supervise the continuity of the AWS management system,
 - Keeping it up-to-date,
 - Centralizing the information of the site, and
 - Be the contact with the auditors and representatives of AWS for the purpose of compliance with the certification requirements.
- Representative for AWS claims (use of AWS assets – trademark, logos, claims or other intellectual property associated or developed by AWS): Ursula Baertl Espinoza

Table 5.1: Multi-site Details

SUB-CODE	FARM NAME	LOCATION	ACTIVITIES	TOTAL AREA (hectares)
01	Fundo Ernesto Don	Caserío Pampa Castillos sector 5 piedras, Carretera Panamericana Sur NRO. KM INT. 320 CASABLANCA, distrito de Santiago, provincia y departamento de Ica.	Agriculture of Grapes, Avocadoes and Asparagus	850
02	Fundo Julia Doña	Carretera Panamericana Sur Km 283, distrito de Salas, provincia y departamento de Ica.	Agriculture of Grapes, including a Packing house for fruits	250

6 AUDIT FINDINGS & OPPORTUNITIES FOR IMPROVEMENT

The findings raised during this certification audit were provided to the site, which were observations to V2-0 of the standard.

Relating to this Audit

As a result, 01 minor non-conformance was raised during the audit process detailed at the Table below 6.1. Also, 3 observations were raised during the audit which are for future improvement, but no action is necessary during this audit period, however, these issues would most likely come under scrutiny during a surveillance audit scenario.

Table 6.1. Current Minor Non-Conformances raised during the AWS audit process

No.	Type	Ref.	Details	Action Proposed by Client
1	Minor Non-Conformance	5.2-5.4	It was not published yet the water stewardship plan, internal governance including the compliance with water-related regulations, the site's annual water stewardship performance and results against the site's targets.	Agricola Chapi included in the manual all the topics that will be disclosed that covers the step 5, and they plan to disclose it at the end of the agriculture (feb 2021) year with the annual campaign performance.

Observations:

- Indicator 1.3.2: The water balance of Don Ernesto is 92% efficient, as there is 8% of water loss from the extraction to the quantity used. Don Ernesto farm has the water wells located outside the farm, therefore, Agrícola Chapi indicated that there could be not authorized uses on the way from the pipeline. A research should be conducted in order to identify the points where the 8% of water extracted is lost.
- Indicator 1.3.3: For the graphics of variance of water consumption through the years, it could also be provided the temperature as parameter to facilitate the interpretation of the results.
- Indicator 1.5.2: The “servidumbre” contracts with the private owners of the land that crosses the water pipelines, should be reviewed to identify if there are any responsibilities associated to the water pipelines.

Opportunity for Improvement:

- Indicator 1.3.4: It should be considered to also conduct a study at the Doña Julia farm, such as soil / percolation test of the septic tanks and latrines to verify any potential leakage to the underground water.

7 SUMMARY

In reviewing the evidence presented by Agricola Chapi S.A., it was demonstrated that the site had implemented a water stewardship system. Therefore, this was the basis for providing support for the recommendation to award the Alliance for Water Stewardship Certification.

Only one minor non-conformity was identified and an action plan proposed for it, to address at next surveillance audit. Observations were also identified during the course of the audit process, which will remain open until next audit in 2021. The observations are to be considered as areas for improvement which will be reviewed in future audits, no action is required during this audit.

References and evidences reviewed were noted at the checklist.

8 CONCLUSIONS AND RECOMMENDATIONS

The organization has demonstrated effective implementation of its management system and is capable of achieving its policy objectives, as well as the intended results of the respective management system

Given the evidence reviewed, SGS recommends that, based on the results of this audit, **Agricola Chapi S.A. is certified to the AWS Core level for their Ica sites, on a Multi-site Certificate covering Fundo Don Ernesto and Fundo Doña Julia, to AWS International Water Stewardship Standard Standard Version 2-0.**

The audit frequency is recommended to be annually.