

**RSPO NEXT  
INITIAL CERTIFICATION ASSESSMENT  
Public Summary Report**

|   |
|---|
| <b>United Plantations Berhad</b>  |
| Client company Address:<br>Jendarata Estate, 36009 Teluk Intan, Perak, Malaysia   |
| Certification Unit:<br>Jendarata Palm Oil Mill<br><br>Location of Certification Unit:<br>Jendarata Business Unit, 36009 Teluk Intan,<br>Perak, Malaysia |

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## Section 1: Scope of the Certification Assessment

| 1. Company Details                   |  |                  |                            |
|--------------------------------------|--|------------------|----------------------------|
| <b>RSPO Membership Number</b>        | 1-0004-04-000-00   | <b>Date</b>      | 19 <sup>th</sup> July 2004 |
| <b>Company Name</b>                  | Jendarata Palm Oil Mill  |                  |                            |
| <b>Address</b>                       | Jendarata Business Unit, 36009 Teluk Intan, Perak, Malaysia                      |                  |                            |
| <b>Subsidiary of (if applicable)</b> | United Plantation Berhad<br>Jendarata Estate, 36009 Teluk Intan, Perak, Malaysia |                  |                            |
| <b>Contact Name</b>                  | Mr. C.Mathews  |                  |                            |
| <b>Website</b>                       | www.unitedplantations.com  | <b>E-mail</b>    | cmm@unitedplantations.com  |
| <b>Telephone</b>                     | +605-6411411   | <b>Facsimile</b> | +605-6416220               |

| 2. Certification Information  |  |                                    |                                 |
|-------------------------------|--|------------------------------------|---------------------------------|
| <b>P&amp;C certification</b>  |  |                                    |                                 |
| <b>Certificate Number</b>     | MUTU-RSPO/068  | <b>Date</b>                        | 29 <sup>th</sup> September 2017 |
| <b>Certification Body</b>     | Mutu Certification International                       |                                    |                                 |
| <b>Scope of Certification</b> | Jendarata Palm Oil Mill and its Supply Base            |                                    |                                 |
| <b>NEXT certification</b>     |  |                                    |                                 |
| <b>Certificate Number</b>     | RSPO 683611  | <b>Original Certification Date</b> | 30/10/2017                      |
|                               |  | <b>Expiry Date</b>                 | 28/09/2022                      |
| <b>Scope of Certification</b> | Production of RSPO NEXT Crude Palm Oil and Palm Kernel |                                    |                                 |
| <b>Other Certifications</b>   |  |                                    |                                 |
| <b>Certificate Number</b>     | <b>Standard(s)</b>                                     | <b>Certificate Issued by</b>       | <b>Expiry Date</b>              |
| N/A                           | N/A  | N/A                                | N/A                             |

| 3. Location(s) of Mill & Supply Bases |   |              |                |
|---------------------------------------|---|--------------|----------------|
| Name<br>(Mill / Supply Base)          | Location [Map Reference #]                                  | GPS          |                |
|                                       |   | Northing     | Easting        |
| Jendarata Palm Oil Mill               | Jendarata Business Unit, 36009 Teluk Intan, Perak, Malaysia | 3° 51' 14" N | 100° 58' 06" E |
| Jendarata Estate                      | Jendarata Estate, 36009 Teluk Intan, Perak, Malaysia        | 3° 54' 00" N | 100° 58' 39" E |

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|                     |  |              |                |
|---------------------|--|--------------|----------------|
| Seri Pelangi Estate | Seri Pelangi Estate Batu 11¾ Jalan Bidor<br>36009 Teluk Intan, Perak, Malaysia | 3° 59' 37" N | 101° 09' 34" E |
|---------------------|--|--------------|----------------|

| 4. Description of Supply Base |             |               |                             |                    |                 |              |
|-------------------------------|-------------|---------------|-----------------------------|--------------------|-----------------|--------------|
| Estate                        | Mature (ha) | Immature (ha) | Infrastructure & Other (ha) | Total Planted (ha) | Total Hectarage | % of Planned |
| Jendarata Estate              | 4,562.20    | 1,058.60      | 353.80                      | 5,620.80           | 5,974.60        | 94.08        |
| Seri Pelangi Estate           | 1,337.00    | 0             | 85.00                       | 1,337.00           | 1,422.00        | 94.02        |
| Total                         | 5899.20     | 1,058.60      | 438.80                      | 6,957.80           | 7,396.60        | 94.07        |

Note: Infrastructure and Other land use includes

5.38 ha for Mill; 30.30 ha for workers housing; 377.36 ha for infrastructure; 15.30 ha for nursery; 7.00 ha for self conservation; 0.46 ha for riparian conservation; 3.00 ha burial ground

| 5. Plantings & Cycle (ha) |             |          |          |          |         |   |                                      |  |
|---------------------------|-------------|----------|----------|----------|---------|---|--------------------------------------|--|
| Estate                    | Age (Years) |          |          |          |         | Tonnage FFB / Year                      |                                      |  |
|                           | 0 – 3       | 4 – 10   | 11 – 20  | 21 – 25  | 26 – 30 | Estimated<br>21/08/2016 –<br>20/08/2017 | Actual<br>21/08/2016 –<br>20/05/2017 | Forecast<br>21/08/2017 –<br>20/08/2018 |
| Jendarata Estate          | 1,058.60    | 1,789.02 | 1,950.72 | 802.26   | 20.20   | N/A*                                    | N/A                                  | 117,214.00                             |
| Seri Pelangi Estate       | 0           | 0        | 734.00   | 603.00   | 0       | N/A                                     | N/A                                  | 39,850.00                              |
| Total                     | 1,058.60    | 1,789.02 | 2,684.72 | 1,405.26 | 20.20   | 151,119.00<br>**                        | 109,972.57<br>**                     | 157,064.00                             |

\*Not provided in RSPO P&C report; \*\*As per provided in RSPO P&C report

| 6. Certified Palm Oil Product (Tonnage) |     |       |                         |     |     |
|---|-----|-------|-------------------------|-----|-----|
| MILL                                    |     |       | Jendarata Palm Oil Mill | N/A | N/A |
|   |     | ER %  |                         |     |     |
| Estimated<br>21/08/2016 –<br>20/08/2017 | FFB |       | 151,119.00              |     |     |
|   | CPO | 22.5% | 34,047.00               |     |     |
|   | PK  | 5.2%  | 7,904.00                |     |     |
| Actual<br>21/08/2016 –<br>19/05/2017    | FFB |       | 109,972.57              |     |     |
|   | CPO | 21.9% | 24,167.85               |     |     |
|   | PK  | 5.2%  | 5,727.18                |     |     |
| Forecast<br>21/08/2017 –<br>20/08/2018  | FFB |       | 157,064.00              |     |     |
|   | CPO | 22.1% | 34,711.14               |     |     |
|   | PK  | 5.2%  | 8,167.32                |     |     |

## Section 2: Assessment Process

### Certification Body:

BSI Services Malaysia Sdn Bhd,  
(ASI Accreditation Number: RSPO-ACC-19)  
Unit 3, Level 10, Tower A  
The Vertical Business Suites, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur  
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[www.bsigroup.com](http://www.bsigroup.com)

BSI is a leading global provider of management systems assessment and certification, with more than 60,000 certified locations and clients in over 100 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems. BSI is ASI Accredited (RSPO-ACC-19) to conduct RSPO assessment since 31/10/2014 with accredited office located at Kuala Lumpur, Malaysia and an office at Singapore, Jakarta, Bangkok and Australia which involve in RSPO Certification Program.

### Assessment Methodology, Programme, Site Visits

The on-site initial assessment was conducted on 3<sup>rd</sup> October 2017. The audit programme is included as Appendix D. The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. Mill was audited together with the sample estates. A range of environmental and social factors focusing on the RSPO NEXT were covered. This includes consideration of Non Deforestation commitments, No Fire commitments, No Peat commitments, Green House Gas, Human rights and Transparency and local communities.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of staff, workers and their families and external stakeholders, review of documentation and monitoring data. RSPO NEXT standard was used as Checklist and questionnaires were used to guide the collection of information to assess compliance. The comments made by external stakeholders were also taken into account in the assessment.

Meetings were held with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and these have been incorporated into the assessment findings.

Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal group meetings at their housing. Separate visits were made to each of the local communities to meet with the village head and residents. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Appendix E.

The assessment findings for the initial assessment are detailed in Section 3.3.

This report is structured to provide a summary of assessment finding as attached in the Appendix A. The assessment was based on random samples and therefore nonconformities may exist that have not been identified.

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This report was internally reviewed by RSPO approved Certification Reviewer prior to certification decision by BSI.

**The following table would be used to identify the locations to be audited each year in the 5 year cycle**

| <b>1. Assessment Program</b>         |                                   |                           |                           |                           |                           |
|--------------------------------------|-----------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| <b>Name<br/>(Mill / Supply Base)</b> | <b>Year 1<br/>(Certification)</b> | <b>Year 2<br/>(ASA 1)</b> | <b>Year 3<br/>(ASA 2)</b> | <b>Year 4<br/>(ASA 4)</b> | <b>Year 5<br/>(ASA 5)</b> |
| Jendarata Palm Oil Mill              | √                                 | √                         | √                         | √                         | √                         |
| Jendarata Estate                     | √                                 | √                         | √                         | √                         | √                         |
| Seri Pelangi Estate                  | √                                 | √                         | √                         | √                         | √                         |

**Tentative Date of Next Visit: July 23, 2018 - July 26, 2018**

**Total No. of Mandays: 4 mandays**

**BSI Assessment Team:**

**Mr Mohamed Hidhir - Lead Assessor**

He holds Bachelor Degree in Chemical Engineering, graduated from National University of Malaysia in 2006. He has 7 years working experience in palm oil industry specifically on palm oil milling for 5 years. He also has the experiences as auditor for several standards including ISO 9001, ISO 140001, OHSAS 18001, MSPO and RSPO in his previous certification body. He completed the ISO 9001 Lead Auditor Course, ISO 14001 Lead Auditor Course and OHSAS 18001 Lead Auditor Course in 2012, Endorsed RSPO P&C Lead Auditor Course in 2013, MSPO Awareness Training in 2014 and Endorsed RSPO SCCS Lead Auditor Course in 2015. He had been involved in RSPO auditing since May 2012 in more than various companies in Malaysia. During this assessment, he assessed on the aspects of legal, mill best practices, safety and health, environmental and workers and stakeholders consultation.

**Ms Hu Ning Shing – Team Member**

She holds Bachelor Degree in Science majoring in Applied Chemistry, graduated from University of Malaya in year 2011. She has 5 years working experience in rubber and palm oil industry. She also has the experiences as auditor for several standards including ISO 9001, MSPO and RSPO in his previous certification body. She completed the ISO 9001 Lead Auditor Course on 2016, Endorsed RSPO P&C Lead Auditor Course in 2012 and Endorsed RSPO SCCS Lead Auditor Course in 2015. She had been involved in RSPO auditing since November 2015 in more than various companies in Malaysia. During this assessment, she assessed on the aspects of social. She is fluent in Bahasa Malaysia and English languages.

**Pn. Elzy Oktafia – Team member**

She hold Diploma in Agriculture, graduated from University Putra Malaysia in year 2010. She has different agriculture sector working experiences, such as I year in landscape & horticulture and 5 years of technical knowledge in Palm Oil Plantation as Agronomist. He also has the experience as auditor and cerifier in RSPO P&C and RSPO SCC. She has completed her RSPO P&C Lead Auditor course and RSPO SCC Lead Auditor course. She has been involving in RSPO auditing since 2016.

**RSPO Public Summary Report  
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He holds Master of Environmental Management from the University Putra Malaysia in year 2008 and Bachelor of Science (Food Science) from Charles Sturt University Australian year 2014. He has more than 5 years of working experience in sustainability auditing and carbon emissions accounting. He has also 2 years of working experience in wastewater treatment construction and operations. He has completed the ISO9001, ISO14001, RSPO P&C Lead Auditor and RSPO SCC Lead Auditor course and MSPO Awareness Training. In his previous certification body experience, he was the Lead Assessor for Clean Development Mechanism, World Commission of Dam and ISCC. The CDM and WCD assessment focuses on social accountability. He had been involved in Sustainable Palm Oil auditing for more than 2 years. Able to speak in English.

