

**Roundtable on Sustainable Palm Oil Certification  
R S P O**

Stage-1     Stage-2     Surveillance     Special Audit

**Name of Management Organisation** : Ulu Bernam Optimill subsidiary of United Plantations Bhd.

**Plantation Name** : Ulu Bernam Estate, Sungei Erong Estate and Sungei Chawang Estate

**Location** : Slim River, Perak Darul Ridzuan - Malaysia

**Certificate Code** : **MUTU-RSPO/097**

**Date of Certificate Issue** : 29 September 2017    **Date of License Issue** : 29 September 2017

**Date of Certificate Expiry** : 28 September 2022    **Date of License Expiry** : 28 September 2018

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Review by	Approve by
Special Audit (Mill Re-location)	8,9 and 10 February 2018	Trismadi Nurbayuto (Lead Auditor), Ebnu Holdoon Shawal	Octo HPN Nainggolan	Ardiansyah

Assessment	Approved by MUTUAGUNG LESTARI on:
Special Audit (Mill Re-location)	23 February 2018

**TABLE OF CONTENT**

**FIGURE**

Figure 1. Location Map of United Plantations Bhd, Malaysia	1
Figure 2. Operational Map of Ulu Bernam Estate, United Plantations Bhd, Malaysia	2
Figure 3. Operational Map of Sungai Chawang Estate, United Plantations Bhd, Malaysia	3
Figure 2. Operational Map of Sungai Erong Estate, United Plantations Bhd, Malaysia	4
Abbreviations Used	5

**1.0 SCOPE of the CERTIFICATION ASSESSMENT**

1.1 Assessment Standard Used	7
1.2 Organisation Information	7
1.3 Type of Assessment	7
1.4 Location of Mill and Plantations	7
1.5 Description of Area Statement	8
1.6 Planting Year and Cycles	8
1.7 Description of Mill and Supply Base	9
1.8 Estimate Tonnage of Certified Product	10
1.9 Other Certifications	10
1.10 Time-Bound Plan	10

**2.0 ASSESSMENT PROCESS**

2.1 Assessment Team	13
2.2 Assessment Methodology, Assessment Process and Locations of Assessment	13
2.3 Stakeholder Consultation and Stakeholders Contacted	14
2.4 Determining Next Assessment	14

**3.0 ASSESSMENT FINDINGS**

3.1 Summary of Assessment Report of the RSPO Certification	15
3.2 Summary of Assessment Report of Supply Chain Requirement	39
3.3 Conformity Checklist of Certificate and Logo Use	49
3.4 Summary of RSPO Partial Certification	50
3.5 Identification of Findings, Corrective Actions, Observations, Opportunity for Improvement and Noteworthy Positive Components	54
3.6 Summary of Arising Issues from Public, Management and Auditor Responses	56

**4.0 CERTIFIED ORGANIZATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY**

4.1 Formal Signing of Assessment Findings	57
---	----

**APPENDICES**

1. List of Stakeholders Contacted in the RSPO Certification Process	58
2. Assessment Program	59
3. Peer Reviewer Report	61
4. Checklist of RSPO Assessment	63

Figure 1. Location Map of United Plantations Bhd, Malaysia



Figure 2. Operational Map of Ulu Bernam OPTIMILL POM, United Plantations Bhd, Malaysia

**UNITED PLANTATIONS BERHAD**



**Ulu Bernam Optimill**

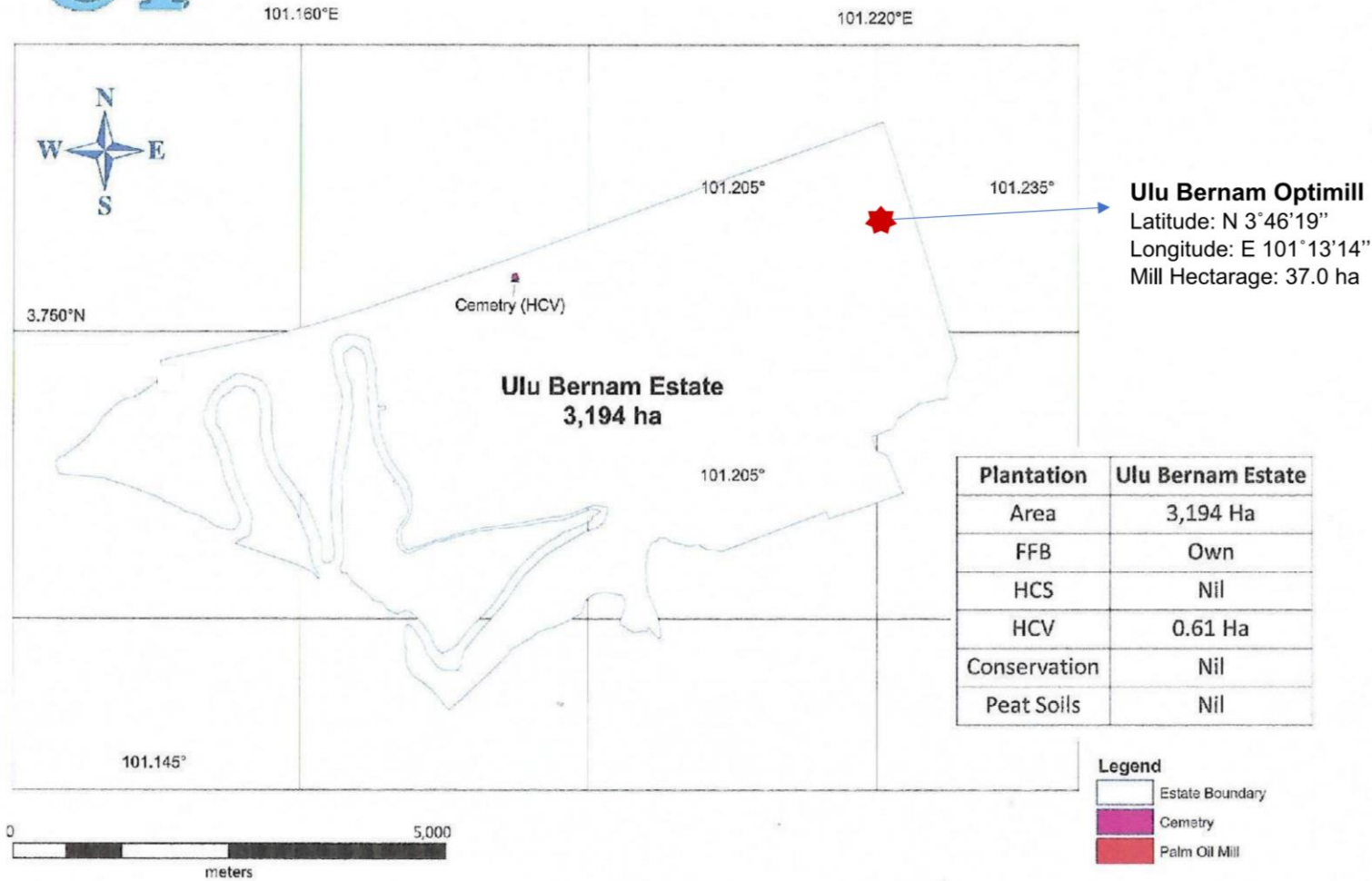




Figure 3. Operational Map of Sungai Chawang Estate, United Plantations Bhd, Malaysia

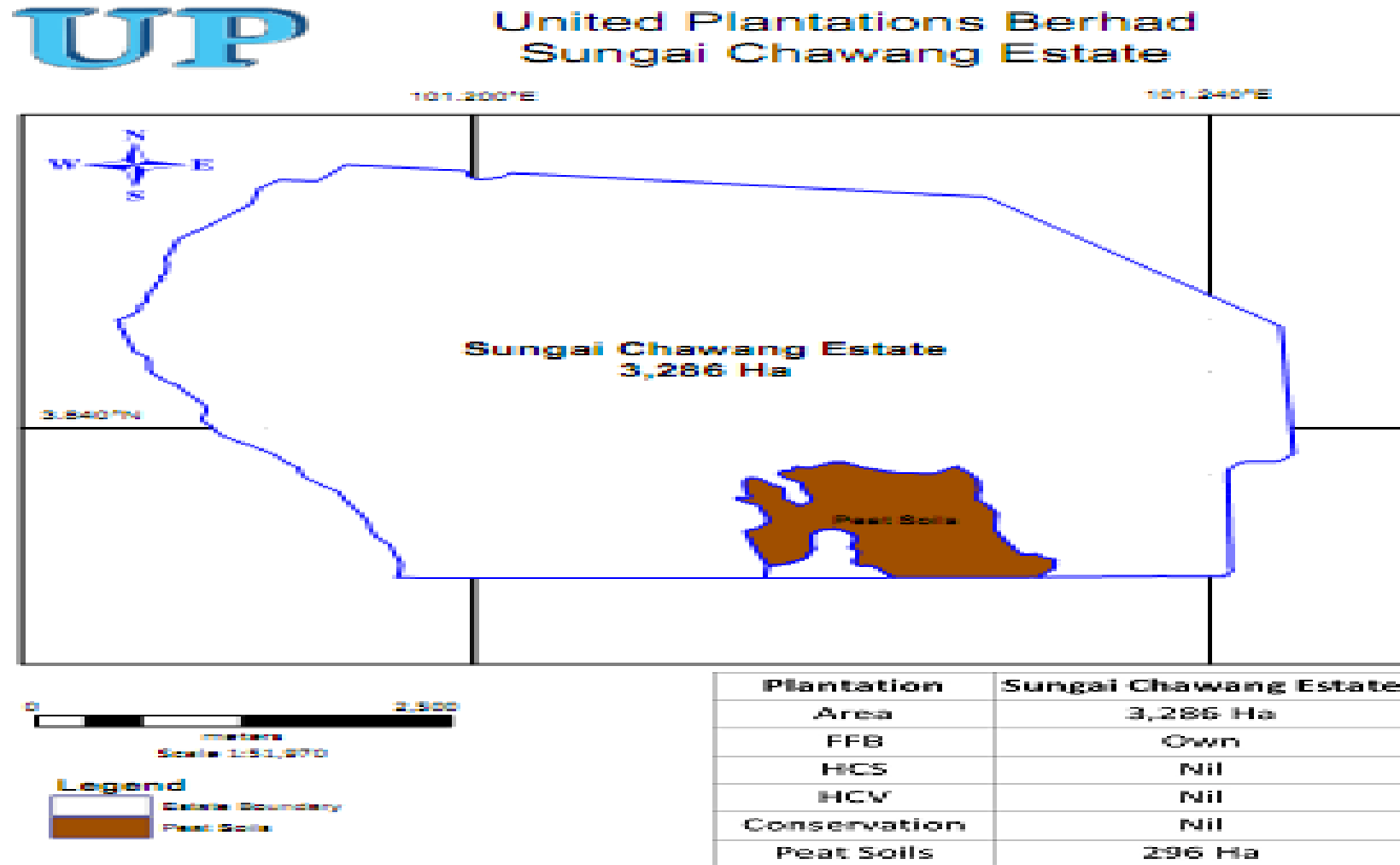
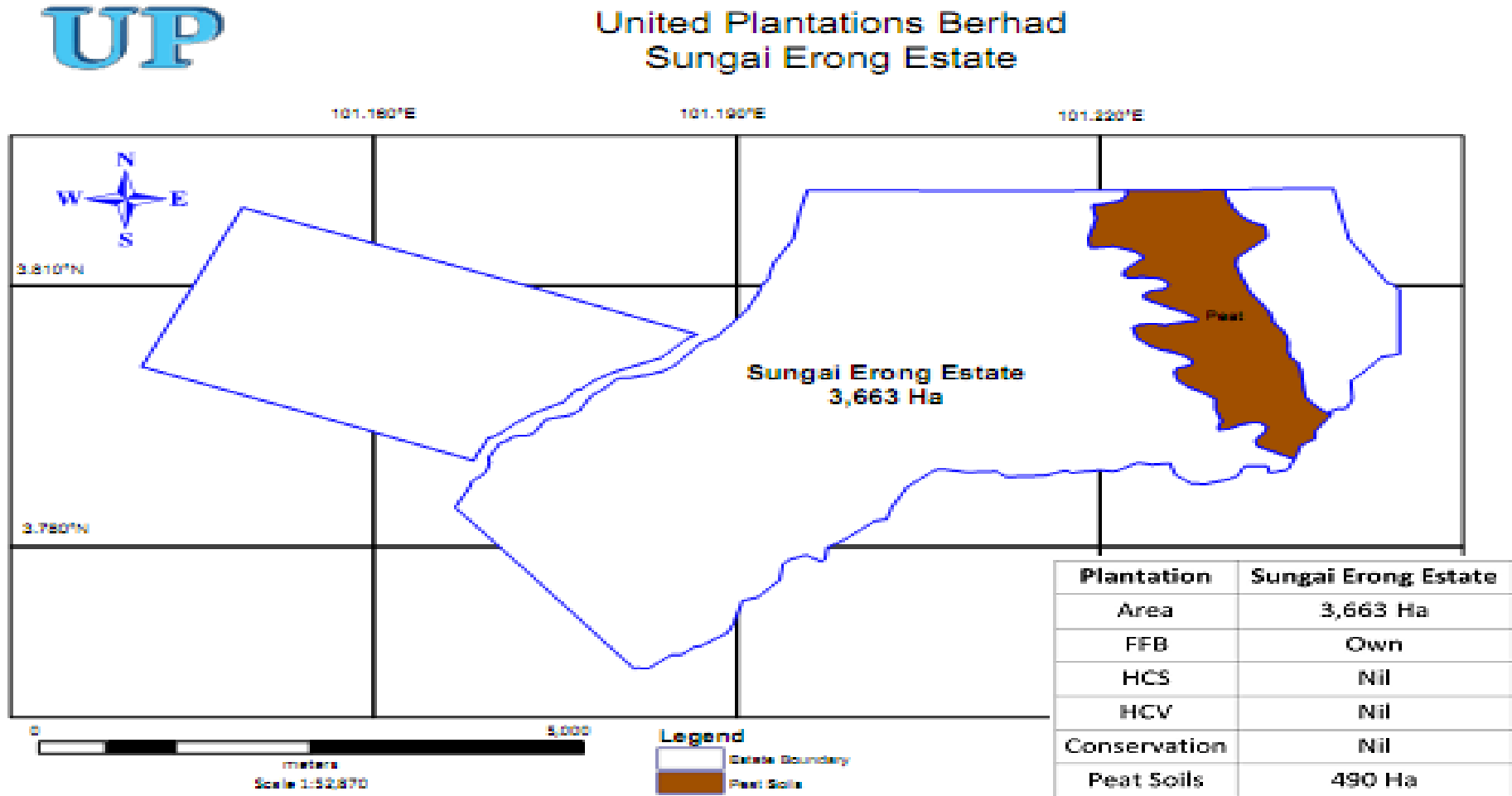


Figure 4. Operational Map of Sungai Erong Estate, United Plantations Bhd, Malaysia



