



Alliance for Water Stewardship Assessment Report

**Prepared for
Agricola Challapampa S.A.C**

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 Challapampa S.A.C for its farm in 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 inspection performed, SGS recommends that Agrícola Challapampa S.A.C. is awarded an “AWS Single 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.

Two minor non-conformities were identified and action plans proposed for them, 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 Agricola Challapampa S.A.C. for its farm in Ica, Peru. The assessment has been completed in compliance with AWS Certification Requirements v 2.0 December 2019. The AWS level assessed was CORE. The scope of operation is “Agriculture of Table Grapes”.

The audit was conducted during in 2 Stages through interviews to the AWS representatives, external and internal stakeholders. The Stage 1 audit was conducted virtual the 16th July 2020. Stage 2 was conducted virtually during 2nd and 3rd of September 2020, as follows:

- 16th July 2020: Agricola Challapampa’s full day audit for review of the implementation of the AWS Management System and for interviews. This was conducted off-site by the Lead Auditor and the local Auditor.
- 2nd and 3rd of September 2020: On-site visit to farm by the local assessor for the full day and the stakeholder review, visiting the Golda Meir infiltration project, and driving through the community areas of the zone of influence, as well as the Rio Seco riverbed. In parallel, the Lead Auditor was reviewing the information off-site. The second day, the Lead Auditor and the local Auditor with Agriculture background and based in Ica state, conducted an off-site review for the implementation of the standard. This was for review further evidences requested at stage 1, and to review the outstanding sections of the standard. The Projects with stakeholders visited were:
 - “Golda Meier infiltration project”
 - Rio seco river bed
 - Zone of influence: communities of Guadalupe and Barrio Chino, where support projects were implemented as it is a poverty area.

The public consultation at the AWS website was uploaded prior to 16th July 2020, which was prior to the stage 1 audit, and it was an open consultation for more than 30 days for any stakeholder to comment. However, no stakeholder communicated to SGS through this time. Therefore, there was more than 30 days announcement to provide opportunity for further comments, providing the contact of the Lead auditor of Peru.

Vanguard Peru, that is the owner of Agricola Challapampa S.A.C. 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 Lead auditor was present at this event as well. The commitment was for implementing water stewardship and work towards

certification of their sites. Vanguard Peru is member of AWS. There was also publishment at social media and at local on-line news.

The company, Agricola Challapampa S.A.C., has its farm operating since 7 years ago. They belong to Vanguard Perú, which is a group that has 5 farms and one packing plant. All located in Ica. Those other companies / sites are not included in the scope of this certification. It has 319.7 hectares and a perimeter of 8969 ml, with a productive area of 276.07 hectares. They produce table grapes for exportation. Varieties are: Sweet Globe, Sweet Celebration and Jack Salute. The farm extracts water from wells. The discharge is through irrigation and they have septic tanks and letrines.

The site 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

The farm extracts water from the Villacuri Aquifer which is in the underground, and all the water wells are within the farm boundaries.

It is in the Villacurí area that belongs to “Río Seco” catchment, which its boundaries are shown in the Manual. 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 Pólvara” 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.

Agricola Challapampa explained that the Hydrogeologist technical report of Dr. Enrique Fernandez, 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 which are included in the 86.7 millions m³ yearly mentioned above.

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.

Agricola Challapampa 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 the farm and the catchment. Figure 3 show the boundaries of the farm.

Figure 1: Map of Ica department and Ica province



Figure 2: Location of Fundo Challapampa and “Rio Seco” catchment



Figure 3: Boundaries of the farm



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:

- Search and get new water sources for Villacurí
- Integrate the “Junta de Usuarios del Rio Pisco” in Villacuri’s sustainability.
- Technify the “Junta de Usuarios”
- Set end time to the “veda (water ban)” in Villacurí and Lanchas
- Mitigate the situation of potable water and sanitation in Guadalupe and Barrio Chino.
- Eliminate / formalize illegal wells and disclose water information transparently.
- Study and improve the scarcity and salinity of water for Lanchas.
- Increase the water recharge for Villacurí from the Ica river

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.

6 AUDIT FINDINGS & OPPORTUNITIES FOR IMPROVEMENT

The findings raised during this certification audit were provided to the site, which were 2 Minor non-conformances and 3 observations to V2-0 of the standard.

Relating to this Audit

As a result, 02 minor non-conformances were raised during the audit process detailed at the Table below 6.1. Also, 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 | 3.6.1 | The test results of potable water show that most of the parameters are complying. It included physicochemical, microbiological and organoleptic parameters. Nevertheless, the pH limit is between 6.5-8.5, but the test result showed 6 for pH. Also, some of the parameters of the "decreto supremo 031-2010-SA / Reglamento de la Calidad del Agua para consumo humano" were not included in the list of tests performed. | Agricola Challapampa will conduct a more comprehensive testing, and implement actions to increase the pH. |
| 2 | Minor Non-Conformance | 5.2-5.5 | 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 Challapampa included in the manual all the topics that will be disclosed that covers the step 5, and they plan to disclose it through meetings with stakeholders, and at the end of the year with the annual performance report. |

Observations:

- Indicator 1.1.1: It should be considered to have a percolation test also of the Challapampa site.
- Indicator 1.4.2: Water used for washing and disinfecting the trucks for product transportation was not quantified, as every year it is selected a different supplier by tender, nevertheless, the water consumption could be estimated / reported by each supplier selected.
- Indicator 1.5.5: The "Los Laureles" forest area which is located within the Vanguard property, but not at Challapampa, was not listed as IWRA, nevertheless, it is noted that it is still small, but it is growing as it is an adaptation action for climate change.

7 SUMMARY

In reviewing the evidence presented by Agricola Challapampa S.A.C., 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.

2 minor non-conformities were identified and action plans proposed for them, 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 Challapampa S.A.C. is certified to the AWS Core level for their Ica site, on a Single Site Certificate covering Fundo Challapampa, to AWS International Water Stewardship Standard Standard Version 2-0.**

The audit frequency is recommended to be annually.