### Section 3: Assessment Findings

#### 3.1 Details of audit results are provided in the following Appendix:

- United Plantation Berhad Time Bound Plan
- RSPO NEXT Checklist

#### 3.2 Eligibility and Progress against Time Bound Plan

The scope of organisational participation includes the entire land bank and supply base of directly owned and/or managed operations – which by RSPO definition includes not only the estate that is managed but also the schemed/associated smallholders (where the land is usually managed by the company) and 'exclusively contracted' outgrowers. Elements of the RSPO NEXT standard also apply to all the independent supply base of Palm FFB. Once eligible for participation, the first entry will be a minimum of 30% of all potential certification units meeting NEXT before claim allowed.

Summary of the organisational RSPO Certification Unit:

| <b>Minimum threshold for participation in RSPO NEXT</b>  |   |
|--|---|
| <b>Requirements</b>  | <b>Number</b>   |
| A. Total Management Unit (mill with estates)   | Malaysia- <b>4</b> POM and 9 estates<br>Indonesia- <b>1</b> POM and 2 estates |
| B. Total RSPO Certified Management Unit (mill with estates)  | Malaysia- <b>4</b> POM and 9 estates  |
| Percentage of B/A  | $4/5 \times 100\% = 80\%$   |
| Conclusion (Minimum of 60% of "certifiable" units are successfully P&C certified before they may begin participation in RSPO NEXT) | Eligible/ <del>Not eligible</del>   |
| <b>Minimum initial participation meeting NEXT before claim allowed</b>   |   |
| <b>Requirements</b>  | <b>Number</b>   |
| C. Total RSPO Certified Management Unit (mill with estates)  | Malaysia- <b>4</b> POM and <b>9</b> estates                                   |
| D. Total RSPO NEXT Certified Production Unit (mill with estates)   | Malaysia- <b>2</b> POM and 3 estates  |
| Percentage of D/C  | $2/4 \times 100\% = 50\%$   |
| Conclusion (Minimum of 30% of "certifiable" units are successfully RSPO NEXT certified before claim allowed.                       | Eligible/ <del>Not eligible</del>   |

Kindly refer to detail time bound plan for the list of RSPO certified production unit in Appendix B.



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| <b>Time Bound Plan</b>   |   |                   |
|--|---|-------------------|
| <b>Requirement</b>   | <b>Remarks</b>  | <b>Compliance</b> |
| <b>Summary of the Time Bound Plan</b>  |   |                   |
| Does the plan include all subsidiaries, estates and mills?   | Include all estate in Malaysia and Indonesia. All Palm Oil Mills in Malaysia (4 units) are certified-Main Certification 21/08/2008, re-certification 21/08/2013, second recertification 29/09/2017  | Yes               |
| Is the time bound plan challenging?<br><ul style="list-style-type: none"> <li>• Age of plantations.</li> <li>• Location.</li> <li>• POM development</li> <li>• Infrastructure.</li> <li>• Compliance with applicable law.</li> </ul> | <p>With the acquisition of two Indonesian plantation companies in 2006 and 2009, the total planted hectareage in Indonesia at present is approximately 10,000 hectares. A new "State of the Art" 60mt per hour mill was commissioned at July 2010 on Lada Estate, Kalimantan.</p> <p>In view of the discrepancy between the Provisional and National maps, UPB are in the harmonization process through the PP No 60 Of 2012(forest release). Until such time the HGU will not be issued .It is a prerequisite that HGU must be obtained for RSPO certification. UPB were informed by RSPO Secretariat that plantations with partial HGU will be eligible for RSPO certification in the HGU area and as and when the balance areas the certifications will be conducted as and when the HGU is obtained. UPB have obtained a partial HGU for our Lada Estate (2500 ha) and this portion is slated for certification in the 4th quarter of 2016. UPB envisage the balance areas will obtain the HGU by 2019.</p> | Yes               |
| Have there been any changes since the last audit? Are they justified?  | There is change to certify Lada Estate. The justification is provided above where by UPB are in the harmonization process through the PP No 60 due to discrepancy between the Provisional and National maps.  | Yes               |
| If there have been changes, what circumstances have occurred?  | Please refer justification stated in "Is the time bound plan challenging?" above.   | Yes               |
| Have there been any stakeholder comments?  | No stakeholder comments   | Yes               |
| Have there been any newly acquired subsidiaries?   | No new acquisition  | Yes               |
| Have there been any isolated lapses in implementation of the plan?   | No lapses as all the units has been certified or under going certification  | Yes               |
| <b>Un-Certified Units or Holdings</b>  |   |                   |
| Did the company conduct an internal audit? If so, has a positive assurance statement been produced?  | There are 5 Business Units by United Plantation Berhad. <ol style="list-style-type: none"> <li>1. UIE POM and supply base</li> <li>2. Jendarata POM and supply base</li> </ol>  | Yes               |

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|   |   |     |
|---|---|-----|
|   | <p>3. Ulu Bernam POM and supply base<br/>         4. Ulu Basir POM and supply base<br/>         5. Lada POM (PT Surya Sawit Sejati) and supply base.</p> <p>All except Lada POM is cerified. Internal audit for Lada POM was reviewed and confirmed positive assurance statement was produced.</p>  |     |
| <p>No replacement after dates defined in NIs Criterion 7.3:</p> <ul style="list-style-type: none"> <li>• Primary forest.</li> <li>• Any area identified as containing High Conservation Values (HCVs).</li> <li>• Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3.</li> </ul> | No such replacement was identified.   | Yes |
| <p>Any new plantings since January 1<sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.</p>   | <p>There is new planting at Kumai Estate. NPP for Kumai Estate has been published in the RSPO website for comment on 30/12/2014. The link to the NPP notification is <a href="http://www.rspo.org/certification/new-planting-procedures/public-consultations/united-plantations-berhad-pt-surya-sawit-sejati">http://www.rspo.org/certification/new-planting-procedures/public-consultations/united-plantations-berhad-pt-surya-sawit-sejati</a></p> <p>There was no comment received.</p>  | Yes |
| <p>Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.</p>  | <p>There are land conflicts reported in the UPB's Indonesia operations. The conflicts was raised from the stakeholders directly to UPB. In order to resolve land conflicts through mutual agreement, UPB had develop the FPIC procedures. The FPIC procedure is available in the UPB website <a href="http://unitedplantations.com/sustainability/community_fpic_external.asp">http://unitedplantations.com/sustainability/community_fpic_external.asp</a></p> <p>The FPIC development and engagement was assisted by Lingkar Komunitas Sawit (LINKS).</p> <p>As per the United Plantation 2016 Annual report, there are 63 resolved conflicts cases and 6 ongoing cases.</p> | Yes |
| <p>Any Labor disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.</p>  | There is no labor disputed recorded.  | Yes |
| <p>Any Legal non- compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.</p>  | The process for land legality is available.   | Yes |

### 3.3 Details of findings

The nonconformity is listed below. The summary report of the assessment by criteria is listed in Appendix A.

During the Certification Assessment there were one (2) Major nonconformities raised. The Certification unit has submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted. The implementation of the corrective action plans to address the minor nonconformity will be followed up during the next surveillance assessment.

| Non-Conformity  |                   |                          |       |
|---|-------------------|--------------------------|-------|
| NCR #   | 1536430-201709-M2 | Category (Major / Minor) | Major |
| <b>Requirements</b>   |                   |                          |       |
| Indicator GHG 1.1 – The RSPO Palm GHG Tool or another RSPO- approved equivalent tool shall be used to monitor emissions at the Management Unit and across all eligible operations in the entire organization  |                   |                          |       |
| <b>Evidence of Nonconformity</b>  |                   |                          |       |
| The GHG for Jendarata business unit has been reported in the Life Cycle Analysis report. The LCA has been conducted by Dr Jannick Schmidt. However the method/tools applied was not the RSPO PalmGHG Calculator Version 3.0.1 or had received any approval from RSPO.   |                   |                          |       |
| <b>Statement of Nonconformity</b>   |                   |                          |       |
| The method or tool used to determine the GHG calculation was not approved by RSPO.  |                   |                          |       |
| <b>Root Cause:</b> UP commenced LCA monitoring since 2004 and in 2017, the consultant was requested to present the emissions from oil mills and supply bases as per RSPO Palm GHG Calculator 3.0.1. However, management was not aware that the LCA Consultant, Dr Jannick Schmidt had made available as per the RSPO Palm GHG Calculator Version 3.0.1 with effective from 1st January 2017 (for year 2016 data). |                   |                          |       |
| <b>Correction:</b> The access file for all mills and their supply bases under United Plantations Berhad as per the RSPO Palm GHG Calculator Version 3.0.1 have been submitted via email on 4th October 2017.  |                   |                          |       |
| <b>Assessment Conclusion:</b>   |                   |                          |       |
| The GHG calculation was completed using the RSPO Palm GHG Calculator Version 3.0.1. The raw data that was used for the calculators input were verified and it is consistent with the calculator. The Summary of the emission is provided in Appendix I of this report. The finding raised is closed on 09/10/2017.  |                   |                          |       |

| Non-Conformity   |                   |                          |       |
|--|-------------------|--------------------------|-------|
| NCR #  | 1536430-201709-M3 | Category (Major / Minor) | Major |
| <b>Requirements</b>  |                   |                          |       |
| Indicator HR 4.1 – If there is no RSPO National Interpretation definition of a Decent Living Wage, the company shall document a process of collective bargaining with the workforce to establish and implement a mutually agreed upon total compensation package that provides a decent living which shall include at least the minimum wage |                   |                          |       |
| <b>Evidence of Nonconformity</b>   |                   |                          |       |
| Seri Pelangi Estate: Document verified the attendance records and payslip and interviewed with the contractor’s workers found that their rate for work on rest day and public holiday is normal rate without paying double of the ordinary rate per piece. Sampled of workers as below:  |                   |                          |       |
| <ul style="list-style-type: none"> <li>Passport No.: AR 670418 (September 2016 – 1 Work on Rest Day, November 2016 – 4 Work on Rest Day)</li> </ul>  |                   |                          |       |

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| <ul style="list-style-type: none"> <li>• Passport No.: A 5909754 (November 2016 – 4 Work on Rest Day)</li> <li>• Passport No.: A 6897407 (November 2016 – 4 Work on Rest Day)</li> </ul> <p>Through interviewed with the contractor also mentioned that the rate for work on rest day is the normal rate and will not pay double rate as per the Employment Act</p>  |
| <p><b>Statement of Nonconformity</b></p> <p>The contractor’s workers were not paid according to the Employment Act 1955 Section 60 (3) (d) for work on rest day.</p>   |
| <p><b>Correction:</b></p> <ol style="list-style-type: none"> <li>1. Management has reimbursed the outstanding wages for all (17) workers who work on rest day for the month of September and November 2016.</li> <li>2. Internal Memo has been issued to all Managers and Heads of Department to ensure the regulation is fully complied by all existing contractors.</li> <li>3. Training was conducted to all existing contractors to ensure they are fully aware of double rate for all workers who work on rest day.</li> <li>4. The regulation and computation of wages had been cascaded to the contractor's workers.</li> <li>5. The rate and wages for rest day work was captured in Master Record for each workers.</li> </ol> <p><b>Root Cause:</b></p> <ol style="list-style-type: none"> <li>1. Contractors was not aware of double rate wages for rest day work.</li> <li>2. Lack of training conducted by estate management to contractors on double rate for works offered on rest days = <b>ROOT CAUSE</b></li> </ol> <p><b>Corrective Action:</b></p> <ol style="list-style-type: none"> <li>1. Internal Memo has been issued to all Managers and Heads of Department to ensure the regulation is fully complied by all newly engaged contractors.</li> <li>2. The element on wages payment for overtime, work on rest day and public holiday as stipulated in Employment Act 1955 was included in internal audit checklist and unannounced audit will be conducted to ensure all contractors are comply with the regulation.</li> </ol>  |
| <p><b>Assessment Conclusion:</b></p> <p>An onsite close out assessment was conducted on 09/10/2017 to verify the correction was taken. Interview with the affected workers were conducted during the Major NC onsite close out assessment to confirm the receipt of the reimbursement. Interview with the contractors was conducted during the onsite close out assessment to confirm training was provided and the understanding regarding the wages payment and the Employment Act 1955.</p> <p>The assessment team had reviewed the Master Record template for the workers wages input. The template now had included a column to input work during rest (WDR). The assessment team deemed that with this change, any workers that work on rest day will be captured. The payroll clerks were able to explained to the assessment team on the function of this input. As the monthly wages payment to each contract workers are made by the contractor following the payslip that that is generated by U.P, this revised recording can control that the correct payslip are prepared to the contractors to pay their workers accordingly.</p> <p>The internal audit checklist was verified and had included the following elements:</p> <ol style="list-style-type: none"> <li>1. Is there any evidence for training conducted to all existing contractors on compliance of Employment Act (Computation of wages for overtime, rest day and public holiday work)?</li> <li>2. Is there any evidence for training conducted to newly engaged contractors on compliance of Employment Act?</li> <li>3. Is there any workers work on rest day or public holiday through interview session?</li> <li>4. Is there any work offered on rest day or public holiday as per workers’ attendance record?</li> </ol> |