### Abbreviations Used

AMESU	:	All Malaysia Estate Staff Union
ASA	:	Annual Surveillance Audit
BOD	:	Biological Oxygen Demand
COD	:	Chemical Oxygen Demand
CETDEM	:	Centre for Environment, Technology and Development, Malaysia
CHRA	:	Chemical High Risk Assessment
CPO	:	Crude Palm Oil
DOE	:	Department of Environment
DOSH	:	Department of Safety and Health
EAP	:	Environment Action Plan
EFB	:	Empty Fruit Bunch
EIA	:	Environment Impact Assessment
EMP	:	Environment Management Plan
ERA	:	Environment Risk Assessment
EIS	:	Employee Insurancy Scheme
ESH	:	Environment and Safety and Health
ESWIS	:	Electronic Scheduled Waste Information System
FFB	:	Fresh Fruit Bunches
FPIC	:	Free, Prior, Inform and Consent
HCV	:	High Conservation Value
HIRARC	:	Hazard Identification Risk Assessment and Risk Control
MPOB	:	Malaysian Palm Oil Board
MNS	:	Malaysia Nature Society
MSDS	:	Material Safety Data Sheet
NWSDM	:	National Council of Welfare & Social Development Malaysia
LOTO	:	Lockout Tag Out
LTA	:	Lost Time Accident
MAPA	:	Malaysia Agricultural Producers Association
NaOH	:	Natrium Hidroksida
NUPW	:	National Union Plantation Workers
NGO	:	Non Government Organizations
OSH	:	Occupational Safety and Health
OER	:	Oil Extraction Rate
P&C	:	Principle and Criteria
PK	:	Palm Kernel
PT SSS	:	PT Surya Sawit Sejati
POME	:	Palm Oil Mill Effluent
PPE	:	Personal Protection Equipment
RSPO	:	Roundtable on Sustainable Palm Oil

SCCS	:	Supply Chain Certification System
SOCISO	:	SOCial Security Organizations
SPAN	:	Suruhanjaya Perkhidmatan Air Negara
SOP	:	Standard Operating Procedure
SRA	:	Social Risk Assessment
SW	:	Schedule Waste
UP	:	United Plantations



<b>1.0</b>	<b>SCOPE of the CERTIFICATION ASSESSMENT</b>		
<b>1.1</b>	<b>Assessment Standard Used</b>	<ul style="list-style-type: none"> <li>• <i>The Malaysian National Interpretation (MYNI), RSPO Principles and Criteria (P&amp;C) for Sustainable Palm Oil Production endorsed on 6<sup>th</sup> March 2015</i></li> <li>• <i>RSPO Supply Chain Certification Systems (SCCS) endorsed on 21<sup>st</sup> November 2014 for CPO Mill Revised on June 2017.</i></li> </ul>	
<b>1.2</b>	<b>Organisation Information</b>		
1.2.1	Organisation name listed in the certificate	United Plantations Berhad	
1.2.2	Contact person	C. Mathews	
1.2.3	Organisation address and site address	Organisation address: Jendarata Estate 36009 Teluk Intan, Perak Darul Ridzuan, Malaysia  Site address: Jendarata, 36009 Teluk Intan, Perak Darul Ridzuan, Malaysia	
1.2.4	Telephone	+605-6411411	
1.2.5	Fax	+605-6416220	
1.2.6	E-mail	<a href="mailto:cmm@unitedplantations.com">cmm@unitedplantations.com</a>	
1.2.7	Web page address	<a href="http://www.unitedplantations.com">www.unitedplantations.com</a>	
1.2.8	Management Representative who completed the application for certification	C. Mathews	
1.2.9	Registered as RSPO member	1-0004-04-000-00, 19 July 2004	
<b>1.3</b>	<b>Type of Assessment</b>		
1.3.1	Scope of Assessment and Number of Management Unit	1 (One) unit Palm Oil Mill supplied by 3 (three) oil palm estates	
1.3.2	Type of certificate	<b>Single</b> Date of Certificate validity was 21 August 2013 – 20 August 2018, The 2 <sup>nd</sup> cycle certificate issued by Control Union-Malaysia on 21 August 2013, transferred to PT Mutuagung Lestari on 21 August 2014.	
<b>1.4</b>	<b>Locations of Mill and Plantation</b>		
1.4.1	Location of Mill		
	<b>Name of Mill</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b> <b>Longitude</b>
	<b>Ulu Bernam Optimill</b>	Up River Business Unit, 35800 Slim River, Perak, Malaysia	<b>N 3° 46' 19"</b> <b>E 101° 13' 14"</b>
1.4.2	Location of Certification Scope of Supply Base		
	<b>Name of Supply Base</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b> <b>Longitude</b>
	<b>Ulu Bernam Estate</b>	Up River Business Unit, 35800 Slim River, Perak, Malaysia	<b>N 3° 44' 46"</b> <b>E 101° 08' 56"</b>

	<b>Sungai Erong Estate</b>	Upriver Business Unit, 36500 Ulu Bernam, Perak	N 3° 48' 13 "	E 101° 13' 18"
	<b>Sungei Chawang Estate</b>	Upriver Business Unit, 36500 Ulu Bernam, Perak	N 3° 50' 46"	E 101° 12' 50"
<b>1.5</b>	<b>Description of Area Statement</b>			
1.5.1	Tenure			
	• State		Ha	
	• Community		<b>10,142.47</b> Ha	
1.5.2	<b>Area Statement</b>			
	• Total area		<b>10,142.47</b> Ha	
	• Mature area		8,228.60 Ha	
	• Immature area		1,442.11 Ha	
	• Mill		4.50 Ha	
	• Worker Quarters		61.00 Ha	
	• Infrastructure		191.40 Ha	
	• HCV		20.63 Ha	
	• Nursery		22.40 Ha	
	• New Mill (under construction)		53.13 Ha	
	• Land Clearing (Replanting)		118.70 Ha	
<b>1.6</b>	<b>Planting Year and Cycles</b>			
1.6.1	Age profile of planting year			
	<b>Planting Year</b>	<b>Hectarage (Ha)</b>		
		<b>Hectarage (Ha)</b>	<b>Hectarage (Ha)</b>	<b>Hectarage (Ha)</b>
	1989	37.80	-	37.80
	1990	58.50	-	58.50
	1992	58.30	-	58.30
	1993	59.00	-	59.00
	1994	50.00	-	50.00
	1995	209.60	-	209.60
	1996	171.2	-	171.20
	1997	47.30	-	47.30
	1999	70.5	-	70.50
	2000	-	333.77	333.77
	2001	-	248.50	290.40
	2002	121.82	190.41	312.23
	2003	45.30	-	124.10
	2004	158.80	157.72	519.02
	2005	57.50	221.07	381.35
	2006	82.60	129.60	496.33

	2007	199.63	247.91	410.56	858.10		
	2008	-	449.83	60.10	509.93		
	2009	100.87	241.00	128.89	470.76		
	2010	-	479.60	203.45	683.05		
	2011	-	-	187.86	187.86		
	2012	185.43	490.00	-	675.43		
	2013	-	57.50	353.33	410.83		
	2014	280.88	170.10	762.26	1,213.24		
	2015	451.43	-		451.43		
	2016	425.27	82.60	423.42	931.29		
	2017	59.39	-	-	59.39		
	<b>TOTAL</b>	<b>2,931.12</b>	<b>3,499.61</b>	<b>3,239.98</b>	<b>9,670.71</b>		
1.6.2	New Planting area after January 2010			Ha			
1.6.3	Planting Cycle			3 <sup>rd</sup> Cycle			
<b>1.7</b>	<b>Description of Mill and Supply Base</b>						
1.7.1	Description of Mill						
	<b>Name of Mill</b>	<b>Capacity (tonnes/ hour)</b>	<b>FFB Processed (tonnes/year)</b>	<b>CPO</b>	<b>Palm Kernel</b>		
				<b>Out put (tonnes)</b>	<b>Extraction (%)</b>	<b>Out put (tonnes)</b>	<b>Extraction (%)</b>
	Ulu Bernam Optimill	60	9,387.40	1,784.90	19.01	348.90	3.71
	<i>*Production data source from 3 months before assessment (1 December 2017 – 8 February 2018)</i>						
1.7.2	Description of Certification Scope of Supply Base						
	<b>Name of Estate</b>	<b>Total Area (Ha)</b>	<b>Planted Area (Ha)</b>	<b>FFB (tonnes/year)</b>	<b>Yield (tonnes/ha/year)</b>	<b>Supplied to Mill</b>	
						<b>FFB (tonnes/year)</b>	<b>%</b>
	Ulu Bernam Estate	3,193.88	2,931.12	-	-	-	-
	Sungai Erong Estate	3,662.61	3,499.61	-	-	4,509.88	-
	Sungei Chawang Estate	3,285.98	3,239.98	-	-	4,298.30	-
	<b>TOTAL</b>	<b>10,142.47</b>	<b>9,670.71</b>	<b>-</b>	<b>-</b>	<b>8,808.18</b>	<b>-</b>
	<i>*Production data source from 3 months before assessment (1 December 2017 – 8 February 2018)</i>						
1.7.3	FFB description from other source						
	<b>Name of sources/Organisation (RSPO certified / non-certified)</b>	<b>Type of Organisation</b>		<b>number of smallholders</b>	<b>Production Area (Ha)</b>	<b>Supplied to Mill</b>	
						<b>FFB (tonnes/year)</b>	
	Changkat Menteri Estate (RSPO certified)	United Plantations Bhd.		-	2,363.50	579.22	
	<b>TOTAL</b>					579.22	
	<i>*Production data source from 3 months before assessment (1 December 2017 – 8 February 2018)</i>						
1.7.4	Product categories			FFB, CPO, PK			

<b>1.8</b>	<b>Estimate Tonnage of Certified Product</b>							
1.8.1	Past Annual Claim Certified Product	Previous Certificate Claim (tonnes/year)	Actual certified product (tonnes/year)					
	• FFB Production	-	-					
	• CPO Production	-	-					
	• Palm Kernel (PK) Production	-	-					
	<i>* due to this is a new mill re-location, the annual claim will be verified during the next assessment.</i>							
1.8.2	Product selling							
	Tonnage of selling product	Period of actual selling product (dd/mm/yy) to (dd/mm/yy)						
	• CSPO sold as RSPO certified product	-						
	• CSPK sold as RSPO certified product	-						
	• CSPO sold under other scheme	-						
	• CSPK sold under other scheme	-						
	• CSPO sold as conventional	-						
	• CSPK sold as conventional	-						
	<i>* due to this is a new mill re-location, the annual claim will be verified during the next assessment.</i>							
1.8.3	Estimate of Certified FFB Claim							
	<b>Name of Estate(s)</b>	<b>Total Area (Ha)</b>	<b>Planted Area (Ha)</b>	<b>Yield (tonnes/ha/year)</b>				
	Ulu Bernam Estate	3,193.88	2,931.12	16.06				
	Sungei Erong Estate	3,662.61	3,499.61	24.06				
	Sungei Chawang Estate	3,285.98	3,239.98	22.17				
	<b>TOTAL</b>	<b>10,142.47</b>	<b>9,670.71</b>	<b>20.94</b>				
	<i>*Projected FFB production for 29 September 2017 to 28 September 2018</i>							
1.8.4	Estimate of Certified Palm Product Claim							
	<b>Name of Mill</b>	<b>Capacity (tonnes/ hour)</b>	<b>FFB Processed (tonnes/year)</b>	<b>CPO</b>	<b>Palm Kernel</b>	<b>Mod</b>		
				<b>Out put (tonnes)</b>	<b>Extraction (%)</b>	<b>Out put (tonnes)</b>	<b>Extraction (%)</b>	<b>ule</b>
	Ulu Bernam Optimill	60	140,209	30,846	22	7,765	5.5	IP
	<i>*Projected CSPO and CSPK production from 23 February to 28 September 2018 (remaining volume in palmtrace)</i>							
<b>1.9</b>	<b>Other Certifications</b>							
	ISO 9001:2008	-						
	ISO 14001: 2004	-						
	OHSAS 18001:2007	-						
	ISCC	-						
	Others	-						
<b>1.10</b>	<b>Time Bound Plan</b>							
<b>1.10.1</b>	<b>Time Bound Plan for Other Management Units</b>							
	<b>Management Unit</b>		<b>Estate (Supply Base)</b>	<b>Time Bound Plan</b>	<b>Location</b>	<b>Status</b>		
	<b>Mill</b>	<b>Time Bound Plan</b>						
	<b>Indonesia</b>							

Lada POM PT Surya Sawit Sejati	2016	Lada Estate	713.47 ha (Division 1)	2017	Kotawaringin Barat District, Central Kalimantan	Assessment done on 11 – 15 December 2017
			3,250.95 ha (Division 1 & 2)	2018		
			1,769.00 ha + 740.21 ha (Division 1 & 2)	2020		
		Runtu Estate	2,753.20 ha (Division North & South)	2018		
			4,773.66 ha + 1,373.14 ha (Division North & South)	2020		
		<i>Farmers own land and also new ijin for Plasma in Arut and Kumai Estate</i>	3411.26ha Plasma is subject to issuance of land title for the members and SK Bupati.	2020		Melawen Village and Lada Mandala Jaya Village, Pangkalan Lada SubDistrict -  Medang Sari Village, Sub-District Arut Selatan Other PLASMA
<b>Malaysia</b>						
Jendarata POM	2008	Jendarata Estate, Seri Pelangi Estate, Ulu Basir Estate, Ulu Bernam Estate, Sungai Ering Estate, Sungai Chawang Estate, Changkat Mentri Estate, Lima Blas Estate	2008	Teluk Intan, Perak Darul Ridzuan, Malaysia	Recertificati done on 2017. ASA 2018	
Ulu Basir POM	2008	Jendarata Estate, Seri Pelangi Estate, Ulu Basir Estate, Ulu Bernam Estate, Sungai Ering Estate, Sungai Chawang Estate, Changkat Mentri Estate, Lima Blas Estate	2008	Teluk Intan, Perak Darul Ridzuan, Malaysia	Recertificati done on 2017. ASA 2018	
Ulu Bernam POM	2008	Jendarata Estate, Seri Pelangi Estate, Ulu Basir Estate, Ulu Bernam Estate, Sungai Ering Estate, Sungai Chawang Estate, Changkat Mentri Estate, Lima Blas Estate	2008	Teluk Intan, Perak Darul Ridzuan, Malaysia	Recertificati done on 2017. ASA 2018	

	UIE POM	2008	UIE Estate	2008	Pantai Remis, Perak Darul Ridzuan, Malaysia	Recertificati done on 2017. ASA 2018
1.10.2	<b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</b>					
	There are no associated smallholders/outgrowers supplying FFB to this mill.					



<b>2.0</b>	<b>ASSESSMENT PROCESS</b>
<b>2.1</b>	<b>Assessment Team</b>
<b>Special Audit</b>	<p>1. <b>Trismadi Nurbayuto (Lead Auditor)</b>. Bachelor of Economics from the Department of Agribusiness, Faculty of Economics and Management, Bogor Agricultural University. Specialists for Environmental Social Impact Assessment (SEIA) and High Conservation Value (HCV). Has attended several training such as: HCV, Auditor for Indonesian Sustainable Palm Oil (ISPO) training, Auditor/Lead auditor Management System Certification (ISO 9001-2008), RSPO Lead Auditor training, and RSPO Next training. Previously worked in the private oil palm plantations, became HCV assessor who registered at the Roundtable on Sustainable Palm Oil (RSPO) until 2014. He has been involved in the SEIA and Identification of HCV in Plantation company. During this assessment he was observed and audit on Time Bound Plan, Partial Certification, Business Plan, Best Management Practices aspect and Supply Chain Certification System.</p> <p>2. <b>Ebnu Holdoon Shawal (Auditor)</b>. Malaysian citizen (Fluent in Local Language) Graduated with Bachelor of Civil Engineering from University Tenaga Nasional in Malaysia. He has been completed the ISO 9001 : 2008 QMS Lead assessor course for RABQSA – QM 785 (Exemplar Global) certified. Has attended also the RSPO Lead Auditor course with Checkmark Training for 5 days. He has an experience regarding the safety, health and environmental standard for construction works as an engineer for 1 year. He has gone for various RSPO audit since 2015. During this audit he has been assigned to verify the Social and Environmental aspect.</p>
<b>2.2</b>	<b>Assessment Methodology, Assessment Process and Locations of Assessment</b>
<b>2.2.1</b>	<b>Figure of person days to implement assessment</b>
<b>Special Audit</b>	<p>Number of auditors : 2 auditors          Number of days for <b>Special Audit</b> at site: 3 days          Number of working days for <b>Special Audit</b> at site: 6 Working days for auditor</p>
<b>2.2.2</b>	<b>Detail process of assessment</b>
<b>Special Audit</b>	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the Ulu Bernam Optimill (United Plantations Berhad) to the requirements of <i>The Malaysian National Interpretation (MYNI)</i>, <i>RSPO Principles and Criteria (P&amp;C) for Sustainable Palm Oil Production endorsed on 6<sup>th</sup> March 2015</i> and the <i>RSPO Supply Chain Certification Systems (SCCS) endorsed on 21<sup>st</sup> November 2014 for CPO Mill Revised on June 2017</i>.</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) <i>interview</i>, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p> <p>Some opportunities for improvement of the results <b>Special Audit</b> delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase.</p> <p>All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of assessment report.</p> <p>The assessment program please finds Appendix 2.</p>
<b>2.2.3</b>	<b>Locations of Assessment</b>
<b>Special Audit</b>	<p><b>Ulu Bernam OPTIMILL Mill</b></p> <ul style="list-style-type: none"> <li>• Boiler room: Sufficient PPE observed.</li> <li>• Kernel Plant: Sufficient signage and PPE observed.</li> <li>• Scheduled Waste Store: Good scheduled waste storage observed with proper labeling.</li> <li>• Chemical Store: Proper chemical store observed.</li> <li>• Weighbridge, Verify on incoming FFB through cages, Interview weighbridge operator and Supervisor, Verified FFB tickets from respective divisions against weighbridge record</li> <li>• Storage tanks: Verified the dispatch area of CPO and PK</li> <li>• Mill Office: SCCS verification</li> </ul>

	<ul style="list-style-type: none"> <li>• Boiler House. : 2 chimney observed. 1 chimney has been installed stack monitoring and 1 chimney still commissioning</li> <li>• Fire pump house: 1 big pump and one generator set as backup power supply if the power has disruption to use the fire hydrant.</li> <li>• Water Pump House: A proper water pump house available at the Ulu Bernam Mill. The water extracted from Ulu Basir reservoir and processed at the Bernam Mill. Sampling taken has been send to third party lab for inspection and testing.</li> <li>• Water treatment area: Monitoring of water quality for domestic usage in Ulu Bernam and Ulu Basir Estate. Sighted result of third part water analysis for the mill.</li> <li>• Fat pit: composting area was in good condition and well function</li> <li>• Biogas Plant at Field 64 : Sighted the Biogas Plant installed next to the Ulu Bernam Optimill together with engine room that will supply the electricity and steam to the refinery once its commissioned</li> <li>• Effluent Pond at Field 64 : 6 Effluent Ponds visited and method of land application applied to the mill as furrow irrigation complied with DOE requirement through aerobic Pond no 3</li> <li>• Sterilizing area : Full automation for 10 tons cages insert into the steriliser and tilted with capable personnel handling it</li> </ul>
<b>2.3</b>	<b>Stakeholder Consultation and Stakeholders Contacted</b>
<b>2.3.1</b>	<b>Summary of stakeholder consultation process.</b>
<b>Special Audit</b>	<p>Stakeholder consultation of Ulu Bernam Optimill:</p> <ul style="list-style-type: none"> <li>• Interview the internal stakeholders on Feb 9<sup>th</sup>, 2018 in audit process (particularly to foreign workers, eq. from Indonesia, Bangladesh, etc).</li> <li>• Public consultation with NGO by email on December 14<sup>th</sup>, 2017.</li> </ul> <p>Numbers of input from stakeholders were clarified by management units. Numbers of inputs from stakeholders both positive and negative were received by the audit team and clarified by the management. The consultation results are captured under 3.6 (Summary of Arising Issues from Public, Management and Auditor Response).</p>
<b>2.3.2</b>	<b>Stakeholder contacted</b>
	<i>Please find appendix 1</i>
<b>2.4</b>	<b>Determining Next Assessment</b>
	The next visit (Surveillance-1) will be conducted on July 2018.

**3.0. ASSESSMENT RESULT**

**3.1. Summary of Assessment Report of the RSPO Certification**

MUTUAGUNG LESTARI has conducted an assessment of ULU BERNAM OPTIMILL– United Plantations Berhad operation consisting of one (1) mill and three (3) oil palm estate.

During the assessment, there were no non-conformity assigned against Major Compliance Indicator and no non-conformity assigned against Minor indicator, and no non-conformance against supply chain requirement for CPO and two (2) opportunity for improvements identified.

Further explanation of Opportunity for Improvement (OFI) are provided in section 3.5. These Opportunity for Improvement will check in next Surveillance

MUTUAGUNG LESTARI found that Ulu Bernam Optimill and three Supply Bases (Ulu Bernam, Sungei Chawang & Sungei Erong), United Plantation Bhd, complied with the requirements of *The Malaysian National Interpretation (MYNI), RSPO Principles and Criteria (P&C) for Sustainable Palm Oil Production endorsed on 6<sup>th</sup> March 2015 and the RSPO Supply Chain Certification Systems (SCCS) endorsed on 21<sup>st</sup> November 2014 for CPO Mill revised on June 2017.*

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is ***maintained***.

Ref Std.	VERIFICATION RESULT of MUTU-Certification
<b>PRINCIPLE #1 COMMITMENT TO TRANSPARENCY</b>	
<b>1.1</b>	<b>Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.</b>
<b>1.1.1</b>	During the audit at Ulu Bernam Optimill, the company had updated the latest stakeholder list dated 1 <sup>st</sup> March 2017 and the stakeholder meeting has been held at community hall Ulu Bernam POM Main office attended by management of United Plantations workers representative from Bangladesh, Nepal and Indonesian, staff and related stakeholders including villagers, teachers from SK Ulu Bernam, Labour Department, DOSH, Fire and Rescue Department Ulu Bernam station and Police Station of Ulu Bernam. The policeman attended the meeting had also thanked the United Plantations Berhad management for the less problems happen in the estate. The company had also verified the document and the stakeholder list, person in charge is resident engineer of Ulu Bernam Optimill, During the stakeholder meeting, the manager unit present and the stakeholders invited can openly asking the question related to the UP management and operation. Based on the document verification and minutes of meeting, there is no significant complaint towards the mill operation and estate operation. Information related to the social, environment and policy company had been clearly explained during the meeting including company commitment towards RSPO audit process. The frequency of updating the information has been done once a year comprising all the related stakeholders in the mill operation area. There is SOP made by the company to handle grievances by the company handling internally and externally any complain request form stakeholders. The stakeholders has been clearly explained during the stakeholder related to the company SOP of grievances of handling comment and complain from stakeholders.
<b>1.1.2</b>	The company also had a SOP of constructive response to the stakeholders and has been clearly communicated to all level of staff and workforce: <ul style="list-style-type: none"> <li>• External : steeled not more that 30 days – forward to company secretary with supporting documents → letter will be send to the stakeholder and estate in 7 days from secretary</li> </ul>

- Internal stakeholder : 7 working days of grievance arising → not settle in 7 working days NUPW estate and committee made a formal representation to the estate in writing

There is a clear timeline available from the SOP and person in charge of handling the request is resident engineer of Ulu Bernam Optimill. Record of request for the mill and estate has been recorded in a 'Complaint and grievances Request Registry Book' available at the mill. Based on the audit verification, sighted that the timeline for responding the issues and request as per documented on logbook and correspondence letter is appropriate.

**Status : Comply**

**1.2**

**Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.**

**1.2.1**

The management has made publicly available the related document listed by the standard. It include the Land title of the management unit (mill and supply bases), OSH plan of the mill and estate, risk assessment, mitigation plan (HIRARC document), Environmental Management Plan (EMP) and Environmental Risk Assessment (EIA) were made available at the estate and mill. The OSH plan also made available at the office including :

- OSH workplace
- Safety Performance
- Scheduled waste monitoring
- Accident data update
- Sprayer medical examination
- OSH committee meeting medical checkup drivers
- Review hirarc
- First aid training
- Audio metric test
- Medical surveillance
- Air emission monitoring
- Local exhaust ventilation system
- Hearing conservation program

United Plantations had also documented the Social Impact Assessment (SIA) at estate and mill accordingly, together with HCV document for the wildlife and water catchment area, environmental risk assessment (including method of reduce and prevention), communication procedure to internal and external parties, and also including the Human right policy that made available at all management unit as per field visit and document verification.

**Status: Comply**

**1.3**

**Growers and millers commit to ethical conduct in all business operations and transactions.**

**1.3.1**

The Certification Unit had set up the policy of code ethical conduct documented and communicated to all level of workforce and third party contractor. The company has input all the elements of prohibitions of all forms of corruption, bribery and fraudulent of funds into the code of conduct. Its include the elements such as :

- Standard of conduct – conduct our operation with honesty , integrity and openness
- Obeying the law – UP group directors and employees required to comply with the laws and regulation
- Consumers – Up is committed to provide quality products and services
- Shareholders – UP will conducts its operations in accordance with internationally accepted ethics of good corporate governance
- Business partners – UP committed to establish mutual benefit relations with our suppliers
- Community involvement – UP strives to be a trusted corporate citizen as integral part of society

During the audit, it was verified that the company had also communicated the code of conduct to its workforce through displaying the latest policy company at the estate and mill notice board. During the muster morning assembly, the assistant manager had given the briefing to all the workers related to company policy and ethics. It was sighted that during the

audit, the company had given the booklet comprising the policy company, safety handbook, the facilities of company and also the latest code of conduct of UP business operation inside the booklet. Once received, the workers will signed the document as a sign of receiving and the briefing has been conducted by the personnel in charge. The booklet has been made into Nepali language, Bangladeshi language, Indian language, Bahasa language and English language to ease the mode of understanding. There is a refresher training sighted at Ladang Lima Blas entitled RSPO training dated 30/5/2017 attended by 63 workers and 10 contractors , S Kanasan. Based on the interviews, the workers are alert regarding the new policy in a company.

Status: Comply

**PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS**

2.1

There is compliance with all applicable local, national and ratified international laws and regulations.

2.1.1

The Ulu Bernam Optimill has several license, such as:

1. DOE license No. 004261 dated 1 December 2017 for Ulu Bernam Optimill in Div 2, Ulu Bernam Estate 35600 Perak Darul Ridzuan.
2. Weighbridge: Perakuan Penentuan Timbang & Sukat Act Timbang & Sukat 1972 No. B1278537 dated 24 January 2018; No. 1278536 dated 24 January 2018; and No. 1278535 dated 24 January 2018.
3. Suruhanjaya Tenaga: there are documented evidences available an application was sent to Duriane Professionals Sdn Bhd, Perak, dated 7 February 2018.  
Akta Perancangan Bandar dan Desa 1976 (Akta 172) No. A9/HM/1113 dated 9 April 2015
4. MPOB License: 617006004000 name of Ulu Bernam Optimill dated 18 December 2017, valid until 30 November 2018.
5. Certificate of Fitness process record  
JKJ-103 has passed: Letter No. JKJP/A-127/600-50/2 JLD 4 (79) dated 12 October 2015; it was explained: Borang JKJ 103 has been passed dated 21 September 2015 with reference number: PK/15/03/4556.  
JKJ-127 has passed: Letter No. JKJP iS 127/453/1-20172276 (4) dated 6 June 2017 Boiler: tekanan kerja selamat 3700kPa and 537 psi. Hidrostatik: 5550 kPa and 805 psi.  
JKJ-105 on process, with historical:  
First Application: dated 21 November 2017 by portal of My KKP was failed. It cause layout of Mill should be revised.  
Second Application: dated 20 January 2018 by portal of My KKP (on process).  
Field verification will be conducted on third week February 2018.
6. Fire Cert:  
Letter from Jabatan Bomba dan Penyelamat Malaysia Negeri Perak Ref. No. JBPM/PK/BKK: 700-2/1/6/288(4) dated 23 May 2016. *Permohonan Pelan bangunan dan pelan jalan dan perparitan bagi cadangan membina sebuah kilang memproses kelapa sawit di atas tanah milik lot 10100 (geran 145238) mukim hutan melintang, daerah hilir Perak untuk UP.*
7. Water License/SPAN License: Ref. No. SPAN/EKS/(PT)/800-4(1)/15/09 valid from 17 April 2015 – 16 April 2018 for United Plantations (Engineering Department) including Ulu Bernam Estate and Oil Mill.  
Renewal License process: dated 29 January 2018 to Suruhanjaya Perkhidmatan Air Negara (SPAN).
8. Storage License/Diesel&Petrol from Jabatan Bomba dan Penyelamat Malaysia Zon 4 Perak Ref. No: JBPM/PK/ZTP/Htm: 700-5/1/20/Jld 4 (58) dated 22 November 2017 for Ulu Bernam Optimill with Capacity 20,700 Liter.
9. Permit *Barang Kawalan Berjadual according to Peraturan – Peraturan Kawalan Bekalan 1974 Peraturan 9(2) No. Siri: A 037533* validity date 26 January 2018 – 25 January 2019.
10. Poison License: Natrium Hydrocide Permit with validity period: 5 February – 31 December 2018 o.b. Nik Jazrikel Bin Johannis to Kementerian Kesihatan Malaysia dated 7 February 2018. Volume: 10000 Kg/year. (Transfer from



- Ulu Bernam Mill). Natrium Hidroksida (NaOH) permit application process o.b. Baboo A/L Ganasham with validity period: 1 January – 31 December 2018.
11. Steam Certificate:  
No. 072/2016 o.b. Saravanaganes a/l Nataraja grade I dated 16 April 2016.  
No. 108/2015 o.b. Nathan a/l Raman grade I dated 23 June 2015.
  12. Boiler Man:  
No. PK 4/2005 o.b. Kathirasan a/l munusamy grade II dated 2 February 2005  
No. PK/11/EIS/02/38 o.b. Manimaran a/l pettan grade II dated 2 November 2011
  13. Hospital License: No. 130807-00305-01/2016 dated 21 March 2016 valid to 23 February 2018; lesen untuk mengendalikan atau menyediakan kemudahan atau perkhidmatan jagaan kesihatan swasta (Bernam River Ulu Group Hospital)
  14. Guest Work License/Permit:  
For example:  
Jitendra (Nepalese) Passport No. 08363712 date of expire 4 December 2017. It has been renewal and valid till 8 January 2025. Work Permit No. KDN/16831/CBAD346279 dated 24 November 2017.  
Suhardi (Indonesian) Pasport No. AT 976472 date of expire 29 March 2018. (on process)  
Durai Mallak (Indian) Pasport No. L 2941068 date of expire 6 January 2018. It has been renewal and valid till 14 July 2023. Work Permit No. KDN/16831/CJBGLJ15537 dated 27 December 2017.
  15. Permit Kebenaran Menggunakan Bekalan Air Persendirian Seksyen 6(1) (a) Akta Standard-standard minimum perumahan dan kemudahan pekerja 1990  
No. 2017/001 Ladang Ulu Basir valid from 25 September 2017 till 25 September 2018.
  16. Permit Had Kerja Lebih Masa dibawah Seksyen 60A (4)(a) Akta Kerja 1955 No. (32) JTK.PK(1) PMT (SEK.60)/10805 dated 19 March 2015.
  17. Permit Potongan Upah dibawah Seksyen 24 Akta Kerja 1955 No. (6) dlm BHG PU/9/219 dated 1 June 2012.
  18. Register of Chemicals Hazardous to Health (2017); Code of Sector: 04; Class Activity: 31152. Adjunct HLM, SG Sulfite, Advantage plus 1400, Soda Ash, Calcium Hypochlorite, Aluminium Sulfate, and Calcium Carbonate.
  19. Akta Bekalan Ekeltrik 1990 /Electric License:  
No. PJ 1133895 o.b. Murugan a/l Muniandy dated 21 August 2015  
No. PJ 11600158 o.b. Vasanthan a/l Kaliappan dated 14 October 2016
  20. Company Dr: dr. Lee Teik Leong No. K.P 600508-08-6167 valid till 4 February 2019
  21. HIRARC No. K.P. 681117-03-5263 dated 9 March 2010 ob. Rames a/l Subramaniam
  22. CePSWAM: Nik Jarikel Bin Johannis No. 840301-01-6391 dated 7 October 2016
  23. CePPOME: Nathan a/l Rahman No. 84019-06-5455 dated 15 January 2016
  24. Initial Noise Exposure Monitoring report Ref. No. HQ/14/PEB/00/134-2017/043 dated 26 December 2017. DOSH Registration: HQ/14/PEB/00/134

Consideration to follow up on license progress to the relevant agency. **(OFI)**

### 2.1.2

There are no changes in the list of legal register since from previous assessment. Interviewed the Resident Engineer whom has good understanding of the legal contents and able to demonstrate his competent for requirements applicable to mill operation.