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5. If yes, does the computation of wages for work on rest day or public holiday correctly derived in payslip?  
The elements included in the internal checklist will be able to eliminate the root cause of untrained contractors. The assessment team deemed that the corrective action is appropriate. The continuous implementation will be further verified during the next assessment. Hence the finding raised is closed on 09/10/2017.

| Observation |             |
|-------------|-------------|
| OBS #       | Description |
| N/A         | N/A         |

| Positive Findings |   |
|-------------------|---|
| PF #              | Description   |
| 1.                | The implementation and commitment towards Sustainable Palm Oil within United Plantation Bhd Group is a top down commitment. |
| 2.                |   |

| Issues raised by Stakeholders   |   |
|---|---|
| <p>Stakeholder consultation involved internal and external stakeholders. External stakeholders were contacted by telephone to arrange meetings at a location convenient to them to discuss <b>Jendarata PALM OIL MILL</b> Certification Unit’s environmental and social performance, legal and any known dispute issues.</p> <p>Meetings were conducted with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and later was verified with the management team. These have been incorporated into the assessment findings.</p> <p>Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal group meetings at their housing. Separate visits were made to each of the local communities to meet with the village head and residents. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Appendix E.</p> |   |
| IS #  | Description   |
| <b>1</b>  | <p><b>Issues</b><br/>Indonesian Workers (Seri Pelangi Estate) – The workers were understood their rights and their job scopes. They informed that no discrimination was happened. However, they reported that they did not pay double rate of their ordinary rate per piece when worked on rest day or public holiday due to they are contractor’s workers.</p> <p><b>Management Responses</b><br/>Immediate and long term correction actions have been taken by management to rectify the shortcoming as well as ensure all contractor’s workers are being paid accordingly. The correction actions as below:<br/>a) Management has reimbursed the outstanding wages for all (17) workers who work on rest day for the month of September and November 2016.</p> |

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|                 |   |
|-----------------|---|
|                 | <p>b) Internal Memo has been issued to all Managers and Heads of Department to ensure the regulation is fully complied by all existing contractors.</p> <p>c) Training was conducted to all existing contractors to ensure they are fully aware of double rate for all workers who work on rest day.</p> <p>d) The regulation and computation of wages had been cascaded to the contractor's workers.</p> <p>e) The rate and wages for rest day work was captured in Master Record for each workers.</p> <p>f) The element on wages payment for overtime, work on rest day and public holiday as stipulated in Employment Act 1955 was included in internal audit checklist and unannounced audit will be conducted to ensure all contractors are comply with the regulation.</p> |
|                 | <p><b>Audit Team Findings</b><br/>Please refer to HR 4.1 for details. A major non-conformance was raised.</p>   |
| <p><b>2</b></p> | <p><b>Issues</b><br/>Neighbouring Estates’ Representatives – They have good relationship with the management. The management has provided assistance and support whenever requested. For eg: The management allowed them to access the road to pass through their estates.</p> <p><b>Management Responses</b><br/>Management will continuously maintains good relationship with neighboring communities and provides assistance whenever necessary.</p> <p><b>Audit Team Findings</b><br/>No further issue.</p>   |

**3.3.1 Status of Nonconformities Previously Identified and Observations**

This section is not applicable as this is the intial certification



**3.3.2 Summary of the Nonconformities and Status**

| CAR Ref.          | CLASS | ISSUED     | STATUS |
|-------------------|-------|------------|--------|
| 1536430-201709-M2 | Major | 03/10/2017 | Closed |
| 1536430-201709-M3 | Major | 03/10/2017 | Closed |

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**Assessment Conclusion and Recommendation:**

Based on the findings during the assessment **Jendarata PALM OIL MILL** Certification Unit and supply base complies with the RSPO NEXT for CPO Mill. It is recommended that the certification of **Jendarata PALM OIL MILL** Certification Unit is approved and continued.

| Acknowledgement of Assessment Findings  | Report Prepared by   |
|---|--|
| <b>Name:</b><br><b>C. Mathews</b>   | <b>Name:</b><br><b>Mohamed Hidhir</b>  |
| <b>Company name:</b><br><b>United Plantations Berhad</b>  | <b>Company name:</b><br><b>BSI Services Malaysia Sdn Bhd</b>   |
| <b>Title:</b><br><b>Group Manager, Human Resources, Environment and Safety &amp; Health</b>   | <b>Title:</b><br><b>Lead Auditor</b>   |
| <b>Signature:</b><br><br><b>Date: 15/10/2017</b> | <b>Signature:</b><br><br><b>Date: 14/10/2017</b> |

**Appendix A: Summary of Findings**

| Criterion / Indicator   | Assessment Findings   | Compliance   |            |
|-------------------------|---|--|------------|
| <b>NO DEFORESTATION</b> |   |  |            |
| <b>Policy</b>           |   |  |            |
| <p><b>NDF 1.1</b></p>   | <p>Company has a public policy of no deforestation</p> <p>In addition to following the RSPO P&amp;C and New Planting Procedures, the policy shall include a public commitment to no deforestation through a landscape level assessment of where to develop and where to conserve.</p> <p>The policy shall specify an approach that combines biodiversity &amp; carbon conservation with forest cover assessment and social considerations including community needs</p> | <p>United Plantations Berhad (UPB) has established a public policy on environmental and biodiversity which incorporated the element of no deforestation. The latest version of policy dated 15th June 2017 was signed by UPB’s Chief Executive Director, Dato’ Carl Bek-Nielsen. The policy has defined UPB’s commitment to no deforestation through a landscape level assessment of where to develop and where to conserve. All agricultural operations have to comply with the following criteria where;</p> <ul style="list-style-type: none"> <li>i. No development on high carbon stock forests (HCS)</li> <li>ii. No development on high conservation value forest areas (HCV)</li> <li>iii. No development on peat lands</li> <li>iv. Free, prior and informed consent (FPIC) for indigenous and local communities in all negotiations.</li> <li>v. Compliance with all relevant laws and National Interpretation of RSPO Principle and Criteria.</li> </ul> <p>The policy is available in multi-lingual (Malay, Tamil, English, Bangladesh and Nepal) and prominently displayed at UPB’s mill and estate offices and communicated to all relevant stakeholders.</p> <p>The policy was submitted as part of the public record of the assessment and made available on the UPB’s website and on the RSPO Website as part of the public audit report summary. Website link can be found <a href="http://www.unitedplantations.com/About/Environment%20and%20Biodiversity%20policy.pdf">here</a>;<br/><a href="http://www.unitedplantations.com/About/Environment%20and%20Biodiversity%20policy.pdf">http://www.unitedplantations.com/About/Environment%20and%20Biodiversity%20policy.pdf</a></p> <p>Other source for public information can be found via annual report. The latest UPB’s annual report for 2016 link; <a href="http://www.unitedplantations.com/Files/PDF/Announcements/Annual%20Report%202016%20.pdf">http://www.unitedplantations.com/Files/PDF/Announcements/Annual%20Report%202016%20.pdf</a></p> <p>In addition to the above reports, the policy was also submitted as part of the annual ACOP reporting process and report under para 7.1;</p> <ul style="list-style-type: none"> <li>i) Policies on water land,energy and carbon footprints</li> </ul> | <p>Yes</p> |



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| Criterion / Indicator    |   | Assessment Findings  | Compliance |
|--------------------------|---|--|------------|
|                          |   | ii) Land use right<br>iii) Ethical conduct and human right<br>iv) Labour rights<br>v) Stakeholder engagement<br><br>Information related to NPP Public Notification for other UPB's management unit located in Kalimantan, Indonesia can be found via RSPO website link <a href="http://www.rspo.org/certification/new-planting-procedures/public-consultations/united-plantations-berhad-pt-surya-sawit-sejati">http://www.rspo.org/certification/new-planting-procedures/public-consultations/united-plantations-berhad-pt-surya-sawit-sejati</a> |            |
| Planting & Carbon Stocks |   |  |            |
| <b>NDF 2.1</b>           | <p>New plantations shall only be established contingent on the landscape level assessment per NDF 1.1 on mineral soils and in low carbon stock areas as defined by RSPO.</p> <p>Low carbon stock areas are currently defined by the RSPO as those areas with (above and below ground) carbon stores, where the losses as a result of conversion (to oil palm) are equal or smaller to the gains in carbon stock within the new development area, including set aside areas (non-planted areas), over the period of one rotation.</p> <p>Convergence of the emerging methodologies for calculation of HCS will allow further specifications of the definition of Low Carbon Stock. In any case this cannot be higher carbon than the existing definition which is included in the current P&amp;C's.</p> <p>The determination of where and when to plant shall be publicly available and shall include information on:</p> <ul style="list-style-type: none"> <li>• Carbon calculations &amp; defaults used</li> <li>• Forest patch analysis, prioritization and conservation</li> </ul> | <p>Based on area statement as at 31/12/16 reported under UPB's 2016 annual report, there was no new development/ new planting within Jendarata Management Units.</p> <p>Verification of area statement as the following:</p> <p>Seri Pelangi Estate – title area: 1,422 ha, OP: 1,337 ha, infra: 85 ha</p> <p>Jendarata Estate – Title area: 6,339 ha, OP: 5,620.8 ha, Cococut:364.4 ha, infra and others: 353.8 ha</p>  | Yes        |

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| Criterion / Indicator                                   |  | Assessment Findings  | Compliance |
|---|--|--|------------|
|   | <ul style="list-style-type: none"> <li>Impact on local communities, including FPIC on decisions around development and ongoing conservation taking into account the dynamic nature of human/environment interactions and dependencies.</li> </ul>  |  |            |
| <b>NDF 2.2</b>  | Carbon emissions from direct land use change for all new plantings shall be publicly reported via the RSPO New Planting Procedure (NPP) using the approved RSPO tool(s).   | No new development/ new planting within Jendarata Management Units.<br><br>Thus, this criterion/indicator is not applicable.   | Yes        |
| <b>Manage and Monitor Direct &amp; Indirect Impacts</b> |  |  |            |
| <b>NDF 3.1</b>  | The HCV Assessment of all new plantings shall be led by an Independent Assessor who is licensed under the HCV Resource Network Assessor Licensing Scheme (ALS).  | No new development/ new planting within Jendarata Management Units. Thus, this criterion/indicator is not applicable.  | Yes        |
| <b>NDF 3.2</b>  | <p>The company shall have HCV management &amp; monitoring plans at a landscape level. The definitions of the HCV Resource Network shall be utilized with particular attention to defining the "Area of Influence". The management &amp; monitoring plans are to be developed in collaboration with other stakeholders active in that landscape before and during the project implementation.</p> <p>Evidence of attempted collaboration efforts shall be documented and available.</p> <p>Such collaborative plans and areas shall include but are not limited to:</p> <ul style="list-style-type: none"> <li>management of corridors,</li> <li>buffer zones,</li> <li>anti-poaching and encroachment activities,</li> </ul> | The initial complex level HCV assessment was done by Wild Asia between 01 – 06/01/2008. The report's mentioned the methodology applied as well the extend of coverage that includes the presence of protected areas, the conservation status (e.g. IUCN status), legal protection, population status and habitat requirements of rare, threatened, or endangered (RTE) species that could be significantly affected by the grower or miller. The assessment not found any HCV habitats, such as rare and threatened ecosystems, however there are Self- Declared Conservation within estate perimeter. 7 species of mammals, 2 species of reptiles, 8 species dragonflies, and 80 species of birds have been identified in the HCV report. At Jendarata Estate there is HCV areas 3.15 ha, Conservation area 1.09 ha, 0.46 ha riparian area at the southern boundary Apart from ensuring the Sonneratia caseolaris trees which are vastly grown along the mangrove reserve, the Management has taken the initiative to develop specific habitats within the area. Sago palms were planted to enrich the habitat for firefly larvae host species (snails) and larval development. In the conjunction of Wild Asia's recommendation, 100 units of sago palms, 30 units of mangrove and 10 unit of Berembang manually planted | Yes        |