### 2.1.3

The annual internal audit for mill and estates by sustainability department [participated by Human Resource and Environment Safety & Health department Group Manager and team on 31 December 2017, there were no findings raised on legal aspects. The compliance matrix seen with P&C reference to the finding results, such as "in Order" for those complied and remarks for negative findings. There is a matrix with 21 items available to track the validity of permits and licenses. Verified the actual permits displayed in the meeting room against the master list resulted with no negative findings.



**2.1.4**

Any changes in the applicable laws and regulations, the Human Resource and Environment Safety & Health department Group Manager and team co-ordinates with respective operating units. Sighted a master list maintained that citing the changes since from Mar 2010 to April 2017. SOP for legal requirement stated a periodic review and evaluation on the laws & regulations list carried out to ensure that any new/addition as well as changes and amendment are captured and update, through enquiring the laws books publisher and/or communication with law/enforcement officers. There were 7 notifications of changes been circulated in 2016 and for year 2017.

**Status: Comply**

**2.2**

**The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.**

**2.2.1**

The land title legalities was observed, consist of:

Ulu Bernam Optimill Land Title including to GT No. 145238 → Lot No. 10100: 2,227.3 Ha → Yearly Tax RM 144.775 dated 24 October 2012.

Certificate of Title No. 17757 from Government of the State of Perak year of 1930.

Certificate of Title No. 19810 from Government of the State of Perak year of 1930.

Certificate of Title No. 17942 from Government of the State of Perak year of 1930.

Certificate of Title No. 17941 from Government of the State of Perak year of 1930.

Certificate of Title No. 17755 from Government of the State of Perak year of 1930.

Certificate of Title No. 5695 from Government of the State of Perak year of 1930.

Certificate of Title No. 32550 from Government of the State of Perak year of 1930.

**2.2.2**

The company has a procedure of boundary maintenance. There is SOP No. 6.0 → Boundaries, dated 10 December 2007, completed with monthly checklist and have been well implemented. There was available document of boundary pole monitoring in each estate, the monitoring document describe all of GPS Coordinate Point of the boundary pole.

**2.2.3, 2.2.4 & 2.2.5**

Based on document verification of Area Statement and Operational Map, management interview and stakeholder consultation for Ulu Bernam Optimill, there was no indication or issue related of land dispute. There is no evidence of dispute, proof of legal acquisition of title and evidence that fair compensation has been made to previous owners. Therefore no surrounding or local communities are affected or involved in agreements detailing the process of free, prior and informed consent (FPIC). There are no reported cases of land disputes arising from the acquisition. All land is fully owned by UP Plantations Berhad was earn by Perak Government on 1987.

**2.2.6**

Based on document verification, interview with internal stakeholder (employee), stakeholder consultation and field visit observation, there was no indication of para-militaries and mercenaries in or around the plantation. All of security staff is the UP employee, there was no hired from external parties. There was no indication of confrontation and intimidation by the company to maintain peace and order.

**Status: Comply**

**2.3**

**Use of the land for oil palm does not diminish the legal rights, or customary rights, of other users, without their free, prior and informed consent.**

**2.3.1**

There was no land of United Plantation own by the land compensation and under manage by customary right. All of land was earned by Perak Government on the early period of 1987. Based on Document Social Impact Assessment on 2016 and HCV assessment was done by Wild Asia between 01 – 06/01/2008, there was no land of United Plantations under

manage of customary right. There was also explained in the United Plantation Berhad Code Of Conduct and Business Ethics and also in the Annual Report 2015 that the company will commit to the principle of Free, Prior and Informed Consent and adhere to these principles in all of negotiation and interactions with stakeholders.

**2.3.2, 2.3.3 & 2.3.4**

There was no land of United Plantations own (Ulu Bernam Estate, Sungei Erong & Sungei Cawang Estate) by the land compensation and under manage by customary right. All of land was earned by Perak Government on the early period of 1987.

**Status: Comply**

**PRINCIPLE #3 Commitment to long-term economic and financial viability**

**3.1**

**There is an implemented management plan that aims to achieve long term economic and financial viability.**

**3.1.1 and 3.1.2**

The source of FFB supplies to the Ulu Bernam Optimill are from their own estates [Ulu Bernam Estate, Sungei Chawang Estate and Sungei Erong Estate]. Budget 2018 for mill, seen with 4 years projection [2018-2021] that comprising the mill operation in the Ulu Bernam Optimill Projected Budget 2018 -2021] . All the operations in the new mill has been taken into account that include new operation of Biogas Plant and Turbine Engine for generation of electricity and supply the steam to the refinery next to the Ulu Bernam Optimill. The operation are includes :

- Projected FFB
- Oil Extraction rate [OER]
- Kernel Extraction
- Decanter operations
- General Charges 1
- General Charges 2
- Palm Oil revenue Expenditure – Rail transport , Upkeep Rail Track, Upkeep Rolling stock, weigh bridge
- Manufacturing Oil production [overtime , Labour , Fuel and Lab, Repair and replacement , laboratory and drawing office, factory water supply, Boiler chemical, Upkeep factory building, Upkeep electrical, Upkeep workshop, Upkeep storage tank, Sterilizer, water treatment plant , OSH and PPE ]
- Manufacturing Kernel : Overtime, Labour , Fuel and Lab, Repair and replacement, Chemical usage
- Empty Bunch Oil recovery [slashing and press machineries for EFB]
- Expenditure (Transport, Labour , Parts Repair and Replacement, Sundry and stores , Fuel , General Charges , EST Operating profit)
- New Biogas Plant (Income, Repair and replacement, wages, water supply Electricity, licenses Upkeep Compound, Effluent analysis, Biogas engine maintenance (engine room to supply electricity for the refinery ) including the general charges

The person in charge of the budgeting including the top management of the Ulu Bernam Optimill, Chief engineer, Resident engineer, Senior Assistant Engineer and Assistant Engineer.

**Status: Comply**

**PRINCIPLE #4 Use of appropriate best practices by growers and millers**

**4.1**

**Operating procedures are appropriately documented and consistently implemented and monitored.**

**4.1.1**

The SOPs for POM observed and applied to all mill operation such as:

- Reception
- Sterilization
- Threshing
- Empty Bunch Pressing
- Clarification

- Boiler House
- Engine Room
- Effluent Treatment & Waste Management

SOP set available in mill and in English. All mill operation appropriately covered in the SOP. SOPs observed implemented accordingly.

1. Oil mill RSPO Supply chain model
2. Recruitment of guest workers
3. Protection of river reserves

**4.1.2 , 4.1.3 and 4.1.4**

Consistency of SOPs implementation monitored thru daily monitoring at all relevant processes. Regular compliance audit performed. Monitoring activity well defined in relevant SOPs. Records of monitoring including corrective action records observed and well kept.

**Status: Comply**

**4.2**

**Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.**

**Not Applicable for Ulu Bernam Optimill**

**Status: Comply**

**4.3**

**Practices minimize and control erosion and degradation of soils.**

**Not Applicable for Ulu Bernam Optimill**

**Status: Comply**

**4.4**

**Practices maintain the quality and availability of surface and ground water.**

**4.4.1 and 4.4.2**

The Company has a water management plan established in order to cater during the rainy and drought season. Water is sourced from Ulu Basir catchment pond. The Ulu Basir catchment pond sources water from Bernam River. Sighted the schematic diagram of the water treatment processing [Ulu Basir Water catchment pond- source Bernam River - Pump into Water Reservoir - Mix Soda and Alum Polymer In premix tank - water settling ponds (3 settling Tank) - Concrete Settling tank → filter house - Into overhead storage tank - Mill and domestic usage] From the Ulu Basir catchment area, the water is pumped into Ulu Bernam Optimill water reservoir. SOP of water management plan has been made available at the mill.

It was sighted also the procedure of chemical mixing at the water treatment plan, suitable PPE to be used, before operation procedure, during operation and after operation procedure to be followed. The company had shown a SPAN license (Suruhanjaya Perkhidmatan Air Negara) to process the treated water and supplied to the housing area, licensed expired on 16<sup>th</sup> April 2018 that applicable to UP management unit (upriver and downriver). Water monitoring daily and send to the lab every month, last date sighted on 8<sup>th</sup> January 2018 sample for drinking water results from Ulu Bernam Optimill Water treatment plant. Water courses/ tap water result has been send for the third party result Chemvi Laboratory Sdn Bhd dated 19/4/17 the date of sample received and 18<sup>th</sup> January 2018 date sample reported :

Drinking water [ Total coliform : ND, E-coli : ND]

There is a total result of the year has been made available and the parameters including :

- Turbidity NTU : 0.18 <5
- PH 6.82 at 27.7 < 6.5-9.0
- Colour ADMI ND <0.2 less tha 0.2
- Combine residual chlorine mg/L <0.01
- Total Dissolved solid = 382 < 1000

Ulu Bernam Optimill Water treatment Reservoir

- NTU Turbidity : 0.01 < 5
- PH 2.67 Acidic < 6.5
- Colour < 10
- Combine residual chlorine 0.01 < 1
- TDS =230 < 100

Span Licensed made available at the Water Treatment house dated: 16 April 2018 and the renewable process has been made application on 29<sup>th</sup> January 2018. The company also had provide a fresh and treated water to all stakeholders (staff and workers) for their consumption all year around and as per current situation, the Old mill (Ulu Bernam mill) still supplying the fresh treated water to the stakeholders and soon the workers will be transferred to the new housing area . As per interview made, there is no cases of sickness due to water sources and consumption.

There is water reservoir inside the mill and the water courses is from Ulu Basir Estate water catchment (3 ponds) and water has been pumped to the water reservoir at the mill. Water reservoir has been protected by bund and signboard warning signages (no fishing and no swimming). Surrounding the awater reservoir will be a drainage that prevent the leakage, dirtiness overflowing to the water reservoir. Water sources is form the rain harvesting and water pumping from Ulu Basir water catchment.

**4.4.3 and 4.4.4**

Mill effluent treatment has been installed in place consisting of Fat Pit (start of the process) → flow into the Pond no 1 at the Field 64 and overflow to Pond NO. 2, 3 and 4. There is available also the biogas plant at the Field 64 to harvest methane gas and convert into biogas for usage in the refinery from pond no. 2. The steam from the boiler also will be utilized at the refinery plant. Sighted the license from the Department of Environmental Malaysia (DOE) for Land application of Ulu Bernam Optimill effluent that stated the mill effluent treatment for Land application is form Pond No. 3. The system that will be used for the mill is furrow irrigation for Land application (Cascading/flat bed) system. Sighted a license from DOE jabatan Alam Sekitar ( No. 004261) as per requirement section 18(1) for United Plantations Berhad (Ulu Bernam) Optimill

Validity form 1<sup>st</sup> December 2017 until 30<sup>th</sup> June 2018 for Crude Palm Oil and method effluent treatment on (Land Application)

Sighted form the license aspart of the requirement :

- Mill Capacity 60 MT per hours
- The effluent must be released for Aerobic Pond No 3.
- Effluent released to the land less than 900m3 per day.
- BOD requirement less than 5000 mg/l per day.

The record FFB water per tonne usage is available at the mill as per :

- December : Water 2294.0 Litres , FFB 1512.31 tonne ratio : 1.52
- January 2018 : Water usage : 10, 355.0 Litres , FFB ration 7322.51 ratio : 1.41

The average usage for month December 2017 (year usage for the new mill is 1.52 for December 2017 only in Ulu Bernam Optimill.

**Status: Comply**

**4.5 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.**

**Not Applicable for Ulu Bernam Optimill**

<p>Status: Comply</p>	
<p><b>4.6 Pesticides are used in ways that do not endanger health or the environment</b></p>	
<p>Not Applicable for Ulu Bernam Optimill</p>	
<p>Status: Comply</p>	
<p><b>4.7 An occupational health and safety plan is documented, effectively communicated and implemented.</b></p>	
<p><b>4.7.1</b> Occupation Safety and Health Policy observed. Relevant safety operating procedure (SOP) observed with coverage of overall mill and estate operation process. Occupational Health &amp; Safety Management System established for mill. The Occupational Safety and Health (OSH) Manual and relevant SOPs developed as documentation of OSH management system. Good design of OSH management system observed. OSH plan established with responsibility and action time period defined. Relevant targets established and monitored on monthly basis. Good achievement observed for the targets. Communication with contractor on the overall OSH plan and management system demonstrated by briefing and permit to work. Good communication observed with contractor. Relevant type of test such as audiogram test, medical surveillance, CHRA is on process assessment by third party in accordance to legal requirement. Based on interview with Residential Engineering, all of Chemical type used is same with Ulu Bernam Palm Oil Mill used.</p> <p><b>4.7.2</b> HIRARC procedure developed with proper criteria attached for risk assessment at mill and estates. All mill activities covered for HIRARC study. Relevant action plan proposed for identified hazard. Progress of OSH action plan assessed and found relevant program implemented according to plan. Updating of HIRARC following occurrence of accident observed and relevant corrective action applied for all estates. Several operation controls defined with relevant procedures. Overall implementation of operation controls were at satisfactory level.</p> <p><b>4.7.3</b> Relevant safety training provided to staff and worker. Good training implementation observed. Sufficient and suitable PPE had been distributed to workers. PPE issuance record observed. Relevant PPE training provided to mill and estates workers. PPE usage assessed during the field observation and good practice observed. There are also first aid training which conducted on 14 July 2017 to four first aiders, for examples: Certificate number 761105-08-6477 and 760925-06-5060.</p> <p><b>4.7.4</b> Safety &amp; Health Committee established for mill and estates. The establishment of Safety &amp; Health Committee observed and in line with legal requirement. Safety &amp; Health meeting conducted at least on quarter yearly basis and comply with legal requirement. Safety and health related issue discussed during the meeting and proper action plan observed for outstanding issue.</p> <p><b>4.7.5</b> Emergency Response Procedure observed with description of emergency situation handling for mills. Accident and emergency procedures had been written in multiple language and briefed to staff, workers, contractors and visitors. Good understanding level observed among the workers. Relevant potential emergency situations such as fire, chemical spillage and flood. Fire extinguisher assessed during the site observation and found all available and within expiry date. Emergency eye wash facility available at chemical store. Fire drill training conducted at mill for improving of staff and workers awareness on emergency handling. Field observation performed and found 11 point hydrant and 52 point fire extinguisher and hose drill.</p> <p><b>4.7.6 &amp; 4.7.7</b> Accidents reported from December 2017 – January 2018 was observed. There are no accident during this period. Submission of accident report such as JKPP6 &amp; JKPP8 was complied with legal requirement. Accident recorded in LTA</p>	

term and clearly presented during the audit. Medical insurance provided to all workers. For example: on January 2018: Total Labour Force: 22; Total Mandays: 436.40; Total Manhours: 3,491.20; Total Mandays occupational injuries: 0; total manhours occupational injuries: 0; Lost Time: 0; Safety Performance: 100. Insurance agreement observed for all local and foreigner workers. Based on interview result with sterilizer operator and boiler operator. There are audiometry test every year, they were explain no indication of decreased of hearing levels.