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|---|---|------------|
| <ul style="list-style-type: none"> <li>• watercourses and wetlands, including riparian zone management,</li> <li>• steep slope management,</li> <li>• livelihoods and cultural identity</li> </ul>  | <p>to date along the mangrove &amp; river reserve. At Seri Pelangi Estate the self-declaration "The Bengang Canal" 2.06 Ha, and Malaysian Tropical Forest Tree (Sentang). The HCV assessment is performed by the qualified ALS assessor Dr Reza from wild asia.</p> <p>The established HCV management plan has been incorporated the action plan for those identified areas for proper monitoring. Anti-poaching and encroachment activities were prohibited and guided under Environment and Biodiversity Policy dated 18<sup>th</sup> August 2017. All estate entrance were guarded 24 hours and regular patrolling was carried out to ensure no trespasses and illegal hunting activities in the Jenderata Business Unit. No hunting signages were prominently displayed at the entrance and near to conservation area.</p> <p>Latest awareness training was done on 21/2/17 for riparian reserve and HCVs part for Jendarata Management Unit.</p>   |            |
| <p><b>NDF 3.3</b> The company shall use independent and participatory SEIA to develop management &amp; monitoring plans to identify, minimize &amp; mitigate the negative and promote the positive indirect or secondary impacts of the development before and throughout development phases</p> <p>Measures could include, but are not limited to:</p> <ul style="list-style-type: none"> <li>• Ensuring optimum productivity of the planned operation</li> <li>• Establishing minimum conservation set aside areas</li> <li>• Food security issues for local communities (including communities not in the immediate vicinity of the project),</li> </ul> | <p>There is available Environment action plan made available at the estate: Environment Risk Assessment ERA &lt; Action Plan (EAP) &amp; review Plan ERP 2017 that covers road, pathways, railways and mill processing activities, operation of water management, Regular desludging of Effluent ponds and disposal to land Application Furrows.</p> <p>The Environment action plan was covering the remaining natural vegetation by: re-establish buffer zone as per DID regulation. Reducing usage of chemical by using mechanical mowers in harvesting, and avoiding spraying in waterways, Legumous cover crop establishment along drain edges and Oil Palm Disease Management. - The assessment has been done accordingly by engaging the related stakeholders. The score and review of the Risk Assessment depends on the feedback and meeting discussion with the management decision and stakeholders Social Risk Assessment (SRA) has been made with latest on 2017 for internal and external stakeholder for various activity :-</p> <ol style="list-style-type: none"> <li>i. Operation – Nursery</li> <li>ii. Operation – Replanting</li> <li>iii. Operation – Weeding</li> </ol> | <p>Yes</p> |

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|---|---|------------|
| <ul style="list-style-type: none"> <li>• Identifying and mitigating the risk of increased land pressure on natural/protected habitats</li> <li>• Addressing land conflicts caused by reduced land availability</li> <li>• Refraining from developing areas that will be used by the communities for current and future subsistence and other land needs</li> <li>• Where candidates for employment are of equal merit, preference shall be given to hiring from local communities</li> <li>• Understanding and supporting existing alternative livelihoods and ensuring they are not threatened or reduced</li> <li>• Provision of health and educational facilities where these are lacking or not available within accessible distance</li> </ul> | <ul style="list-style-type: none"> <li>iv. Operation – Pruning</li> <li>v. Operation – Circle Sanitation</li> <li>vi. Operation – EFB Mulching</li> <li>vii. Operation – Water Management</li> <li>viii. Operation – Roads, Paths, and Railways</li> <li>ix. Operation – Boundary</li> <li>x. Operation – Oil Palm Pest and Disease Management</li> <li>xi. Operation – Foreign Workers</li> </ul> <p>Latest SRA is conducted on 13 March 2017 for Jendarata POM, Jendarata Estate on 20 February and 16 March 2017 for Seri Pelangi Estate. all finding is documented covers all of the potential impact factors including use rights, economic livelihoods and working conditions, subsistence activities, cultural and religious values, health and education facilities and communities values.</p> <p>The ERA and SRA and manangement plan were developed based on exiting planting activities and verified the was no new development of land within Jenderata Business Unit.</p> |            |
| <p><b>NDF 3.4</b></p> <p>The initial planning shall cover at least the first cycle of the oil palm development (Initial planting through New Planting). Both the planning as well as the plans shall take a gender inclusive approach, considering the different roles that men and women have in relation to e.g. landownership, use, food crop or cash crop production, markets and credit.</p> <p>Notwithstanding FPIC requirements further consultations before and throughout development cycle shall be carried out with affected stakeholders and identified relevant third parties to review the plans. Planned land allocation to various activities shall be shared during such consultations.</p>  | <p>There was no new development/new planting within Jendarata Management Units. Thus, this criterion/indicator is not applicable</p>  | <p>Yes</p> |

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|--|---|------------|
| <p><b>NDF 3.5</b> Companies shall show evidence that they are managing and protecting areas deemed unsuitable for oil palm development in areas under their control because of the magnitude of potential environmental and/or social negative impacts. This also applies to the resolution of any conflicts on such land.</p> <p>They shall not initiate excision of such land from their Management Units unless they can assure the long term conservation of such areas and values. Should excision be initiated by an entity other than the company, the company shall provide evidence of having given input on the potential negative impacts of excision and possible conversion resulting from the excision, as evidence of its attempt to prevent the excision or at a minimum to provide input on the negative impacts of such an action to the initiating entity</p> | <p><u>Jendarata Estate</u></p> <p>On-going replanting programme in 2017 will includes peat area (136 &amp; 139) for total of 96.7 ha. Request submitted to UPRD on 2/10/17 for drainability assessment prior to replanting and still pending for approval. Verified site at field 136 &amp; 139, still no progress of land preparation observed.</p> <p><u>Seri Pelangi Estate</u></p> <p>No peat area within Seri Pelangi Estate.</p>  | <p>Yes</p> |
| <b>NO USE OF FIRE</b>  |   |            |
| <b>Prevent and Control Fires</b>   |   |            |
| <p><b>NFR1.1</b></p>   | <p>There shall be no use of open burning/fire in new or ongoing operations for land preparation, land management, waste management, or any other reason other than justified and documented cases of Phyto-Sanitary emergencies. Prior approval must be obtained from appropriate authorities in these cases.</p> <p>UPB had committed to Zero Burning within the operations and operating units. The Environmental And Biodiversity Policy dated 18/08/2017 signed by CEO Dato Carl Bek-Nielsen had shown the commitment of UPB towards zero burning.</p> <p>The UPB commitment towards zero burning was since 01/06/1989 when Dato Seri B.Bek Nielsen had made the Zero Burn Policy. On 18/02/2008, UPB had reinstate their commitment on zero burn through an internal memorandum which was circulated to inform all employees regarding no open burning.</p> <p>During the field assessment, there is no fire burning observed.</p> <p>The SOP for Replanting dated 10/12/2007 provides the procedure of no buring for replanting. The procedures states that the OP will be mechanically felled with excavators, windrowed, shredded and let</p> | <p>Yes</p> |

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|-----------------------|---|------------|
|                       | <p>to decompose along planting rows. Field observation confirmed the procedures has been followed.</p> <p>Interview with the stakeholders confirmed that there was not used of fire for replanting activities. A search in the local media had not found any report of open burning within UPB's operations.</p> <p>The waste management plan shows that the domestic waste are disposed through recycle the recyclables and disposed the non-recycables to landfill. The field assessment confirmed that the domestic wastes are segerated at the landfill site prior disposing into land fill. The recyclables (e.g. plastics and tin) are collected by recycle collectors. The current landfill for Jendarata Estate/POM is located at block 2*.</p> <p>The scheduled waste are disposed through licensed scheduled waste collector. The sample of latest consignment was 10/07/2017 collected by SP Metro (M) Sdn Bhd (Spent lubricant oil) and on 08/06/2017 collected by Kualiti Alam Sdn Bhd (Clinical Waste). The clinical waste for Jendarata Hospital are disposed through scheduled waste.</p> <p>The waste are collected by Clinco Waste Management Sdn Bhd on behalf of Kualiti Alam Sdn Bhd.</p> <p>The scheduled waste inventory for mill and estates are recorded with eswis to monitor the first generation of the watse to 180days disposal timeframe according to the EQA 1974.</p> <p>The license of the scheduled waste collector was sighted. For SP Metro Sdn Bhd, the date of latest license period is 01/05/2017 – 30/04/2018 while for Kualiti Alam Sdn Bhd is till 30/04/2018.</p> |            |
| <p><b>NFR1.2</b></p>  | <p>Companies shall have plans, procedures and facilities to prevent, monitor and combat fire on land they manage as well as in the vicinity of the estates, in coordination with communities and local authorities. Plans shall include management of water tables, within the estate.</p> <p>Plans shall also include a definition of appropriate boundaries outside of the management unit based on a risk assessment.</p>  | <p>Yes</p> |

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| Criterion / Indicator                       |   | Assessment Findings   | Compliance                  |  |  |  |  |           |           |           |      |    |    |    |        |    |    |    |      |    |    |    |  |
|---|---|---|-----------------------------|--|--|--|--|-----------|-----------|-----------|------|----|----|----|--------|----|----|----|------|----|----|----|--|
|   | <p>Appropriate staff training in use of chosen monitoring tools shall be documented. Companies shall document management responses to prevent and put out fires.</p> <p>Resources such as the WRI Global Forest Watch Tool are suggested as monitoring aids</p> | <p>The annual training program for OSHA has included a Fire Drill in which stakeholders and communities are invited as part of the plan of Jendarata to manage fire.</p> <p>During the field assessment, the assessment team had observed a Fire Drill at Jendarata Hospital. The demonstration by the ERP Team has been sighted that they are properly trained on how to put off fire.</p> <p>There although there is peat planting, there is no hotspot identified in Jendarata. This is because the peat has subsided to a "safe" level (mineralized). The records of the peat subsidence was reviewed.</p> <p>Jendarata Estate has subscribed to Global Forest Watch Fires. The hotspot area has been identified to GFWF during the subscription. In case of any fire detected by GFWF, an alert will be sent to N.Vigneswaran (Assistant Manager for Jendarata Estate).</p> <p>However, Jendarata Estate had setup patrolling team to perform estate patrolling. The employee responsible for patrolling is Mr Chinnaiya. An interview session was conducted with Mr Chinnaiya to confirm the area to be patrol and the process to make necessary alert if there any fire detected.</p> <p>The monitoring for any fire at the estate will also be conducted by workers and "mandos". In case of any fire detected, the "mandos" will report to the estate's assistance manager.</p> <p>In order to ensure that the peat are not dried up and catches fire, Jendarata Estates had monitored the water level of the peats. The recored for the last 3 months are sighted:</p> <table border="1"> <thead> <tr> <th colspan="4">Location &amp; Water Level (cm)</th> </tr> <tr> <th></th> <th>Field 134</th> <th>Field 135</th> <th>Field 136</th> </tr> </thead> <tbody> <tr> <td>July</td> <td>60</td> <td>58</td> <td>55</td> </tr> <tr> <td>August</td> <td>54</td> <td>45</td> <td>55</td> </tr> <tr> <td>Sept</td> <td>60</td> <td>60</td> <td>52</td> </tr> </tbody> </table> | Location & Water Level (cm) |  |  |  |  | Field 134 | Field 135 | Field 136 | July | 60 | 58 | 55 | August | 54 | 45 | 55 | Sept | 60 | 60 | 52 |  |
| Location & Water Level (cm)                 |   |   |                             |  |  |  |  |           |           |           |      |    |    |    |        |    |    |    |      |    |    |    |  |
|   | Field 134   | Field 135   | Field 136                   |  |  |  |  |           |           |           |      |    |    |    |        |    |    |    |      |    |    |    |  |
| July  | 60  | 58  | 55                          |  |  |  |  |           |           |           |      |    |    |    |        |    |    |    |      |    |    |    |  |
| August                                      | 54  | 45  | 55                          |  |  |  |  |           |           |           |      |    |    |    |        |    |    |    |      |    |    |    |  |
| Sept  | 60  | 60  | 52                          |  |  |  |  |           |           |           |      |    |    |    |        |    |    |    |      |    |    |    |  |
| <b>NO PLANTING ON PEAT</b>                  |   |   |                             |  |  |  |  |           |           |           |      |    |    |    |        |    |    |    |      |    |    |    |  |
| <b>No New Planting On Peat Of Any Depth</b> |   |   |                             |  |  |  |  |           |           |           |      |    |    |    |        |    |    |    |      |    |    |    |  |
| <b>PT1.1</b>                                | There shall be no new development on peat, regardless   | During the site visit and field interview at Jendarata Estate, it was observed that there is no new planting  | Yes                         |  |  |  |  |           |           |           |      |    |    |    |        |    |    |    |      |    |    |    |  |

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|---|--|--|----------------|
|   | of depth or extent after 16 Nov 2015   | on peat from 2010 onwards. The current peat soils total is 623 Ha as per Jendarata Estate.   |                |
| <b>Existing Plantation on Peat Are Managed To Best Management Practices</b> |  |  |                |
| <b>PT2.1</b>  | All existing plantations on peat of any depth or extent shall adhere to the RSPO manual on best management practices for existing plantations on peat.   | As per SOP for 2.0, Peat Subsidence Measurements, the Peat subsidence probe were installed in 2 areas as sighted in field and covered in cage. In, Jendarata Estate, there are 2 Peat Subsidence Probes installed, and sighted during the field visit. The latest measurement taken by UPRD on 30.12.2016 (65 months 1983 days) with rate 1.56 cm/year for Field 134, Row 124, Palm 11.  | Yes            |
| <b>PT2.2</b>  | Results of peat drainability assessments shall be publicly available -   | During the site visit, seen the recommended field drain intensity of 1:4 rows of oil palm for replanting in 2016 and 2017 with SPH of 160/Ha. Jendarata estate has the Irrigation Scheme Water Management-Appendix 1 and evidenced on the water gate, flow direction and water sampling points. There are 6 water sampling points and 8 water gates. Seen the water management map.  | Yes            |
| <b>PT2.3</b>  | Where a company has identified areas unsuitable for oil palm replanting, based on drainability assessments or other reasons, plans developed in conjunction with affected communities shall be in place for the appropriate management of such areas which could include rehabilitation or alternative sustainable use | The deep and shallow peat were suitable for replanting based on the Drainability Assessment in 2017 Replanting, Internal Memorandum dated 01-12-16.<br><br>There was a Management of water table-water table reading every week logbook to monitor the water table measurement in field available. The latest reading recorded on September 2017 and the water table is maintained 60 cm for field 134 and field 135.<br><br>The water levels are recorded on a monthly basis by Komathi, office staff & Senior Assistant Manager, Mr Faizul | Yes            |
| <b>REDUCTION OF GHG</b>   |  |  |                |
| <b>Measure GHG</b>  |  |  |                |
| <b>GHG1.1</b>   | The RSPO Palm GHG Tool or another RSPO- approved equivalent tool shall be used to monitor emissions at the Management Unit and across all eligible operations in the entire organization.  | The methodology used to determine amount GHG emission emitted due the operations of palm oil estate and palm oil mill at Jendarata is using the Life Cycle Analysis where procedures and requirements are following the ISO14040 and ISO14044.<br><br>The United Plantations Berhad 2017 LCA study covering 2004-2016 was submitted to RSPO  | Non Compliance |



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|                       |   | Scretariat. However the methodology has not been endorsed by RSPO.   |            |
| <b>Reduce GHG</b>     |   |  |            |
| <b>GHG2.1</b>         | There shall be a management and monitoring plan that includes targeted reductions of GHG emissions  | <p>Since 2004, significant investments have been made in promoting green energy starting with the Biomass Reciprocating Boiler cum Power Plant and Biogas Plant. These project had significantly reduce CO<sub>2</sub> emissions by 70% and CH<sub>4</sub> emission by 80% at the respective operating units.</p> <p>The annual LCA serves as the management and monitoring plan for the entire United Plantation for GHG emission and reduction. The report provides the improvement analysis and plan.</p> <p>In 2017, the overall GHG emission within United Plantation Berhad operations will be further reduced due to replacing current Ulu Bernam mill with Optimill which is 100% biogas powered and the "maturing" of peat soil to mineral soil.</p>  | Yes        |
| <b>GHG2.2</b>         | <p>Best management practices shall be implemented for the reduction of operational emissions, including but not limited to:</p> <ul style="list-style-type: none"> <li>plans for installation of Biogas collection from POME in place at all locations by 2020 or</li> <li>Other techniques with proven same results as from biogas collection and</li> <li>Optimal use of inorganic fertilisers and chemical inputs to minimise emissions</li> <li>Enhance management of plantations and set aside area</li> </ul> | <p>Jendarata Mill has installed the biogas recovery plant and was commissioned since 2006. The biogas captured are utilised for steam generation to be used by Unitata refinery located within the vicinity of Jendarata POM.</p> <p>The Jendarata estate is utilizing the treated POME for land application to reduce chemical utilization. The DOE license for land application was reviewed (License 004233; validity – 30/06/2018).</p> <p>Jendarata POM is generating steam and electricity with biomass fuel (including shells, fibres and treated EFBs). The POM utilized minimal diesel consumption for mill startup. The POM is also supported by TNB power.</p> <p>In United Plantations, the estates (except Seri Pelangi and Lima Blas) are installed with locomotive tracks. By using locomotives, it will reduce the overall diesel consumed on trucks to transport the FFB to mill. Furthermore it will reduce the diesel consumption for wheel loader at the POM loading ramp.</p> | Yes        |
| <b>Report GHG</b>     |   |  |            |
| <b>GHG3.1</b>         | GHG measurement results and targets at the management unit and organization level shall be publicly reported at least annually.   | The annual LCA conducted on the organization level by United Plantation Berhad had served the purpose to demonstate annually benchmarking of the GHG emission reduction of the previous year. The LCA  | Yes        |

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|--|--|------------|
|  | <p>Results shall be provided as both absolute from the benchmark year of 2005 (or start of operations, whichever is later) and intensity per ha and per tonne CPO.</p> <p>provide the benchmarking since year 2004. From year 2004 till 2016, United Plantation Berhad had successfully reduce GHG emission from 2.58kgCO<sub>2e</sub> to 1.72 kgCO<sub>2e</sub>.</p> <p>The LCA report is published in the United Plantation Berhad website <a href="http://www.unitedplantations.com/About/carbon_footprint_initiatives.asp">http://www.unitedplantations.com/About/carbon footprint initiatives.asp</a>.</p> <p>Please refer to Appendix I for the GHG calculation.</p> |            |
| <b>RESPECT FOR HUMAN RIGHTS</b>                          |  |            |
| <b>Fair Treatment for Smallholders</b>                   |  |            |
| <b>HR1.1</b>   | <p>Companies shall develop outreach programs of support directed at all smallholders (irrespective of type) in the supply base that will enhance and support their competencies and market access.</p> <p>Programs shall cover sustainability issues as well as yields &amp; productivity support, hazardous material trainings, financial management &amp; budgeting, logistics of processing and market access and educating smallholders on their rights</p>  | Yes        |
| <b>Preventing Conflicts and Responding to Complaints</b> |  |            |
| <b>HR2.1</b>   | <p>Communication and consultation procedures, including FPIC and dispute resolution mechanisms for individual cases, shall be established in consensual agreement with affected stakeholders, including local communities, with particular assurance that vulnerable, minority and gender groups shall be consulted.</p>   | Yes        |

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|                                      |   | <p>Seri Pelangi Estate has implemented Registry of Requests and Complains and seen the registry has recorded all the requests and complaints from internal and external stakeholders. For eg:</p> <ul style="list-style-type: none"> <li>a. Perak Motor CO Sdn Bhd (Neighbouring Plantation) has requested temporary access to Seri Pelangi Road on 26/5/2017. The manager has approved the requests on 26/5/2017 and has verified with the representative from Perak Motor CO Sdn Bhd through interview confirmed that the request has been granted.</li> <li>b. Temple Committee has requested for water from water tank, estate van on 16/7/2017 and to clean up the temple area on 13/7/2017. The manager has approved the requests and provided as per request.</li> </ul>  |            |
| <b>Land Use is Free of Conflicts</b> |   |  |            |
| <b>HR3.1</b>                         | <p>Growers and millers shall adhere to the RSPO approved FPIC guidance. Company policy shall prohibit intimidation and harassment.</p> <p>The company shall respect a decision by a community/communities to refuse planned development.</p> <p>Recognising that social values are dynamic, and that communities are free to make their own choices, the company shall ensure that the process of consultation and of planning is adaptive and allows for yearly (or more frequent, as needed) consultations during the development of the project.</p> | <p>United Plantations Berhad has established SOP for Land Dispute Settlement as per Free Prior &amp; Informed Consent (FPIC). The procedure was distributed into 3 stages where phase 1 is the process of verification and completing documents of community, phase 2 is the verification process of land legality and last phase is the negotiation process with land owner.</p> <p>Besides, United Plantations Berhad has developed Human Rights Policy dated 18/8/2017 where the company will respect land tenure rights and customary rights or native rights of indigenous and local communities and committed to FPIC.</p> <p><b><u>Seri Pelangi Estate:</u></b><br/> All the lands in Seri Pelangi Estate are belongs to United Plantations Berhad. Verified the 5 land titles and found that the legal ownership was belong to United Plantations Berhad. All the land titles are with term of Commercial crops or with no specific terms. Sampled of land titles as below:</p> <ul style="list-style-type: none"> <li>a. Lot No. 7272 with total 508.6 ha</li> <li>b. Lot No. 7274 with total 506.9 ha</li> <li>c. Lot No. 585 with total 1.0268 ha</li> </ul> <p>Besides, the boundaries of the estate with neighbouring plantations were demarcated with boundary stones and trenches. Total 25 points of GPS coordinates were found and maintained. Seen the photo evident of boundary stones and sampled as below:</p> <ul style="list-style-type: none"> <li>a. UP SPE P17 – Lat 3.58.15 N, Long 101.12.28 E</li> <li>b. UP SPE P4 – Lat 3.59.39 N, Long 101.9.36 E</li> </ul> | Yes        |