Status: Comply

4.8

**All staff, workers, smallholders and contractors are appropriately trained.**

4.8.1 and 4.8.2

The mill has been commissioned on December 2017 and the company had done the training as per details on the list. Sighted the training for the workers Emergency response team and fire drill process that have been done by the management and the standard operating procedures has been done on the particular station in the mill such as :

- Threshing station operation
- Standard operating procedure (dated 5 December 2017 attended by 6 workers )
- HIRARC on the tipping of the sterilized FFB at Tippler station dated 5<sup>th</sup> December 2017
- SOP and Hirarc on sterilizing operation and FFB Loading (6 workers)
- SOP and HIRARC om the Tipping of FFB at reception station
- SOP at fruit Handling
- SOP and HIRARC on the Biomass Boiler Operation (3 persons) date d 20/11/2017

As per training in the mill, the supervisor and the assistant engineer in the mill will be incharged to give the training for the new machineries and automation system. There is evidence of formal training records and training list for the particular workers in the workplace has been kept by the management as for records credential.

The records training for the workers had been updated and kept as per date 1<sup>st</sup> December 2017 and 5<sup>th</sup> December 2017. The training involving the planning for year 2018 that include mill operations and safety training as per details :

- Emergency response training
- Fire Drill and process section
- SOP and HIRARC for Locomotive operation
- Safe electrical switchboard handling and safe electrical maintenance practice
- PPE awareness and right usage
- FIRE drill (office / store)
- First aid training and CPR training
- Lockout tag out (LOTO ) training'
- SOP and HIRARC for confied space and boiler operations
- Sop and HIRARC training for welding and OXY cutting
- SOP and HIRARC for tippler operation
- SOP and HIRARC for sterilizer operations
- SOP and HIRARC for Grinding and Metal cutting
- Sop and HIRARC for Biogas Plant
- Chemical spillage and safe handling of chemical in store and Lab
- SOP and HIRARC for Kernel plant
- Forklift training
- SOP and HIRARC training for General workers
- Safe operating procedures for petrol and diesel dispatch
- SOP and HIRARC for Empty bunch press and cutter.



	<b>Status: Comply</b>
<b>PRINCIPLE #5 Environmental responsibility and conservation of natural resources and biodiversity</b>	
<b>5.1 Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.</b>	
<b>5.1.1, 5.1.2 and 5.1.3</b>	
<p>There is available Environment action plan made available at the estate: Environment Risk Assessment (ERA), Environment Action Plan (EAP) &amp; review Plan 2017 updated December 2017 for Ulu Bernam Optimill that covers road, pathways, railways and mill processing activities, operation of water management plant, regular desludging of effluent ponds and disposal to land application of Furrow irrigation method including mill operations and Severity X Quantity X Probability results (SQP) :</p> <ul style="list-style-type: none"> <li>• Weighbridge FFB reception = 4 (negligible ) ERAOM 1</li> <li>• Sterilisers = 21.38 LOW (ERAOM 2)</li> <li>• Crane and stripping station = 4 negligible</li> <li>• Screw press station = 10 negligible</li> <li>• Bunch Press station = 10 negligible</li> <li>• Clarification system = 2 negligible</li> <li>• Kernel Station = 18 low</li> <li>• Laboratory = 12.17 (negligible)</li> <li>• Engine room / Power house = 9 negligible</li> <li>• Raw Water treatment plant = 4 negligible</li> <li>• Workshop maintenance and safety = 27 low</li> <li>• Boiler House = 18 Score</li> <li>• Effluent treatment plant and waste management = Score 13.52</li> </ul> <p>As per Mill operation, the mill workers and staff had been involved in the evaluation aspect impact of environment which include as relevant stakeholders for the mill operation.</p> <p>The plan has incorporated all the monitoring protocol in the EAP, ERA and EMP. The plan is reviewed yearly the latest in December 2017 at Ulu Bernam Optimill. The result of monitoring will be changes on operational of the unit depending on the severity of the SQP result. The Senior assistant engineer for Ulu Bernam Optimill Mr.Nathan is the one who's in charge of the impact and timetable change for the variable if happen.</p> <p>The time table of change has been provided SQP ,whenever there is a changes in SQP result ,the environment impacts will be changed accordingly and the action plan has been done accordingly and Its divided into:</p> <ul style="list-style-type: none"> <li>• Items</li> <li>• By Whom – estate divisional heads and divisional store</li> <li>• Target date – On Going process</li> <li>• Resources – By Management</li> </ul> <p>The management plan for environmental risk assessment has been reviewed yearly and for the new mill, it has been done on Month December 2017.</p>	
	<b>Status: Comply</b>
<b>5.2 The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced</b>	
<b>Not Applicable for Ulu Bernam Optimill</b>	
	<b>Status: Comply</b>
<b>5.3 Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.</b>	

**5.3.1, 5.3.2 and 5.3.3**

During the audit, the management of Ulu Bernam Optimill had registered the scheduled waste produce by the mill and been recorded in ESWIS system as per DOE requirement :

- SW 409 containers contaminated with scheduled waste
- SW 410 Rags used for wiping and cleaning tools and machineries
- SW 410 fuel and Diesel filters for tractors
- SW 102 tractors batteries replacement
- SW 109 Replacement of tube lights and spotlights
- SW 305 Tractors engine Lubrication of machines
- SW 306 Hydraulic System Oil changes
- SW 322 Laboratory test Spent Hexane

Sighted an inventory kept on site as per recorded into FIFTH Schedule EQA 1974 inventory of scheduled waste dated and has been informed to Department of Environmental as part of the requirement for the premise produce the Schedule waste as per date :

- 7 February 2018 – SW 409 Contaminated containers 0.12 MT
- 7<sup>th</sup> February 2018 – Contaminated rags = 0.04 MT

Contaminated containers will be kept at the scheduled waste store and later will be disposed by registered collector. (KENEP Waste Management Sdn Bhd) as a registered collector and disposal for Collection on SW no. 105, 108, 109, 204, 206, 325, 401, 402, 409, 410, 411. Sighted the license from registered collector and made available at the mill. The collection and inventory material has been maintained as per record basis and proper storage area for the scheduled waste made available at the mill.

The waste management plan has been made available at the mill :

- From the type of waste → Source → By whom → Targeted date → disposal method
- Such as : POME → used as irrigation for oil palms in the estate (land application)
- Fibre and shell → burn as fuel in boilers
- Smell and odour → effluent pond at a distance form dwelling lace

The reduce reuse recycle of waste has been implemented that consist of Boiler ash from FFB collection road on field, burn as fuel in boilers, EFB for estate for mulching and irrigation of POME in the estate has been recorded.

**Status: Comply**

**5.4**

**Efficiency of fossil fuel use and the use of renewable energy is optimised.**

**5.4.1**

Management program for efficiency use of diesel/petrol observed for year 2017 and 2018. The management plan implemented and monitored. Monitoring of diesel and electricity usage per ton FFB performed in mill and estates. On-going analysis performed and monitoring result observed. The plan for improving efficiency at the use of fossil fuel has been recorded. Sighted the KWH generated from renewable energy turbine at Ulu Bernam Optimill for 2017:

- KWH generated by turbine = 16807 KWH
- FFB tonnes = 1512 Tonnes
- CPO tonnes = 265
- KWH/ tonne CPO 63.49
- KWH / tonne FFB 11.11

Sighted also the total power generated and consumed (Kwh) (FFB processing and CPO :

- from 7<sup>th</sup> December 2017 until 16<sup>th</sup> December 2017 = total KWH 16,807.0 Total FFB = 1512.31 and total CPO = 264.70

- The fossil fuel usage per month December 2017 until 9<sup>th</sup> February 2018 are : 22,559 litres

The biogas plant has been place on field 64 (4 tanks) to harness the biogas form Anaerobic pond no. 2 and the methane gas generated will be used on a biogas engine to generate electricity for the refinery.

**Status: Comply**

**5.5**

**Use of fire for waste disposal and for preparing land for replanting is avoided except in specific situations, as identified in the ASEAN guidelines or other regional best practice.**

**Not Applicable for Ulu Bernam Optimill**

**Status: Comply**

**5.6**

**Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.**

**5.6.1 & 5.6.2**

There was an assessment in document Life Cycle Assessment of Oil Palm on 2017. In that document has identified polluting activities such as:

- Nitrous Oxide (N<sub>2</sub>O) from fertilizer and crop cultivation where the fertilizer applied
- Carbon dioxide(CO<sub>2</sub>) from combustion of fossil fuels and peat decay during cultivation (if it involves organic soils)
- Methane (CH<sub>4</sub>) from anaerobic digestion of palm oil effluent (POME) in ponds in the palm oil mill.

The data collection that identified as polluting activities, such as:

- Product flow : FFB yield, CPO, Kernel Production, and production of refined oil
- Material used : fossil fuel, fertilizers usage, pesticides and other chemicals.
- Energy produced : detailed energy balance for oil mill boilers include exportable steam for external utilization
- By products : benefits from utilization of the kernel and biogas palm oil mill effluent treatment
- Specific laboratory test and measurement : moisture and nitrogen content of different parts of oil palm and data from Palm oil mill effluent (quantities and COD)
- Inventory and use of capital goods : material used for building and machineries,

Based on verification document and field visit, it is known that the company has implemented to reduce GHG emissions, for example:

- To reduce fossil fuel, the company has using renewable fuel such as fiber and shell for boiler's fuel.
- To reduce pesticide, the company has implemented rentice mowing (mechanization) to control weed.
- To reduce fertilizer usage, the company has implement EFB application and Effluent for Land Application as organic fertilizer.
- In December 2017, Ulu Bernam POM has been replaced with Ulu Bernam Optimill that has biogas plant to control methane gasses.

Based on Life Circle Assessment, it is know that all United Plantation Group has reduce the GHG Emission. The base line (year 2004) GHG emission (include LUC & conservation) in UP Group as much as 2.58 KgCO<sub>2</sub>-eq/Kg NBD oil. In the 2016, UP Plantation has reduce GHG emission as much as 38% from the base line (2004) with total emission is 1.61 KgCO<sub>2</sub>-eq/Kg NBD oil. Based on the explanation, it is know that the UP Group has reduce the GHG emissions.

**5.6.3**

The unit management has calculate the GHG emission with tools of Life cycle assessment tool with calculator SIMA pro 8 and IPCC method with the following data:

Emmision per product	tCO2e/tProduct
CPO	2.4
PK	2.4

Production	t/yr
FFB processed	146,611
CPO produced	32,254
PK produced	6,688

Extraction	%
OER	22.00
KER	4.56

Land use	Ha
Planted area	8,945.84
Planted on peat	844.16
Conservation (forested)	-
Conservation (non-forested)	-

Summary of field emission and Sinks

Description	Own plantation		Group plantation		3 <sup>rd</sup> party	
	tCO2e	tCO2e/tCPO	tCO2e	tCO2e/tCPO	tCO2e	tCO2e/tCPO
<b>Emissions Sources</b>						
Land conversion	-	-	-	-	-	-
CO2 emmisons from fertilizer	9,086	0.23	-	-	-	-
N2O emissions	12,059	0.31	-	-	-	-
Fuel comsumption	1,594	0.04	-	-	-	-
Peat oxidation	42,535	1.09	-	-	-	-
<b>Sinks</b>						
Crop sequestration	0	0	-	-	-	-
Sequestration in Conservation area	-11	0.00	--	-	--	-
<b>Total</b>	65,263	1.67	-	-	-	-

Summary of Mill Emission and Credits

Emissions	tCO2e	tCO2e/tCPO
POME	28,738	0.74
Fuel Consumption	484	0.01
Grid Electricity Utilization	-	-
<b>Credits</b>		
Export of Grid Electricity to Housing & Grid	-445	-0.01
Sales of PKS	-427	-0.01
Sales of EFB	-	-

Total	28,350	0.73
POME Treatment		
<b>Emissions</b>	<b>%</b>	
Divert to compost	<b>0</b>	
Divert to anaerobic digestion	<b>100</b>	
POME Diverted to Anaerobic Digestion		
<b>Emissions</b>	<b>%</b>	
Divert to anaerobic pond	<b>100</b>	
Divert to methane capture (flaring)	<b>0</b>	
Divert to methane capture (Electricity generation)	<b>0</b>	
<b>Status: Comply</b>		
<b>PRINCIPLE #6 Responsible consideration of employees and of individuals and communities affected by growers and mills</b>		
<b>6.1 Aspects of plantation and mill management, including replanting, that have social impacts are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate the continuous improvement.</b>		
<b>6.1.1</b>		
Social Risk Assessment (SRA) has been made with latest on 2017 for internal and external stakeholder for various activity and operation in the mill :-		
Latest SRA is conducted on 10 March 2017 for Ulu Bernam POM, Ulu Bernam Estate on 17 March 2017 and Sungei Chawang Estate on 12 February 2017. 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. ON 1st Dec 2017 the first SRA for Ulu Bernam OPTIMILL was conducted as a follow up to the SRA done 10th March 2017.		
<b>6.1.2</b>		
There is Annual Stakeholders Dialogue Session latest on 2017 for mill and estate for Internal and external stakeholder (OSHA Committee, Gender Committee, Temple Committee, Chapel Committee, Surau Committee, Foreign Workers Representative, Neighboring Estate, Statutory Bodies and Ketua Kampung. The assessment has been made based on the Annual Stakeholder Dialogue Session and the minutes of meeting are documented. The affected parties are able to express their views and all issues is documented in the meeting and actions are taken to resolve the issues. The affected parties are able to express their views in the meeting and there is a complaint book available at the Ulu Bernam Optimill. There is a Social Risk Assessment (SRA) for outline the Social impacts and person in charge to resolve the issues.		
<b>6.1.3</b>		
A complete timetable with responsible are presented in Review Plan (Social) latest reviewed on 2017. The list of activity that can be affected to the social issues has been rank and mitigation measure is stated in the plans. There is a complete timetable with responsibilities are shown and updated as necessary for the year of 2017. The plan is documented and tabulated in the Action Plan (Social) timetables that listed items, By Whom, Target Date and Resources. The timeline is observed realistic to implement by the management of mill and estate. As the staff, workers and management are moving out form Ulu Bernam mill to the Ulu Bernam Optimill which is located 5km from the old mill, the management had taken into account several social aspect :		
<ul style="list-style-type: none"> <li>• To provide vehicle / transportation for employees</li> <li>• There are existing shops at division 2 Ulu Bernam</li> </ul>		

- To have a canteen at the Ulu Bernam Optimill Site
- To Provide / wear dust Mask for the workers travelling
- The social aspect impact has been reviewed by project engineer of Ulu Bernam Optimill.
- New Staff and workers housing to cater for Ulu Bernam Optimill  
Time line has been developed , as per target date of the mill

**6.1.4, 6.1.5**

There is a clear column that stated that who is the person in charge in the Action Plan. The plan is reviewed in every year. The plan been updated based on the latest meeting. Based on the time table there is on-going action been made by the Mill and Estate management, the timeline is observed realistic to implement. The attendance and issues discussed is documented. There is evidence of attendance of meeting and all of the result of meeting is documented and tabulated in Social Risk Assessment (SRA) plan.

**Status: Comply**

**6.2**

**There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.**

**6.2.1, 6.2.2, and 6.2.3**

There is a Grievance Redressal Procedure for communication and consultation in clearing up misunderstanding / conflict / grievances or raising any issues with United Plantations Berhad, the procedure is adopted, in an effective, timely and appropriate manner that is open and transparent to any affected parties. The procedure stated that all grievances are formally recorded at point of receipt and settled as soon as possible but not more than 30 days and grievances acknowledged by letter within 7 working days to stakeholder and estate manager / head of department from the company secretary. The Company SOP was made available through the FPIC process "ref: SOP issued on 11 March 2013 rev; 16 August 2016.

The SOP is developed based on the stakeholder consultation meeting. The SOP is printed and displayed in English, Malay, Hindi, Tamil, Nepali and Bangladesh and displayed at the board. The SOP is developed based on the consultation with external stakeholder (Statutory Bodies, Indigenous People, Local Communities, Independent Supplier and Local and National NGO) and Internal Stakeholder. Based on the interview with the foreign workers (Bangladesh, India and Indonesian) and local workers there are aware with the SOP and know how to launch a complaint. The company had maintained list of stakeholders for Ulu Bernam (internal and external stakeholder ) meeting with auditors that include the management workers, workers welfare committee and Government Department

Ulu Bernam Optimill has nominated persons for in charge of all complaint or grievance from the stakeholder, there is aware from the stakeholder meeting that been held in every year. The latest of stakeholder list in 2017 and there is a clear list of internal and external stakeholder listed the affected parties for Mill and Estate. There is a record of meeting of Internal / External Stakeholder Meeting on 2017 and the records of actions is documented in Social Risk Assessment (SRA).

There is a clear list of internal and external stakeholder listed the affected parties for Ulu Bernam Optimill. The latest of stakeholder list is on December 2017. There is a record of meeting of Internal / External Stakeholder Meeting on 17 march 2017 at Ulu Bernam POM, Ulu Bernam and Lima Blas Estate. There is a registry of complaints book, the latest complaints on 2017 and the action been taken and been documented.

**Status: Comply**

**6.3**

**There is a mutually agreed and documented system for dealing with complaints and grievances, which is Implemented and accepted by all affected parties.**

**6.3.1**

The company the company has Grievance Redresal Procedure for both of External and Internal Stakeholder (Employee). There was also showed the document of United Plantation Employee Handbook, available in several version (English, Bahasa, Nepal, Tamil & Bengali) was explained that the policy is intended to cover protection for the whistleblower when raising concerns regarding United Plantation Berhad, such as concern regarding:



- Incorrect financial report
- Unlawful activity
- Activities that are not in line with United Plantation Berhad policy, including the Code of Business Conduct
- Activities, which otherwise amount to serious improper conduct

Those Policy was explained that every effort will be made to treat the complainant's identity with confidentiality and also in the Annual Report was explained that the confidentiality of the whistle blower is maintained and appropriate reward is made when an allegation is proven to be true. The complaint will process through to the RSPO if needed.

**6.3.2**

There was available documented on Complaint log book, based on document verification there was no significant complaint by related party. There was any complaint related to lamp or electricity in housing facility. The management unit has been follow up to maintain these electricity facility. The management unit representative will follow up and process if any complaint and reported to related parties through the leader.

**Status: Comply**

**6.4**

**Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.**

**6.4.1, 6.4.2 & 6.4.3**

There was no negotiations concerning compensation for loss of legal and customary or user rights, since the land is belongs to UP Berhad from early 1980. There was no land of United Plantation own by the land compensation and under manage by customary right. All of land was earned by Perak Government on the early period of 1987. Based on Document Social Impact Assessment on 2016 and HCV assessment was done by Wild Asia between 01 – 06/01/2008, there was no land of United Plantation under manage of customary right. However the Group Manager for EHS is responsible to execute any compensation related works with the involvement from Board of directors and company secretary.

**Status: Comply**

**6.5**

**Pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.**

**6.5.1 and 6.5.2**

Based on list of Ulu Bernam Optimill on 2017 the workers and Contract workers (check roll) basis. Based on MAPA circular no 14/2016 on 5 may 2016 about minimum wages order 2016 known that minimum wages in peninsular Malaysia are RM 1000. This circular effective on 1 July 2016. 3 workers were interviewed and there is an evidence that their get Payment records are countersigned by the workers to acknowledge receipt and they understand how payments are calculated. Documentations on pay conditions made available as per contract made by the workers and management.

There are 127 workers had been crossed check with the pay slip list and the workers receiving more than minimum wages as per regulation employment act amended 2016 (Rm 1000.00).

The contract prepared as per pervious audit in Ulu Bernam. There is no new employment of workers for Ulu Bernam Optimill. The contract workers had been using the old Ulu Bernam workers mill. All the employment contract had been complied with the national minimum wages as per regulation. Sighted the payslip for Somon Habibur Rahman that comprise :

- Workers day (normal and rest days)
- Working overtime
- Basic salary
- Daily allowance
- Sick leave

- Pay on wages
- Sick leave in hospital
- Piece bonus and piece rate
- Top up
- Incentive
- Allowance
- Yearly salary
- Salary Rest day
- Overtime
- Allowance
- Income Including SOCSO (local workers)
- Gross salary
- Nett. salary
- Deduction
- Employee Providing Fun deduction (local workers)
- Socso Deduction (local workers)
- Tax Lembaga Hasil Dalam Negeri (Local Workers)
- Electricity deduction
- New workers
- Indonesia upfront loan
- Temple/ surau Donation
- Water bill
- Total deduction salary
- Employee Insurancy scheme (EIS) (for local workers)

No complain sighted during the audit period and no cases of unjust conditions as the workers receiving the salary more than the minimum wages set by Minimum Order wages.

**Status: Comply**

**6.6**

**The employer respects the right of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.**

**6.6.1, 6.6.2**

There is a policy for freedom for United Plantation Workers the mill and estate workers are free to bargain collectively either through the National Union of Plantation Workers (NUPW) or by forming groupings on their own to collectively bargain with the management. The Guest Workers Union Meeting latest on 2017. The meeting is held is every month. All of the issues discuss in the union meeting is documented and action been taken by the management. There is a contract agreement between Mill and workers detailing about the duration of contract, working hours, piece rate, rest day, public holiday, annual leave / vacation leave, levy, medical and workmen compensation insurance scheme (FWCS) made in the Malay, English, Bangladesh, Tamil and Hindi language to make the workers understanding the agreement. An evidence of minutes of Guest Workers Union Meeting latest on 2017.

Sighted the latest meeting on Guest workers welfare committee meeting dated 23<sup>rd</sup> December 2017. There is a meeting has been done every month with the guest workers attended to raise and voices out the issues. The minutes of meeting are available at the management office of the mill. The minutes meeting recorded by Mr Nathan Raman (engineer of Ulu Bernam Optimill) that record the matters discussed, action and targeted date. The highlight issues had been voice out that comprise :

- Optimill Operation – Day shift and Night shift

- Change of OSHA Policy
- From Mr Latiff Bangladeshi representative (concern about the workers transportation)
- From Mr Erwin Indonesia Representative (concern regarding the optimill 3 shift operation )
- Yes. The minutes meeting made available upon request basis.

**Status: Comply**

**6.7  
Children are not employed or exploited.**

**6.7.1**

Sighted the circular from MAPA dated 7<sup>th</sup> February 2014 to all members and nominees related to force labor- preliminary survey on labor situation in Malaysian Oil Palm Plantations. Point no. 6 “ please take note that under section 1A(1) of the childres and young persons employment Act 1966 child means any person who has not completed his fifteenth year of age. The Act defines young person as any person who not being a child has not completed his eighteen years of age. Sighted a list name of local workers including 66 workers for Ulu Bernam Optimill that include name, Nationality , IC Number , Age , Date of Join Work and the record has been made available upon request at the mill management office. The circular regarding underage Policy has been sent from Group Manager Human Resources and Environment Safety and Health to Group engineer Ulu Bernam Eng. Dept. dated 20<sup>th</sup> February 2014 which subject to Children and young person employment Act 1966 Child labour and force labour.

**Status: Comply**

**6.8  
Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.**

**6.8.1, 6.8.2, 6.8.3**

There is a policy regarding the Human Right Policy signed by Dato’ Carl Bek-Nielsen, Chief Executive Director 23 March 2013. United Plantation serves everyone who works for UP BHD fairly and without discrimination and respect the rights of all personnel to join and participate in registered trade unions and to bargain collectively. The policy is displayed at the main access area and also discussed in the stakeholder meeting. There evidence that all workers is from multi races and also from the other countries (Malay, Indian and Chinese) and also from the other countries (Indonesian, Bangladesh, Nepal, and South India).

The policy has been published and made official by the company also discussed in the stakeholder meeting. There evidence that all workers is from multi races and also from the other countries (Malay, Indian and Chinese) and also from the other countries (Indonesian, Bangladesh, Nepal, and South India) As per records training available at the mill briefing to the Ulu Bernam Optimill dated 25/12/2017 that include 16 workers comprising all the sections: Boiler, store, empty bunch station, boiler station, EFB Loading, press station, general workers, sterilizer station, oil room and FFB Reception.

As per records available, there is no female workers involved in Mill operation in Ulu Bernam Optimill mill. 24 persons had been sighted comprising the workers, staff and management department. Sighted the human right policy by the company that stated we ensure all personnel are treated fairly and protected form any form of discriminataion that would constitute a violation of their human rights.

“ We ensure equal opportunities provided to all personnel. The process of recruitment, promotion and remuneration are solely based on individual qualification and performance regardless of religion, race, age gender , nationality or physical disability”

Sighted the latest policy had been amended by the Dato Carl Bek Nielsen, Chief excutive director of UP Berhad updated on 18<sup>th</sup> August 2017 and being circulated to the Ulu Bernam Optimill .

**Status: Comply**

**6.9  
There is no harassment or abuse in the work place, and reproductive rights are protected.**

**6.9.1, 6.9.2**

Sighted the sexual harassment policy by the management and approved Dato Carl Bek Nielsen “ endeavor to prevent sexual harassment and all other forms of violence against women and workers in the workplace or in the course of an employees work.” Adopt a specific complaints and grievances procedure and mechanism to address genders based issues, Based on the interview with external stakeholder, the company had provide the committee with the list of policy and being disseminated during the gender committee meeting.

The gender committee has been formed by the women and comprise of 14 comitees of Upriver Business Unit for UP berhad.

In workers agreement there is a clause related to OSHA 1994 (Article 37 – Non-Hazardous duty for Expectant Women. The Latest policy is signed on 24 April 2015.

**6.9.3**

Sighted the Grievance redressal procedure – handbook has been communicated to the workers and brief as per details

Step 1 : within 4 days working days of a grievance arising, the employee concerned shall rake the grievance with supervisory staff to whom the employee is responsible and shall be given the opportunity to be accompanied by not more than two members of the NUPW estate committee / Guest workers welfare committee / employee himself.

Step 2 : is the matter still not settled within further 5 days, following represantaions made under step 1 above, the appropriate NUPW estate committee shall make formal representation made under step 1 above meeting shall be held within 7 working days of receipt of the NUPW estate committee letter

Step 3 ; if the matter remain unsettled the grievance shall then be discussed between the manager and his accredited official and NUPW represantatives, guest workers . welfare committee himself within a further period of 7 working days

Step 4 : if the matter remain unsettled it shall then be dealt with under the provisions of the Industrial Relations Act 1967 or the employment Act 1955

**Status: Comply**

**6.10**

**Growers and mills deal fairly and transparently with smallholders and other local businesses.**

**6.10.1, 6.10.2, 6.10.3, 6.10.4**

The interview resulted from stakeholders and company workers, found no smallholders associated to this certificate holder. Based on interview with management representative, during this audit there was no labour engaged with Ulu Bernam Optimill operation.

**Status:**

**6.11**

**Growers and millers contribute to local sustainable development wherever appropriate.**

**6.11.1**

There is a contribution for Old folks home, Bus subsidies, and kindergarten/crèche in accordance with the results of consultation. An efforts to improve employment opportunities at the company for local communities has been made by the management unit. The company was sighted an evidences of contributions to local development made by the Mill and based on the result in consultation with local communities based on the stakeholder meeting and request letter. It can be concluded that there is an efforts to improve or maximize employment opportunities at the company for local communities. Sighted the new local development needs to cater for the new Ulu Bernam Optimill :

- New Bus to cater for the workers from Estate to Ulu Bernam Optimill
- New housing area 64 units at Ulu Bernam Division 2 for the staff and wrokers
- Ferry services for the local people at kampung Tanjung Medan Selangor (through Sungai Sabak Bernam)
- School bus to transport the children to school.
- Badminton hall and community hall (contribution during big festival) at the temple
- Mosque built and maintained and subsided by the committee and Ulu Bernam Engineering Department
- New shophouses being built 5 unit (3 division 2 and 2 division 1 )
- Water supply for the school, police station and school quarters at Ulu Bernam Old Mill still continue the services

**6.11.2**

There is no smallholder associated with Ulu Bernam Optimill certification scope.

**Status: Comply**

**6.12**

**No forms of forced or trafficked labour are used.**

**6.12.1**

Human right policy, 18 December 2017, UP will not tolerate the use of child or forced labor, slavery, or human trafficking in any UP plantation and facilities, UP are using the United Nations definition of “Child” as anyone who is less than 16 years old or superseded by local regulations above 16. UP will not tolerate the use of child or forced labor, slavery, or human trafficking in any UP plantation and facilities, UP are using the United Nations definition of “Child” as anyone who is less than 16 years old or superseded by local regulations above 16. The recruitment process is though the licensed outsourcing agent’s e.g (PT Mitra Solusi Integritas KEP 323 / 2012), the responsible person was pointed for selecting or screening labuor suppliers. There is no restriction on workers to leaving the estate or housing facilities outside the working hours. If the workers want to terminate their contracts before theirs contracts expires workers have to borne the cost as stated on the contract document. In the event of employee having to return prematurely to country origin for whatsoever reason other than on medical grounds, the costs will be borne by the employees.

Passport keeping is legally allowed there is a Safe Keeping of Passport letter signed by the employee to agree management to keeping their passport. In POM and estates, passports of guest workers are voluntarily submitted to the respective management for safe custody in the estates’ safes and will be readily made available upon request. In case, of workers wants to terminate their employment before their contract expires they have to apply from the POM and Estate management. No penalties is imposed, but workers have to borne the cost as stated on the contract document. In the event of employee having to return prematurely to country origin for whatsoever reason other than on medical grounds, the costs will be borne by the employees.