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|-----------------------|--|--|----------------|
|                       |  | c. UP SPE P25 – Lat 3.58.58 N, Long 101.8.16 E<br>Interviewed with the neighbouring plantations' representative found that no encroachment of land or land dispute case reported.  |                |
| <b>HR3.2</b>          | Companies shall respect FPIC. Contradictions and inconsistencies between legal requirements and RSPO FPIC requirements shall be identified.<br><br>Companies shall demonstrate efforts to find solutions to these identified contradictions and inconsistencies.   | There was no land dispute case been reported in Seri Pelangi Estate and Jendarata Estate. All the lands were legally own by United Plantations Berhad. Besides, interviewed with the neighbouring plantations confirmed that no encroachment of land by United Plantations Berhad. The management has maintained trenches to demarcate the ownership of the lands as well as legal boundary stones were maintained.  | Yes            |
| <b>HR3.3</b>          | Where there is conflict over land use the grower shall, through their mechanism to resolve conflicts, show evidence that the necessary action to resolve the conflict with relevant parties has been or is being taken.<br><br>Where operations overlap with other rights holders the company shall resolve the issue consistent with RSPO P&C Criteria 6.3 and 6.4 and involving the appropriate authorities. | There is no land dispute identified. The mechanism to resolve any conflict follows the SOP for Land Dispute Settlement as per Free Prior & Informed Consent (FPIC). The procedure was distributed into 3 stages where phase 1 is the process of verification and completing documents of community, phase 2 is the verification process of land legality and last phase is the negotiation process with land owner.  | Yes            |
| <b>HR3.4</b>          | Plantation operations shall cease on land planted beyond the legally determined areas and there should be specific plans in place to address such issues for associated smallholders   | Seri Pelangi Estate and Jendarata Estate has maintained total 25 points of legal boundary stones and trenches to demarcate the ownership of lands. There was no land dispute case reported by verified through interviewed with the neighbouring plantations and smallholders..  | Yes            |
| <b>Fair Labour</b>    |  |  |                |
| <b>HR4.1</b>          | If there is no RSPO National Interpretation definition of a Decent Living Wage, the company shall document a process of collective bargaining with the workforce to establish and implement a mutually agreed upon total compensation package that provides a decent living which shall include at least the minimum wage  | The company has recruited local workers, foreign workers and contractors' workers in their plantations. Seen the employment contracts and payslips for all the workers. In the payslips they have stated their working days, work on rest day, public holiday, basic pay, deduction of salary, overtime, allowance and etc. Sampled of workers' payslip for December 2016, January 2017 and March 2017 as below:<br><br>a. Employee No.: 105967 (Seri Pelangi Estate)<br>b. Employee No.: 105369 (Seri Pelangi Estate) | Non-compliance |

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|-----------------------|--|------------|
|                       | <p>c. Employee No.: 105998 (Seri Pelangi Estate)<br/> d. Employee No.: 104157 (Seri Pelangi Estate)<br/> e. Employee No.: 106265 (Seri Pelangi Estate)<br/> f. Passport No.: B 1956764 (Seri Pelangi Contractor’s Worker)<br/> g. Passport No.: B 1956764 (Seri Pelangi Contractor’s Worker)<br/> h. Passport No.: AT 542192 (Seri Pelangi Contractor’s Worker)</p> <p>However, interviewed with the contractor’s workers in Seri Pelangi Estate and document verified the payslip and attendance record for month September 2016 and November 2016 found that the workers were not pay double rate of the ordinary rate per piece for work on rest day according to Employment Act 1955 Section 60 (3) (d). Sampled of workers as below:</p> <p>a. Passport No.: AR 670418 (September 2016 – 1 work on rest day, November 2016 – 4 work on rest day)<br/> b. Passport No.: A 5909754 (November 2016 – 4 work on rest day)<br/> c. Passport No.: A 6897407 (November 2016 – 4 work on rest day)</p> <p>Besides, interviewed with contractor also confirmed that they were paying normal rate even the workers worked on rest day and not paid according to the Employment Act 1955.</p> <p>Thus, a major non-conformance was raised.</p> |            |
| <p><b>HR4.2</b></p>   | <p>There shall be no evidence of employees, including migrant, transmigrant workers and/or contracted workers being prevented from forming or joining associations and/or participating in collective bargaining, within the limits of national legislation</p> <p>Workers from Seri Pelangi Estate and Jendarata POM have joined the UNION association and seen the list of workers who joined UNION. Through interviewed with the workers confirmed that they are allowed to join any association and participating in collective bargaining.</p> <p>Through review of 17 checkroll workers in Seri Pelangi Estate who joined UNION, it is observed that the deduction of RM8 for the UNION subscription fees. This shows that workers in UPB are able to join UNION.</p> <p>The workers from Jendarata POM have joined UNION association. There are total 43 local workers and 20 foreign workers joined the association. Seen the member subscriptions fees list where they paid RM 8.00 for the membership’s fees. The last meeting was conducted on 2/6/2017 with participation from management representatives and employee</p>   | <p>Yes</p> |

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|-----------------------|--|---|------------|
|                       |  | representatives. Issues raised during the meeting was replied by the management.  |            |
| <b>HR4.3</b>          | There shall be evidence that workers and employers understand workers rights to collective bargaining and freedom of association | <p>Jendarata POM has established Guest Workers Committee which formed by different nationalities such as India, Bangladesh, Indonesia and Nepal. The last meeting was held on 1/8/2017. Issues raised in the meeting was rectified by the management and some still in progress. Seen the evidence payment agreement of installation of mosquito netting at labour quarters on 2/10/2017 by the worker.</p> <p>Seri Pelangi Estate has established Guest Workers Committee with representatives from different nationalities such as Bangladesh, Indonesia and Nepal. The last meeting was conducted on 16/8/2017 with the participation from management and workers' representatives. Agenda that discussed in the meeting are such as pay and condition, housing condition, safety and health, social issue and etc. No issue was raised during the meeting by the workers.</p> | Yes        |
| <b>HR4.4</b>          | No hazardous work (as defined by the ILO) shall be carried out by anyone under the age of 18                                     | <p>United Plantations Berhad has implemented Human Rights Policy dated 18/8/2017 signed by CEO. The company does not tolerate the use of child or forced labour in any of the plantations.</p> <p>Seen the Master Record of Contractor's workers and checkroll workers confirmed that all the employees were above 18 years old. Interviewed with the workers on field also confirmed that no workers below 18 years old were recruited in United Plantations Berhad</p>  | Yes        |
| <b>HR4.5</b>          | The use of Paraquat is prohibited  | <p>United Plantations Berhad has developed Occupational Safety and Health Policy dated 18/8/2017 which signed by CEO, Dato' Carl Bek-Nielson. The company has ban the use of Paraquat weedicide (1,1'-Dimethyl-4,4'-bipyridinium dichloride).</p> <p>Document verified the Chemical Register reviewed on 20/7/2017 by Assistant Manager in Seri Pelangi Estate confirmed that no paraquat was used in the estate. Only Class 1A chemical was sighted which is Monocrotophos. Besides, interviewed with the workers confirmed that the management has prohibited the usage of paraquat in their compound.</p>  | Yes        |
| <b>HR4.6</b>          | There shall be evidence of initiatives to maximise education and career opportunities for the                                    | United Plantations Berhad has provided educational support to the children of employees. For eg: a worker from Seri Pelangi Estate has applied for financial  | Yes        |

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|--|---|------------|
| <p>children of all employees, including but not limited to:</p> <ul style="list-style-type: none"> <li>• Provision of educational resources (e.g. educational learning materials such as computers, textbooks and other tools and materials),</li> <li>• Outreach programmes on career opportunities within and outside the plantation, and</li> <li>• The provision of apprenticeship opportunities for school leavers</li> </ul> | <p>assistance for his son to further study of Diploma in Mechanical Engineering at Politeknik Ungku Omar, Ipoh. Seen the letter of application dated 30/3/2017.</p>   |            |
| <p><b>HR4.7</b></p> <p>A gender committee shall be established specifically to address areas of concern to women.</p> <p>Management representatives responsible for communication with the gender committee shall be female</p>  | <p>A Gender Committee was established which lead by Mrs Thanaletchimi (Chief Clerk of Seri Pelangi Estate) in Seri Pelangi Estate with total 12 committees that represented from different gang of work stations. The estate’s level meeting was conducted on 23/5/2017 with meeting minutes sighted. No case of sexual harassment or violence been reported. Besides of the estate’s level meeting, there was meeting held for Downriver Business Unit which chaired by representative from Registered Office and participated by all Jendarata complex operating units, Kuala Bernam and Sungai Bernam Estate. The last meeting was conducted on 19/7/2017. No issue was raised during the meeting.</p> | <p>Yes</p> |
| <p><b>HR4.8</b></p> <p>All complaints / grievances of harassment or abuse shall be documented and responses &amp; actions monitored. There shall be demonstrable efforts for reducing the number of harassment or abuse cases</p>  | <p>The company has developed Grievance and Redressal Procedure for Sexual Harassment in the Workplace. Workers who have grievance, sexual or violent nature should reported to the committee and recorded in the Misconduct Report Form. It is then submitted to respective Head of Department and copied to the Gender Committee. If the issue was not resolved in 2 weeks from the date of complaint, the issue will be further brought up to Group Manager Human Resources and Environment, Safety &amp; Health. The Group Manager will resolved the issue in consultation with the Company’s Executive Committee. There is no any sexual harassment or violence case reported by the employees.</p>   | <p>Yes</p> |

**TRANSPARENCY**

**Provide Information to Stakeholders**

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|-------------------------------------|---|------------|
| <p><b>TR1.1</b></p>                 | <p>There shall be a documented Standard Operating Procedure (SOP) for responding constructively to stakeholder requests for information, including a specific timeframe to respond to enquiries.</p> <p>The company has developed a SOP for responding constructively to stakeholder requests for information including the specific timeframe to respond to enquiries. The timeframe to respond to the stakeholder was within 7 working days.</p> <p>Besides, the company has implemented Policy on Documents that can be Publicly Made Available dated 11/1/2014 which signed by CEO, Dato’ Carl Bek-Nielsen. The documents that are made publicly available on request as below:</p> <ul style="list-style-type: none"> <li>a. Land titles/ user rights</li> <li>b. Occupational health and safety plans</li> <li>c. HCV documentations</li> <li>d. Negotiation procedures</li> <li>e. Continual Improvement Plans</li> <li>f. Human Rights Policy</li> <li>g. And etc</li> </ul> <p>Seen the Registry Record of Requests where it recorded the requests from internal and external stakeholders. For eg:</p> <ul style="list-style-type: none"> <li>a. Temple representative has requested to apply for local police permit on 8/5/2017 due to the coming festival on 7-8/6/2017. Jendarata Estate’s management has wrote in to the local police station in order to apply for the permit on 12/5/2017. The permit has been granted.</li> <li>b. Representative from SJK (T) Ladang Jendarata 1 has requested the management to top up the medicine in the first aid box for the School Excursion on 5/9/2017. The management has replied on 13/9/2017 agreed to assist and give permission to the school to get the medicine from Company Group Hospital.</li> </ul> | <p>Yes</p> |
| <b>Code of Ethics and Integrity</b> |   |            |
| <p><b>TR2.1</b></p>                 | <p>The ethical code of conduct shall include as a minimum a written restatement of the company commitment to and provide detail on:</p> <ul style="list-style-type: none"> <li>1. A respect for the fair conduct of business;</li> <li>2. A prohibition of all forms of corruption, bribery and fraudulent use of funds and resources;</li> </ul> <p>United Plantations Berhad has implemented Code of Conduct and Business Ethics dated 8/12/2016 signed by CEO, Dato’ Carl Bek-Nielsen. The company conducts the operations with honesty, integrity and openness, and with respect for the human rights and interests of the employees. They do not give or receive whether directly or indirectly bribes or other improper advantages for business or financial gain.</p>  | <p>Yes</p> |



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|---|--|---|-----|
|   | 3. A proper disclosure of information in accordance with applicable regulations and accepted industry practices  |   |     |
| <b>Traceability from Plantation to Mill</b> |  |   |     |
| <b>TR3.1</b>                                | <p>All mills shall have in place a traceability system to identify the location of production for all FFB, including %'s, from their own production, associated smallholders, dealers and independent smallholders and any other outgrower or other source of FFB.</p> <p>Growers and millers shall develop and implement a plan to ensure that the smallholder supply base meets RSPO requirements for responsible and legal sources within the time lines as noted in TR 3.2 and TR 3.3 below.</p> <p>The plan shall consider:</p> <ul style="list-style-type: none"> <li>• Technical, financial and training support for practices relevant to all RSPO P&amp;Cs, particularly:</li> <li>• soil management practices,</li> <li>• chemical and fertiliser use and storage,</li> <li>• use of seedlings,</li> <li>• the identification management and monitoring of HCV, HCS and peatland,</li> <li>• the reduction of emissions,</li> <li>• the resolution of land conflict,</li> <li>• the promotion of staff/workers welfare and</li> <li>• sustainable development</li> </ul> | <p>Jendarata Mill are producing premium module of supply chain (Module D: Identity Preserved)</p> <p>All FFB received coming from all certified estates with traceability ID, i.e Jendarata Estate [Certified Sustainable FFB, MUTU-RSPO/068] and recorded under delivery note and daily FFB summary records.</p> <p>FFB is traceable to its origin field location. FFB is coming from known and certified source. No FFB received from associated smallholders, dealers and independent smallholders and any other outgrower or other source of FFB.</p> | Yes |
| <b>TR3.2</b>                                | Within 1 year of initial RSPO Next verification the mill shall only source FFB from known and identified sources (to at least the  | Jendarata POM is producing premium module of supply chain (Module D: Identity Preserved). No FFB received from associated smallholders, dealers and independent smallholders and any other outgrower or   | Yes |