**6.12.2, 6.12.3**

No evidence of contract substitution occurred based on the ground verification. Contract document at management unit been signed at the estate and witness by Manager / Assistant manager and the translator. There is available guest workers policy available at the estate and mill providing nondiscriminatory practices: “there will be no contract substitution”. Induction and brief course training will be given during post-arrival orientation programme with emphasis on language, safety, labour laws, and cultural practices.

UP will ensure that all UP contractor’s employs guest workers with valid work permits and all statutory payments and just wages are made timely. Based on the documentation and interviewed the workers is payed beyond the minimum wages.

**Status: Comply**

**6.13**

**Growers and millers respect human rights**

**6.13.1**

The United Plantation Bernhard has Human Right Policy signed by Dato Carl Bek Nielsen (Chief Executive Director) updated on 18 August 2017. There was also in Annual Report was describe that the United Plantation is committed to the protection and advancement of human rights wherever we operate. Also in Employee Hand Book was contained of Code of Conduct and Policy of the Company, including of Human Right Policy. The Employee Hand Book was available in several language version (English, Bahasa, Nepal, Tamil & Bengali). In early period of employee recruitment process, they has been sign of Employee Hand Book was contained of Code of Conduct and Policy of the Company, including of

Human Right Policy. The personnel in charge for early training of the new employee is Mill Manager. The evidence of document training (attendance list) of local workers and foreign workers when started work has been sighted. There was observed the sample of Human Right Policy socialization to several foreign worker for 16 workers on 25<sup>th</sup> December 2017.

- We conduct our business in manner that respect the rights and dignity of people and local communities complying with all legal requirements
- We ensure all personnel are treated dairly and protected from any form of discrimination that would constitute a violation of their human rights
- We ensure equal opportunities provided to all personnel. the process of recruitmenpromotion and remuneration are solely based on individual qualification and performance regardless of religion race, age, gender nationality or physical disability
- We respect the rights of people in communities impacted by our activities. We will seek to identify adverse social and environmental impacts through their respective assessment and take appropriate steps to avoid minimize and mitigate them
- We respect land tenure rights as well as recognize duties and responsibilitiws associated with tenure rights
- We respect customary or native rights of indigenous and local communities and we commit to FPIC in all negotiations prior to commencing any new operation
- We resolve all complaint and grievances through an open transparent and consultative process
- We will ot tolerate the use of child or forced labour salvery or human trafficking in any of our plantations and facilities. We are using the Definition from UN convention on the rights of the child which define child as anyone who less than 18 years old.
- We will strive to commit our employess contractor’s suppliers, trading partnes and stakeholders to adhere to this policy.

**Status: Comply**

**PRINCIPLE #7 Responsible development of new plantings**

**7.1**

**A comprehensive and participatory independent social and environmental assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.**

**7.1.1; 7.1.2; & 7.1.3.**

**There is no new planting in area of Ulu Bernam, Sungei Chawang & Sungei Erong Estate**

Replanting program for second period was actively done from 1981 until 2010 and the third period of replanting was done since 2010.

**Status: Comply**

**7.2**

**Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.**

**7.2.1 & 7.2.2.**

**There is no new planting in area of Ulu Bernam, Sungei Chawang & Sungei Erong Estate**

Replanting program for second period was actively done from 1981 until 2010 and the third period of replanting was done since 2010.

**Status: Comply**

**7.3**

**New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.**

**7.3.1; 7.3.2; 7.3.3; 7.3.4; & 7.3.5.**

**There is no new planting in area of Ulu Bernam, Sungei Chawang & Sungei Erong Estate**

Replanting program for second period was actively done from 1981 until 2010 and the third period of replanting was done



since 2010.	Status: Comply
<b>7.4</b>	
<b>Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.</b>	
7.4.1 & 7.4.2. There is no new planting in area of Ulu Bernam, Sungei Chawang & Sungei Erong Estate Replanting program for second period was actively done from 1981 until 2010 and the third period of replanting was done since 2010.	
Status: Comply	
<b>7.5</b>	
<b>No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</b>	
7.5.1. There is no new planting in area of Ulu Bernam, Sungei Chawang & Sungei Erong Estate Since the Recertification period, there was no surrounding or local communities are affected. Replanting program for second period was actively done from 1981 until 2010 and the third period of replanting was done since 2010.	
Status: Comply	
<b>7.6</b>	
<b>Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.</b>	
7.6.1; 7.6.2; 7.6.3; 7.6.4; 7.6.5; & 7.6.6. There is no new planting in area of Ulu Basir, Sungei Chawang & Sungei Erong Estate Therefore no land preparation, HCV assessment, NPP procedures and compensation plan are applicable. However the Group Manager for EHS is responsible to execute any compensation related works with the involvement from Board of directors and company secretary. Replanting program for second period was actively done from 1981 until 2010 and the third period of replanting was done since 2010.	
Status: Comply	
<b>7.7</b>	
<b>Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.</b>	
7.7.1 & 7.7.2. There is no new planting in area of Ulu Bernam, Sungei Chawang & Sungei Erong Estate During filed visit to various blocks seen no traces of fire being used for any plantation activities. Replanting program for second period was actively done from 1981 until 2010 and the third period of replanting was done since 2010.	
Status: Comply	
<b>7.8</b>	
<b>New plantation developments are designed to minimise net greenhouse gas emissions.</b>	
7.8.1 & 7.8.2 There is no new planting in area of Ulu Bernam, Sungei Chawang & Sungei Erong Estate Replanting program for second period was actively done from 1981 until 2010 and the third period of replanting was done since 2010.	
Status: Comply	
<b>PRINCIPLE #8 Commitment to continuous improvement in key areas of activity</b>	
<b>8.1</b>	
<b>Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.</b>	
There was showed the Continues Improvement has been implemented by the company, consist of : Mil	



- Ulu Bernam Palm Oil Mill (87 years) Capacity 40 MT/Hours – Renew: Ulu Bernam Optimill (Capacity: 60 MT/Hours)
- New Vorsep System to reduce the smoke emissions from 400 mg to 150 mg according to DOE regulation
- New Biogas Plant in Effluent Treatment Pond to reduce GHG Emissions.
- New Housing for workers and staff at Division 2, Ulu Bernam Estate.
- New Shop houses at Division 1 & 2, Ulu Bernam Estate.
- New Bus for worker transportations.
- New Automatic Teller Machine.
- Implemented The LOTO system to enhance safety at work and to eliminate/reduce accidents at workplace.
- To make sure that we maintain the parameter below the DOE limit

RSPO P&C internal audit was conducted on 18 December 2017.

There are several finding, such as:

- 2.1.1. Some of the permits and licenses are in progress. Correspondence with relevant authorities available.
- 4.1.1. SOP for tripler system and threshing to be signed by Chief Engineer and conduct training on operation of the new machinery
- 4.6.11. to compile the SOP and HIRARC for tripler system and threshing and keep in file accordingly
- 4.7.5. to obtain a copy of emergency response plan for overflow of effluent (furrow irrigation) from estate management and develop a emergency response plan for overflow of effluent pond by mill management.
- 5.1.1. Include EFB station in EIA. Identify impacts and plan to reduce eg. Construction of embankment and sump.
- 5.3.1. Electric scheduled waste information system (eSWIS) account has been created. However the generation of SW 409 (used lubricant/chemical container) and SW 410 (used oil filter) was not registered in the system.

	<b>Status: Comply</b>	
--	-----------------------	--

3.2. Summary of Assessment Report of Supply Chain Requirement

3.2.1 General Chain of Custody Requirements for the Supply Chain

Clause	Requirement
<b>5.1</b>	<b>Applicability of the general chain of custody requirements for the supply chain</b>
5.1.1	<p>The General Chain of Custody requirements of the RSPO Supply Chain Standard shall apply to any organization throughout the supply chain that takes legal ownership and physically handles RSPO Certified Sustainable oil palm products at a location under the control of the organization including outsourced contractors. After the end product manufacturer, there is no further requirement for certification.</p> <p>Question: Does the organization take legal ownership and physically handles RSPO Certified Sustainable oil palm products at their premises or through the outsourcers?</p> <p>According to interview with Resident Engineer, weighbridge operator and field visit observation. There are no RSPO Certified CPO and PK shipping since December 2017 until 8 February 2018. It will verified on next surveillance.</p> <p><b>Status: Comply</b></p>
5.1.2	<p>Traders and distributors require a license obtained from RSPO Secretariat to sell RSPO certified product but do not themselves require certification. When selling RSPO certified products, a licensed trader and/or distributor shall pass on the certification number of the product manufacturer and the applicable supply chain model.</p> <p>Question: Is the organization buying from RSPO licensed traders who pass the certification number of the product manufacturer and the applicable supply chain model?</p> <p>According to interview with Resident Engineer, weighbridge operator and field visit observation. There are no RSPO Certified CPO and PK buying activities from traders since December 2017 until 8 February 2018. It will verified on next surveillance.</p> <p><b>Status: Comply</b></p>
5.1.3	<p>Either the operator at site level or its parent company seeking certification shall be a member of the RSPO and shall register on the RSPO IT platform.</p> <p>Question: Is the site level or its parent company a member of RSPO and registered on RSPO IT platform?</p> <p>According to interview with Resident Engineer, the RSPO IT platform number: RSPO_PO100000242 for Ulu Bernam Palm Oil Mill will be substituted for Ulu Bernam Optimill.</p> <p><b>Status: Comply</b></p>
5.1.4	<p>Processing aids do not need to be included within an organization's scope of certification.</p> <p>Question: Is the site level or its parent had a processing aids?</p> <p>According to field observation and interview with Resident Engineer, there are no processing aids. However it will verified on next surveillance.</p> <p><b>Status: Comply</b></p>
<b>5.2</b>	<b>Supply chain model</b>
5.2.1	<p>The site can only use the same supply chain model as its supplier or go to a less strict system. Declassification/downgrading can only be done in the following order: Identity Preserved -&gt; Segregated -&gt; Mass Balance.</p> <p>Question: Has the organization applied the Supply Chain Model correctly?</p> <p>According to interview with Resident Engineer, weighbridge operator and record keeping document verification, there are three supply bases for Ulu Bernam Optimill: Ulu Bernam Estate, Sungai Erong Estate and Sungai Chawang Estate (Certified RSPO). The Supply chain models are Identity Preserved.</p>

	<b>Status: Comply</b>
<b>5.2.2</b>	
The site can use one (1) or a combination of supply chain models as audited and certified by the CB.	
<b>Question: Has the organization applied a combination of Supply Chain Model correctly?</b>	
According to interview with Resident Engineer, weighbridge operator and record keeping document verification, there are three supply bases for Ulu Bernam Optimill: Ulu Bernam Estate, Sungai Erong Estate and Sungai Chawang Estate (Certified RSPO). The Supply chain models are Identity Preserved. Further to that, all UP Estate supply chain models are IP and can be supplied to Ulu Bernam Optimill if the need be.	
	<b>Status: Comply</b>
<b>5.3</b>	<b>Documented procedures</b>
<b>5.3.1</b>	
The site shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified.	
<b>Questions : Documented procedures established and covering all provisions following:</b>	
<ul style="list-style-type: none"> <li>o Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements.</li> <li>o Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records).</li> <li>o Identification of the role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the organization's procedures for the implementation of this standard.</li> </ul>	
A group level SOP "Traceability and RSPO Supply Chain Certification System" - SOP No.170, established as guideline to ensure the implementation for the SCC required elements. It is aim for identifying product's traceability with supply chain Identity Preserve module. The Resident Engineer, Weighbridge Operator, Marketing Manager, Palm Trace database executive are the key personals in charge to ensure the operation of mill in accordance to SCC procedure. The content of procedure was verified through visit to weighbridge station and interview with key personal involved.	
	<b>Status: Comply</b>
<b>5.3.2</b>	
The site shall have a written procedure to conduct annual internal audit	
<b>Question :</b>	
Documented annual internal audit procedures established and covering all provisions :	
i) Conforms to the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents.	
ii) Effectively implements and maintains the standard requirements within its organization.	
Internal Audit Procedures dated 1 December 2017 – Revision 1.	
Objective: this procedure outlines the internal audit conducted at various departments internally and externally to ensure the operations conducted conforms to the requirements in the RSPO Supply Chain Certification Standards.	
Internal audit shall be conducted annually to implement and maintain the standard requirements effectively within group.	
<ul style="list-style-type: none"> <li>a. Prepare yearly audit schedule and audit records and reports to be maintained.</li> <li>b. Internal audit covers both site visit and documentation (in accordance to RSPO Supply Chain Standars).</li> <li>c. The audit shall be conducted in key stations involved in supply chain from purchasing of FFB, processing, sales, storage, delivery, and shipping of RSPO certified oil palm products.</li> <li>d. Any non-conformities found during an internal audit shall be issued summary of findings and team will follow up on the corrective action.</li> <li>e. Management team will conducted site verification if necessary.</li> <li>f. The findings raised during internal and external audit will be discussed in management review meeting which to be held in annual basis.</li> </ul>	

	<b>Status: Comply</b>
<b>5.4</b>	<b>Purchasing and goods in</b>
5.4.1	<p>The receiving site shall ensure that purchases of RSPO certified oil palm products are in compliance and the following minimum information for RSPO certified products is made available by the supplier</p> <p>Question :</p> <p>All RSPO product information is provided by suppliers in accordance with :</p> <ul style="list-style-type: none"> <li>• The name and address of the buyer;</li> <li>• The name and address of the seller;</li> <li>• The loading or shipment / delivery date;</li> <li>○ The date on which the documents were issued;</li> <li>○ A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations);</li> <li>○ The quantity of the products delivered;</li> <li>○ Any related transport documentation;</li> <li>○ Supply Chain certificate number of the seller;</li> <li>○ A unique identification number</li> <li>○ Information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documents and specification documentation).</li> <li>○ The site receiving RSPO certified oil palm products shall ensure that the products are verified as being RSPO certified. For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcements/Announcements and Confirmations on the RSPO IT platform per shipment or group of shipments. Refer to section 5.7.1 of this document for further guidance.</li> <li>○ A check of the validity of the Supply Chain Certification of suppliers is required for all sites that are SC certified. This shall be checked via the list of RSPO Supply Chain Certified sites on the RSPO website (<a href="http://www.rsपो.org">www.rsपो.org</a>) at least annually or through the RSPO IT Platform by confirmation of (shipping) announcements.</li> <li>○ The validity of license for traders and distributors shall also be checked via the RSPO website at least annually or through the RSPO IT platform by confirmation of shipping announcements/announcements.</li> </ul> <p>According to interview with mill manager, weight bridge operator and field visit observation. There are no CPO and PK shipping since December 2017 until 8 February 2018. It will verified on next surveillance.</p>
	<b>Status: Comply</b>
5.4.2	<p>The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents</p> <p>Question :</p> <p>Has the organization established mechanism in place for handling non-conforming oil palm products and/or documents?</p> <p>According to interview with Resident Engineer, weighbridge operator and field visit observation. There are no RSPO Certified CPO and PK shipping since December 2017 until 8 February 2018. It will verified on next surveillance.</p>
	<b>Status: Comply</b>
<b>5.5</b>	<b>Outsourcing activities</b>
5.5.1	<p>In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard. A CPO mill and independent mill cannot outsource processing activities like refining or crushing.</p> <p>Question : Are the outsourcers RSPO certified?</p> <p>According to interview with Resident Engineer, there are no outsourcers RSPO certified. All CPO and PK will sent to Unitata KCP and Refinery.</p>