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|                       | dealer level) and plans shall be developed to assist the full small holder supply base in identifying attributes that could indicate high risk and the mitigation or avoidance of such risk.   |            |
| <p><b>TR3.3</b></p>   | <p>Within 2 years of initial RSPO NEXT verification a system shall be in place to assure that all FFB entering the mill is from known and identified plantation sources which are:</p> <ul style="list-style-type: none"> <li>• From land legally occupied for oil palm production;</li> <li>• Existing plantations on peatlands managed to RSPO Best Management Practices</li> <li>• Not PLANTED on peat of any depth or extent since November 2015</li> <li>• Not the subject of conflict with neighbouring communities;</li> <li>• Not produced using forced, trafficked or child labour;</li> <li>• From land that has had no use of fire</li> <li>• From land that has not had clearance of HCV or potential HCV areas since November 2005 (see Criterion 7.3) unless an active program following approved RSPO processes is documented to address potential mitigation</li> </ul> <p>As clarification and reiteration of support for the productive engagement with smallholders who are significant and important parts of the supply chain particular and special attention shall be paid by companies to developing strategies that allow all categories of small holders to participate in supply chains. Plans reported shall</p> | <p>Yes</p> |

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| <p>reflect this attention and provide detail.</p> <p>RSPO commits to developing an approach that will support engagement with the smallholder community on issues of High Conservation Value and their practices. In particular the Secretariat will work to ensure that the Smallholder Working Group and the HCV working group develop shared solutions.</p> <p>Companies are encouraged to develop approaches that work for their smallholder supply base and present them to the RSPO for review and approval. These approved programs shall be utilised as specific tools to avoid exclusion of small holder supply base in a supply chain. It is particularly noted that exclusion of Smallholders is to be a last resort.</p> |                     |            |

**Appendix B: Approved Time Bound Plan**

| <b>TIME BOUND PLAN FORECAST FOR RSPO CERTIFICATION OF ALL PALM OIL MILLS &amp; SUPPLY BASES</b> |                |   |   |   |
|---|----------------|---|---|---|
| <b>Palm Oil Mill</b>  | <b>Country</b> | <b>Supply Bases (estates, plantations, associations)</b>      | <b>Targeted RSPO Certification Year</b> | <b>Current Certification Status as Per this Audit</b> |
| UIE   | Malaysia       | UIE Estate 1 & 2  | Recertified in September 2017           | Recertified by Mutu Certification International       |
| Jendarata*  | Malaysia       | Jendarata Estate & Seri Pelangi Estate                        | Recertified in September 2017           | Recertified by Mutu Certification International       |
| Ulu Bernam*   | Malaysia       | Sungei Erong Estate & Sungei Chawang Estate.                  | Recertified in September 2017           | Recertified by Mutu Certification International       |
| Ulu Basir*  | Malaysia       | Ulu Basir Estate, Changkat Mentri Estate and Lima Blas Estate | Recertified in September 2017           | Recertified by Mutu Certification International       |
| Lada (PT Surya Sawit Sejati)  | Indonesia      | Lada, Runtu, Kumai & Arut Estate                              | 2017/2018                               | Undergoing certification                              |

\*Previously certified under multi mill certification. The recertification changed to single mill and its supply base

**Appendix C: Certification Unit RSPO Certificate Details**

United Plantations Berhad  
 Jendarata Palm Oil Mill  
 Jendarata Business Unit, 36009 Teluk Intan,  
 Perak, Malaysia  
 RSPO Membership - 1-0004-04-000-00

BSI RSPO Certificate No: RSPO 683611  
 Date of Initial Certificate Issued: 30/10/2017  
 Date of Expiry: 28/09/2022  
 Applicable Standards: **RSPO NEXT** Module D - CPO Mills: Identity Preserved

| <b>Jendarata Palm Oil Mill and Supply Base</b> |                 |   |                |  |                            |
|--|-----------------|---|----------------|--|----------------------------|
| Location Address                               |                 | Jendarata Business Unit, 36009 Teluk Intan, Perak, Malaysia |                |  |                            |
| GPS Location                                   |                 | 3° 51' 14" N; 100° 58' 06" E                                |                |  |                            |
| CPO Tonnage Total                              |                 | 34,711.44 mt  |                |  |                            |
| PK Tonnage Total                               |                 | 8,167.32 mt   |                |  |                            |
| CPO Claimed for Certification*                 |                 | 34,711.44 mt  |                |  |                            |
| PK Claimed for Certification *                 |                 | 8,167.32 mt   |                |  |                            |
| Own estates FFB Tonnage                        |                 | 157,064.00 mt   |                |  |                            |
| Scheme Smallholder FFB Tonnage                 |                 | 0 mt  |                |  |                            |
| Estates  | Production Area |   | Other use (ha) | Certified Area / Total land lease (ha) | Annual FFB Production (mt) |
|  | Mature (ha)     | Immature (ha)   |                |  |                            |
| Jendarata Estate                               | 4,562.20        | 1,058.60  | 353.80         | 5,974.60                               | 117,214.00                 |
| Seri Pelangi Estate                            | 1,337.00        | 0   | 85.00          | 1,422.00                               | 39,850.00                  |
| <b>TOTAL</b>                                   | <b>5899.20</b>  | <b>1,058.60</b>   | <b>438.80</b>  | <b>7,396.60</b>                        | <b>157,064.00</b>          |

*\*Certified Production*

**Appendix D: Assessment Plan**

| Date               | Time               | Subjects  | Hidhir   | Hu NS | Nick | Elzy |
|--------------------|--------------------|---|--|-------|------|------|
| Sunday, 1/10/2017  | PM                 | Audit Team travelling to Pantai Remis. Check in at nearest facility in Pantai Remis/Lumut.  | √  | √     | √    | √    |
| Monday, 2/10/2017  | 08:00 – 09:00      | Opening meeting at UIE POM <ul style="list-style-type: none"> <li>Opening presentation by Team Leader</li> <li>Confirmation of assessment scope and finalize audit plan</li> </ul>  | √  | √     | √    | √    |
|                    | 09:00 – 12:30      | <b>UIE POM and UIE Estate</b><br>On-site/field verification and organization wide level (where applicable) implementation   | √  |       |      | √    |
|                    |                    | No Deforestation (NDF 11 – 3.5)   |  |       |      |      |
|                    |                    | Transparency (HR 1.1 – 3.3)   |  |       |      |      |
|                    |                    | Deforestation (NDF 1.1 – 3.5)   |  |       |      |      |
|                    |                    | Human Rights (HR 1.1 – 4.8)   |  |       |      |      |
|                    |                    | No Fire (NF 1.1 – 1.2)  |  |       |      |      |
|                    |                    | No Peat (NP 1.1 – 2.3)  |  |       |      |      |
|                    |                    | Green House Gas (GHG 1.1 – 3.1)   |  |       |      |      |
|                    |                    | General Documentation e.g. Policy, Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, TBP, GHG Tool, CIP and implementation etc). | √  | √     | √    | √    |
|                    | 10:00 – 12:30      | Stakeholder interview (union representative, local communities, surrounding estate etc)   |  | √     |      |      |
|                    | 12:30 – 13:30      | Lunch   | √  | √     | √    | √    |
|                    | Tuesday, 3/10/2017 | 13:30 – 16:30   | Continue Document review (No Deforestation, No Fire, No Planting on Peat, Reduction of GHGs, Respect for Human Rights and Transparency and are applicable at an organization wide level, including investments, joint ventures and in the organization’s wider supply base)<br><br>General Documentation e.g. Policy, Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, TBP, GHG Tool, CIP and implementation etc). | √     | √    | √    |
| 16:30 – 17:00      |                    | Interim Closing   | √  | √     | √    | √    |
| 17:00              |                    | End of day 1. Travel back and overnight at Jendarata Estate.  | √  | √     | √    | √    |
| Tuesday, 3/10/2017 | 08:00 – 09:00      | <b>Jendarata POM and Jendarata &amp; Seri Pelangi Estate</b><br>Onsite/field verification and organization wide level (where applicable) impementation  |  |       |      |      |

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| Date | Time          | Subjects  | Hidhir | Hu NS | Nick | Elzy |
|------|---------------|---|--------|-------|------|------|
|      |               | No Deforestation (NDF 11 – 3.5)   |        |       |      |      |
|      |               | Transparency (HR 1.1 – 3.3)   |        |       |      |      |
|      |               | Deforestation (NDF 1.1 – 3.5)   |        |       |      |      |
|      |               | Human Rights (HR 1.1 – 4.8)   |        |       |      |      |
|      |               | No Fire (NF 1.1 – 1.2)  |        |       |      |      |
|      |               | No Peat (NP 1.1 – 2.3)  |        |       |      |      |
|      |               | Green House Gas (GHG 1.1 – 3.1)   |        |       |      |      |
|      |               | General Documentation e.g. Policy, Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, TBP, GHG Tool, CIP and implementation etc).   | √      | √     | √    | √    |
|      | 10:00 – 12:30 | Stakeholder interview (union representative, local communities, surrounding estate etc)   |        | √     |      |      |
|      | 12:30 – 13:30 | Lunch   | √      | √     | √    | √    |
|      | 13:30 – 16:30 | Continue<br>Document review (No Deforestation, No Fire, No Planting on Peat, Reduction of GHGs, Respect for Human Rights and Transparency and are applicable at an organization wide level, including investments, joint ventures and in the organization’s wider supply base)<br><br>General Documentation e.g. Policy, Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, TBP, GHG Tool, CIP and implementation etc). | √      | √     | √    | √    |
|      | 15:30 - 16:30 | Audit team discussion and report preparation  |        |       |      |      |
|      | 16:30 – 17:00 | Interim Closing   | √      | √     | √    | √    |
|      | 17:00         | End of audit  | √      | √     | √    | √    |

**Appendix E: Stakeholders Contacted**

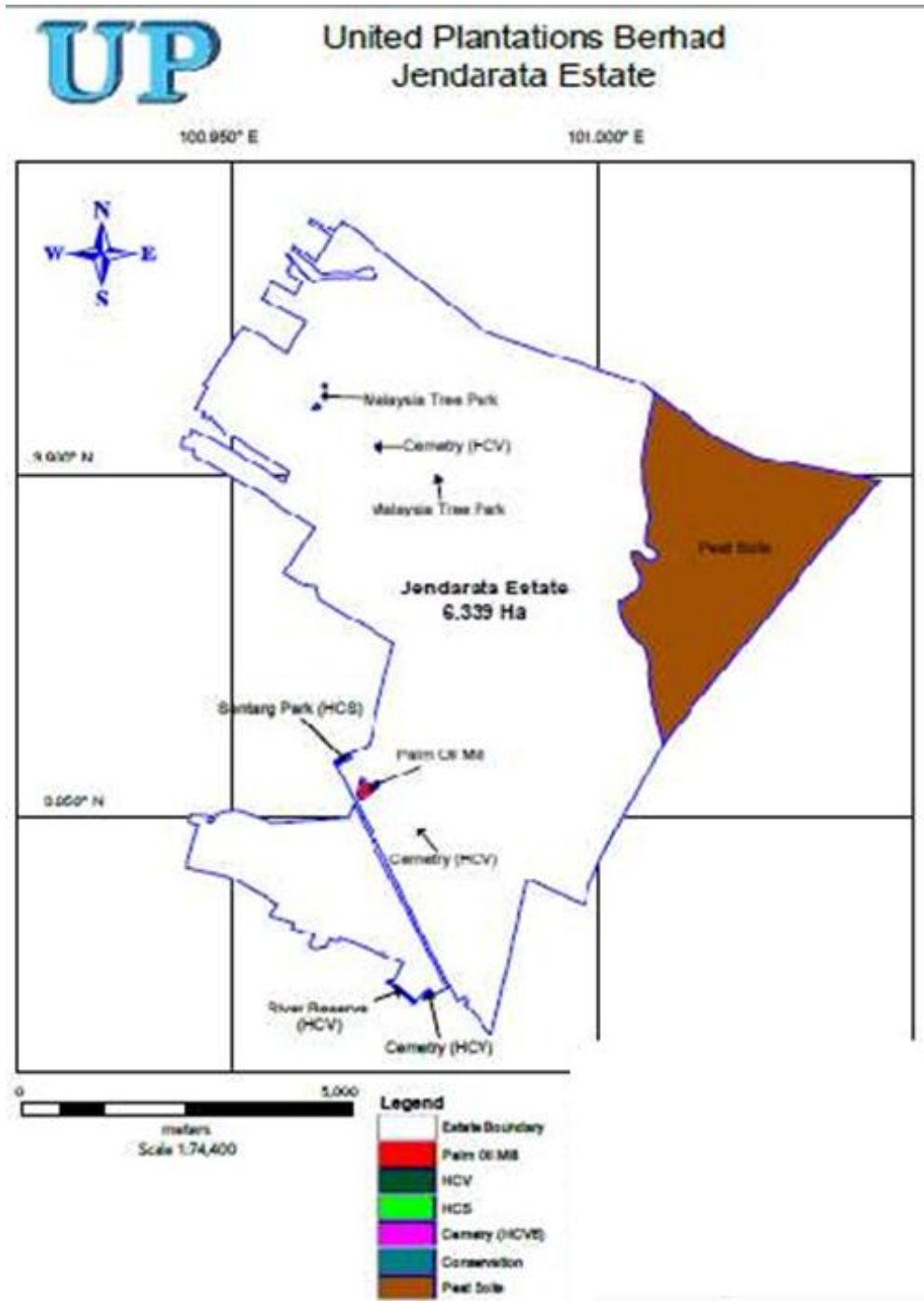
| <b>Internal Stakeholders</b>  | <b>Union/Contractors/Local Communities</b>  |
|---|---|
| Managers and Assistant Managers<br>Staff and Clerks<br>Foreign Workers<br>Field workers | Representative from Fld. 134<br>Representative from Kg Teluk Baru<br>Representaive from Kg Teluk Kumpul<br>Near by estate (Perak Motor Company, MHC<br>Plantation, Ladang Yew Lee, City Plantation Sdn Bhd) |

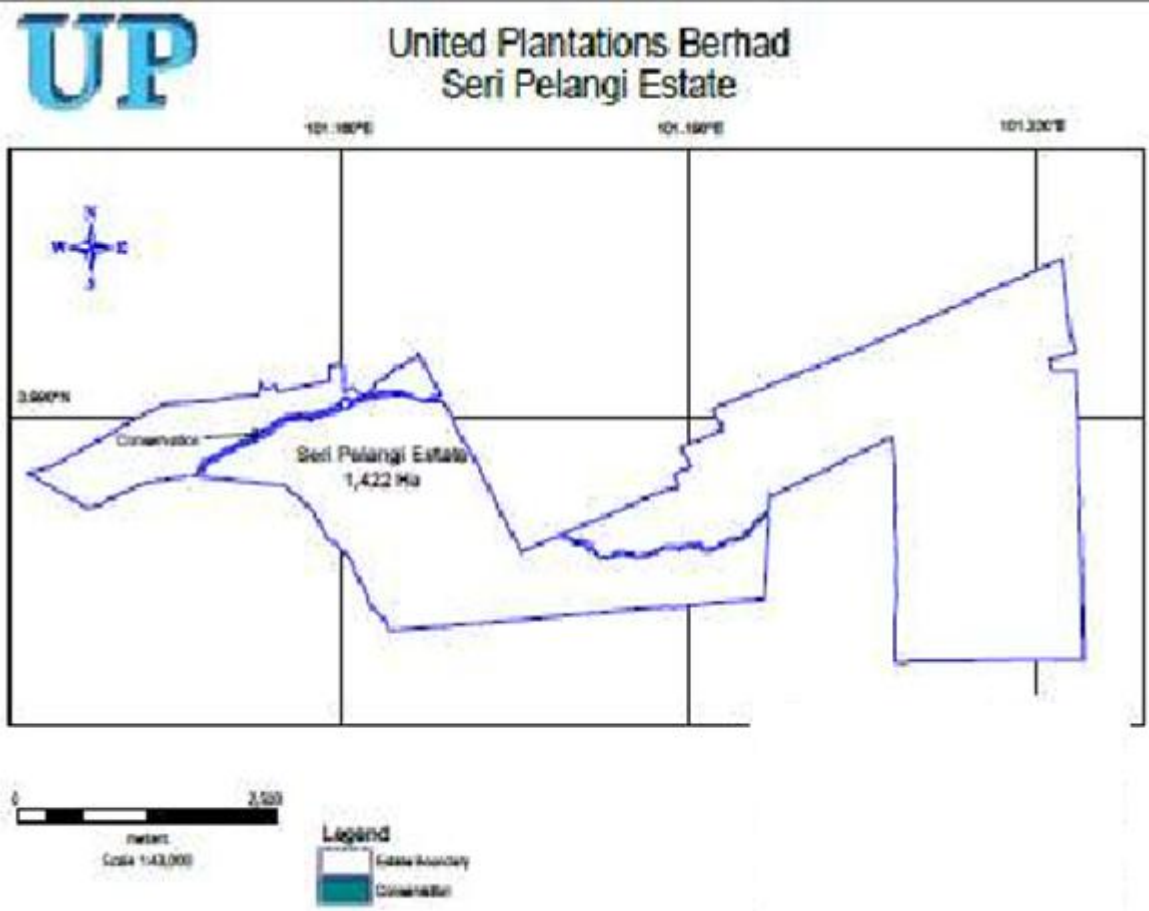


**Appendix F: Location Map of Certification Unit and Supply bases**



**Appendix G: Estate Field Map**





**Appendix H: GHG Reporting Executive Summary**

The GHG emissions that were produced in 2016 for Jendarata Palm Oil Mill and supply base (both owned estates and smallholders) was calculated using the GHGpalm Calculator version 3.0. The assessment team had verified the data inputted in the GHGplam Calculator against operations records. The records verified includes:

- i. Estates area planted data
- ii. Fuel consumed
- iii. Mill datas include CPO produced, PKO Produced and FFB Processed
- iv. Fertilizer consumed data for estate.

The summary of the Net GHG emitted in 2016 for Jendarata Palm Oil Mill mill and supply base are as following:

| Emission per product | tCO <sub>2</sub> e/tProduct |
|----------------------|-----------------------------|
| CPO                  | 1.92                        |
| PKO                  | 1.92                        |

| Extraction | %     |
|------------|-------|
| OER        | 22.33 |
| KER        | 5.15  |

| Production   | t/yr       |
|--------------|------------|
| FFB Process  | 140,603.00 |
| CPO Produced | 31,392.00  |
| PKO Produced | 7,240.00   |

| Land Use                    | Ha              |
|-----------------------------|-----------------|
| OP Planted Area             | 7,048.00        |
| OP Planted on peat          | 856.69          |
| Conservation (forested)     | 0               |
| Conservation (non-forested) | 0               |
| <b>Total</b>                | <b>7,048.00</b> |

**Summary of Field Emission and Sink**

|  | Own Crop*          |                          | Group              |                          | 3 <sup>rd</sup> Party |                          | Total              |                          |
|--|--------------------|--------------------------|--------------------|--------------------------|-----------------------|--------------------------|--------------------|--------------------------|
|  | tCO <sub>2</sub> e | tCO <sub>2</sub> e / FFB | tCO <sub>2</sub> e | tCO <sub>2</sub> e / FFB | tCO <sub>2</sub> e    | tCO <sub>2</sub> e / FFB | tCO <sub>2</sub> e | tCO <sub>2</sub> e / FFB |
| <b>Emission</b>                          |                    |                          |                    |                          |                       |                          |                    |                          |
| Land Conversion                          | 68,949.69          | 0.49                     | 0                  | 0                        | 0                     | 0                        | 68,949.69          | 0.49                     |
| CO <sub>2</sub> Emission from fertilizer | 9,617.51           | 0.07                     | 0                  | 0                        | 0                     | 0                        | 9,617.51           | 0.07                     |
| NO <sub>2</sub> Emmision                 | 13,173.18          | 0.09                     | 0                  | 0                        | 0                     | 0                        | 13,173.18          | 0.09                     |
| Fuel Consumption                         | 921.43             | 0.01                     | 0                  | 0                        | 0                     | 0                        | 921.43             | 0.01                     |
| Peat Oxidation                           | 46,679.00          | 0.33                     | 0                  | 0                        | 0                     | 0                        | 46,679;00          | 0.33                     |
| <b>Sink</b>                              |                    |                          |                    |                          |                       |                          |                    |                          |
| Crop Sequestration                       | -65,245.91         | -0.46                    | 0                  | 0                        | 0                     | 0                        | -65,245.91         | -0.46                    |
| Conservation Sequestration               | 0                  | 0                        | 0                  | 0                        | 0                     | 0                        | 0                  | 0                        |
| <b>Total</b>                             | <b>74,094.91</b>   | <b>0.53</b>              | 0                  | 0                        | 0                     | 0                        | <b>74,094.91</b>   | <b>0.53</b>              |

**Appendix I: List of Abbreviations**

AN Ammoniacal Nitrogen

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|          |   |
|----------|---|
| ALS      | Assessor Licensing Scheme                               |
| BOD      | Biological Oxygen Demand                                |
| CHRA     | Chemical Health Risk Assessment                         |
| CPO      | Crude Palm Oil  |
| DID      | Department of Irrigation and Drainage                   |
| DOSH     | Department of Occupational Safety & Health              |
| EFB      | Empty Fruit Bunch                                       |
| EMS      | Environmental Management System                         |
| FFB      | Fresh Fruit Bunch                                       |
| FPIC     | Free Prior and Informed Consent                         |
| GFWF     | Global Forest Watch Fires                               |
| GHG      | GreenHouse Gas  |
| GMP      | Good Manufacturing Practice                             |
| HCV      | High Conservation Value                                 |
| HGU      | Hak Guna Usaha (Right to Cultivate)                     |
| IAV      | Initial Assessment Visit                                |
| IPM      | Integrated Pest Management                              |
| ISCC     | International Sustainable Carbon Certification          |
| LCA      | Life Cycle Analysis                                     |
| MSDS     | Material Safety Data Sheet                              |
| NPP      | New Planting Procedure                                  |
| O&G      | Oil and Grease  |
| OSHA     | Occupational Safety Health Administration               |
| PK       | Palm Kernel   |
| POM      | Palm Oil Mill   |
| PPE      | Personal Protective Equipment                           |
| PQR      | Performance Quality Rating                              |
| RC       | Re-Certification  |
| RED      | Renewable Energy Directive                              |
| RSPO P&C | Roundtable on Sustainable Palm Oil Principle & Criteria |
| RTE      | Rare, Threatened and Endangered                         |
| SCCS     | Supply Chain Certification Standard                     |
| SEIA     | Social & Environmental Impact Assessment                |
| SIA      | Social Impact Assessment                                |
| SOP      | Standard Operating Procedure                            |
| SRA      | Social Risk Assessment                                  |
| SS       | Suspended Solids  |
| UPB      | United Plantation Berhad                                |
| UPRD     | United Plantation Research Department                   |
| TN       | Total Nitrogen  |
| TS       | Total Solids  |
| VFA      | Volatile Fatty Acids                                    |