	<b>Status: Comply</b>
<p><b>5.5.2</b>  Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following:</p> <ol style="list-style-type: none"> <li>The site has legal ownership of all input material to be included in outsourced processes;</li> <li>The site has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the site to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary.</li> <li>The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.</li> <li>d) The site seeking or holding certification shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance</li> </ol>	
<p>Question : Has the site established outsourcing procedures, agreement and keeps legal ownership of the products during the outsourcing</p> <p>According to interview with Resident Engineer, weighbridge operator and field visit observation. There are no RSPO Certified CPO and PK shipping since December 2017 until 8 February 2018. It will verified on next surveillance.</p>	
	<b>Status: Comply</b>
<p><b>5.5.3</b>  The site shall record the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products.</p>	
<p>Question : Has the site maintained names and contact details of all outsourcers?</p> <p>According to interview with Resident Engineer, weighbridge operator and field visit observation. There are no RSPO Certified CPO and PK shipping since December 2017 until 8 February 2018. It will verified on next surveillance.</p>	
	<b>Status: Comply</b>
<p><b>5.5.4</b>  The site shall at its next audit inform its CB of the names and contact details of any new contractor used for the processing or physical handling of RSPO certified oil palm products</p>	
<p>Question : Has MUTU informed about any new outsourcers?</p> <p>According to interview with Resident Engineer, weighbridge operator and field visit observation. There are no RSPO Certified CPO and PK shipping since December 2017 until 8 February 2018. It will verified on next surveillance.</p>	
	<b>Status: Comply</b>
<b>5.6</b>	<b>Sales and goods out</b>
<p><b>5.6.1</b>  The supplying site shall ensure that the following minimum information for RSPO certified products is made available in document form: The name and address of the buyer</p>	
<p>Question :</p> <p>All RSPO product information is provided by the organisation in accordance with :</p> <ul style="list-style-type: none"> <li>The name and address of the seller;</li> <li>The loading or shipment / delivery date;</li> <li>The date on which the documents were issued;</li> <li>A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations);</li> <li>The quantity of the products delivered;</li> <li>Any related transport documentation;</li> <li>Supply chain certificate number of the seller;</li> <li>A unique identification number.</li> <li>Information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products</li> </ul>	

<ul style="list-style-type: none"> <li>For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcements / Announcements and Confirmations on the RSPO IT platform per shipment or group of shipments. Refer to section 5.7.1 of this document for further guidance.</li> </ul>	
<p>According to interview with Resident Engineer, weighbridge operator and field visit observation. There are no RSPO Certified CPO and PK shipping since December 2017 until 8 February 2018. It will verified on next surveillance.</p>	
	<b>Status: Comply</b>
<b>5.7</b>	<b>Registration of transactions</b>
<p>5.7.1 Supply chain actors who:</p> <ul style="list-style-type: none"> <li>are mills, traders, crushers and refineries; and</li> <li>take legal ownership and/or physically handle RSPO Certified Sustainable oil palm products that are available in the yield scheme of the RSPO IT Platform (Figure 2 and 3, refer Annex 1) shall register their transaction in the RSPO IT platform and confirm upon receipt where applicable</li> </ul>	
<p>Question : Has the organization registered their transactions in the RSPO IT platform? (mills, traders, crushers and refineries only)</p>	
<p>According to interview with Resident Engineer, the RSPO IT platform number: RSPO_PO1000000242 for Ulu Bernam Palm Oil Mill will be substituted for Ulu Bernam Optimill.</p>	
	<b>Status: Comply</b>
<p>5.7.2 The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform:</p> <ul style="list-style-type: none"> <li>Shipping Announcement / Announcement: When RSPO certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure 2 and 3, refer Annex 1) shall be registered as a Shipping Announcement / Announcement in the RSPO IT Platform. The declaration time to do Shipping announcement / Announcement is based on members' own standard operating procedures.</li> <li>Trace: When RSPO certified volumes are sold as RSPO certified to actors in the supply chain beyond the refinery, the volume shall be traced at least annually. Tracing triggers the generation of a trace document with a unique traceability number. Tracing can be done in a consolidated way at least annually.</li> <li>Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed.</li> <li>Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements.</li> </ul>	
<p>Question : Did the organization correctly perform the applicable actions on RSPO IT Platform?</p>	
<p>According to interview with Resident Engineer, weighbridge operator and field visit observation. There are no RSPO Certified CPO and PK shipping since December 2017 until 8 February 2018. It will verified on next surveillance.</p>	
	<b>Status: Comply</b>
<b>5.8</b>	<b>Training</b>
<p>5.8.1 The organization shall have a training plan on RSPO Supply Chain Standards requirements, which is subject to on-going review and is supported by records of the training provided to staff</p>	
<p>Question : Has the organization established RSPO training plan?</p>	
<p>The management unit has conducted RSPO SCCS training on 1 December 2017 to key person such as: Senior Assistant, Assistant manager and weighbridge operator.</p>	



	<b>Status: Comply</b>
<b>5.8.2</b>	Appropriate training shall be provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply chain certification standard requirements. Training shall be specific and relevant to the task(s) performed
	Question : Has the organization Delivered Effective RSPO training?
	The management unit has evaluate effectiveness of SCCS training, therefore according to interview with weighbridge operator. She can demonstrate about SCCS procedure.
	<b>Status: Comply</b>
<b>5.9</b>	<b>Record keeping</b>
<b>5.9.1</b>	The organization shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification Standard requirements
	Question : All records are accurate, complete, up-to-date and accessible?
	According to document verification, that known the organization has maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of RSPO SCCS Procedure. For example: there are record keeping, procedure, internal audit report, training record, and others.
	<b>Status: Comply</b>
<b>5.9.2</b>	Retention times for all records and reports shall be a minimum of two (2) years and shall comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock
	Question : All records are kept for minimum two years and comply with legal and regulatory requirements?
	It will be verified after Ulu Bernam Optimill Certified on next surveillance.
	<b>Status: Comply</b>
<b>5.9.3</b>	The organization shall be able to provide the estimate volume of palm oil / palm kernel oil content (separate categories) in the RSPO certified oil palm product and keep an up to date record of the volume purchased (input) and claimed (output) over a period of twelve (12) months.
	Question : For all palm oil / palm kernel oil volumes purchased (input) and claimed (output) records kept over a period of twelve (12) months.?
	According to interview with Resident Engineer, weighbridge operator and field visit observation. There are no RSPO Certified CPO and PK shipping since December 2017 until 8 February 2018. It will verified on next surveillance.
	<b>Status: Comply</b>
<b>5.10</b>	<b>Conversion factors</b>
<b>5.10.1</b>	Where applicable a conversion rate shall be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organizations may determine and set their own conversion rates which shall be based upon past experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website ( <a href="http://www.rspo.org">www.rspo.org</a> ); RSPO Rules for Physical Transition of Oleochemicals and its Derivatives. This is relevant for derivatives of Palm Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries
	Question : Conversion rates applied accurately?

It will be verified after Ulu Bernam Optimill Certified on next surveillance.	
	<b>Status: Comply</b>
<b>5.10.2</b>	
Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.	
Question : Conversion rates periodically updated?	
It will be verified after Ulu Bernam Optimill Certified on next surveillance.	
	<b>Status: Comply</b>
<b>5.11</b>	<b>Claims</b>
<b>5.11.1</b>	
The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules on Market Communications and Claims.	
Question : Any communication to any stakeholder group / customers issued in accordance with RSPO Rules on Market Communications and Claims?	
According to interview with Resident Engineer, weighbridge operator and field visit observation. There are no RSPO Certified CPO and PK shipping since December 2017 until 8 February 2018. It will verified on next surveillance.	
	<b>Status:</b>
<b>5.12</b>	<b>Complaints</b>
<b>5.12.1</b>	
The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.	
Question : Documented procedures for stakeholders complaints established?	
Grievance Redressal Procedure for External Stakeholder: <ul style="list-style-type: none"> <li>- Grievance from external stakeholder received by Manager/Head of Department/Company Secretary</li> <li>- Grievance formally recorded at point of receipt and settled as soon as possible but not more than 30 days</li> <li>- If the matter remains unsettled at oil mill level, the respective manager/head of department forwards to the company secretary with supporting document</li> <li>- Grievance acknowledged by letter within 7 working days to stakeholders and manager/head of department</li> <li>- Action to be taken is recorded and stakeholder informed, in protracted cases the stakeholders is to be kept informed monthly of the current status</li> <li>- Progress by UP Berhad Executive Committee Until Resolution</li> <li>- The outcome of the resolution is documented and the stakeholder informed officially by company secretary</li> <li>- Should the outcome not be resolved to mutual satisfaction of the stakeholder and UP Berhad, it shall then be dealt under the provisions of the Malaysian Legal Appeals procedure and stakeholder informed accordingly.</li> </ul>	
	<b>Status: Comply</b>
<b>5.13</b>	<b>Management review</b>
<b>5.13.1</b>	
The organization is required to hold management reviews annually at planned intervals, appropriate to the scale and nature of the activities undertaken	
Question : Management reviews performed annually at planned intervals?	
Management review will conduct annually, the latest management review has conducted on 13 December 2017. The agenda is: Internal Audit Finding, Customer feedback, Corrective and Preventive action, Process performance and product conformity, changes that affect management system and Recommendations for improvement.	

<p>The recommendation for improvement is: close monitoring and avoid receiving off-spec crop quality and ensure minimal oil losses during processing. And the engineering department will continuously liaise with estate on crop quality.</p>	
	<p><b>Status: Comply</b></p>
<p><b>5.13.2</b>                  The input to management review shall include information on:</p> <ul style="list-style-type: none"> <li>• Results of internal audits covering RSPO Supply Chain Certification Standard.</li> <li>• Customer feedback.</li> <li>• Status of preventive and corrective actions.</li> <li>• Follow-up actions from management reviews.</li> <li>• Changes that could affect the management system.</li> <li>• Recommendations for improvement.</li> </ul>	
<p>Question :                  Has all input required above has been included in the management review?</p>	
<p>Management review will conduct annually, the latest management review has conducted on 13 December 2017. The agenda is:                  Internal Audit Finding, Customer feedback, Corrective and Preventive action, Process performance and product conformity, changes that affect management system and Recommendations for improvement.</p>	
	<p><b>Status: Comply</b></p>
<p><b>5.13.3</b>                  The output from the management review shall include any decisions and actions related to:</p> <ul style="list-style-type: none"> <li>• Improvement of the effectiveness of the management system and its processes.</li> <li>• Resource needs.</li> </ul>	
<p>Question :                  Has all output required above has been included in the management review?</p>	
<p>All of output required has been included in the management review.                  The recommendation for improvement is: close monitoring and avoid receiving off-spec crop quality and ensure minimal oil losses during processing. And the engineering department will continuously liaise with estate on crop quality.</p>	
	<p><b>Status: Comply</b></p>

3.2.2 (Module D) CPO Mills – Identity Preserved Requirements

Clause	Requirement
D1	Definition
D.1.1	<p><b>A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&amp;C). Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. If a mill processes certified and uncertified FFB without physically separating the material then only Module E is applicable.</b></p> <p>Ulu Bernam Optimill only receives FFB from estates which are under the management of United Plantation Berhad Malaysia. As at audit period, the mill processing FFBs produced by 3 estates Sungei Erong Estate, Sungei Chawang Estate, and Changkat Menteri Estate.</p>
	<b>Status: Comply</b>
D.2	Explanation
D.2.1	<p><b>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&amp;C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.</b></p> <p>The Ulu Bernam Optimill will using figure of potentially be produce of Ulu Bernam Palm Oil Mill: Estimate of production on the certificate are period of 21 August 2017 – 20 August 2018</p> <ul style="list-style-type: none"> <li>• FFB: 205,021 ton</li> <li>• CPO: 45,105 ton</li> <li>• PK: 10,251 ton</li> </ul>
	<b>Status: Comply</b>
D.2.2	<p><b>The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</b></p> <p>According to interview with Resident Engineer, the RSPO IT platform number: RSPO_PO1000000242 for Ulu Bernam Palm Oil Mill will be substituted for Ulu Bernam Optimill.</p>
	<b>Status: Comply</b>
D.3	Documented procedures
D.3.1	<p><b>The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</b></p> <ol style="list-style-type: none"> <li><b>Complete and up to date procedures covering the implementation of all the elements in these requirements;</b></li> <li><b>The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.</b></li> </ol> <p>A group level SOP “Traceability and RSPO Supply Chain Certification System” - SOP No.170, established as guideline to ensure the implementation for the SCC required elements. It is aim for identifying product’s traceability with supply chain Identity Preserve module. The Resident Engineer, Weighbridge Operator, Marketing Manager, Palm Trace database executive are the key personals in charge to ensure the operation of mill in accordance to SCC procedure. The content of procedure was verified through visit to weighbridge station and interview with key personal involved.</p>
	<b>Status: Comply</b>

**D.3.2**

**The site shall have documented procedures for receiving and processing certified and non-certified FFBs.**

The mill not receives FFB from external source. The mill has good system for tracking the movement of FFB, CPO and PKO in accordance to SOP "Traceability and RSPO Supply Chain Certification System" - SOP No.240-A. The mill performance report is able to track the mill's processing that also connected to United Plantation Berhad.

Status: Comply

**D.4**

**Purchasing and goods in**

**D.4.1**

**The site shall verify and document the volumes of certified and non-certified FFBs received.**

The Ulu Bernam Optimill was operation since December 2017. The volume of certified FFB on below table:

Month	Certified FFB (Tonnes)	Uncertified FFB (Tonnes)
December 2017	1,512.31	-
January 2018	7,322.51	-
1-8 February 2018	552.58	-
Total	9,387.40	-

According to field observation on weighbridge, there are recording of FFB delivery note. For example:

Dated 8 February 2018 from Sungei Erong Estate, Division 1 (1101) there are 60,920 KG FFB received (Mutu-RSPO/097); Sungei Erong Estate, Division 2 (1102) there are 95,010 KG; Chawang Div 1 (1501) there are 45,380 KG; and Chawang Div 2 (1502) there are 141,570 KG.

Status: Comply

**D.4.2**

**The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.**

It will be verified on next surveillance.

Status: Comply

**D.5**

**Record keeping**

**D.5.1**

**The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.**

Based on the SOP for SCC, the retention period for all records and reports shall be minimum of 2 years. The mill is also required to record and balance all receipts of FFB and CSPO / CSPKO on 3 monthly basis. The commodity department to register the transaction of CSPO / CSPKO in the Palm Trace during physical deliveries and records to be maintained accordingly, and it will be verified on next surveillance.

Status: Comply

**D.6**

**Processing**

**D.6.1**

**The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from non-certified material including during transport and storage**

The Ulu Bernam Optimill will apply IP (module D), so there are segregation of noncertified and certified material.

Status: Comply

**D.6.2**

**The objective is for 100 % segregated material to be reached**

The mill only receives FFB from UP Berhad owns plantations [Ulu Bernam Estate, Sungei Erong Estate and Sungei Chawang Estate], therefore it was assessed for IP module, and it will be verified on next surveillance.

Status: Comply

**3.3. Conformity Checklist of Certificate and Logo Use**

<b>1.</b>	<b>Evidence of permission or approval certificate and logo from Certification Body which submitted by Client</b>	<b>X or √</b>
<b>Special Audit</b>	It will verified on next surveillance.	√
	<b>Status: Comply</b>	
<b>2.</b>	<b>Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use</b>	<b>X or √</b>
<b>Special Audit</b>	It will verified on next surveillance.	√
	<b>Status: Comply</b>	
<b>3.</b>	<b>Implementation of Certificate and Logo is not used on product</b>	<b>X or √</b>
<b>Special Audit</b>	It will verified on next surveillance.	√
	<b>Status: Comply</b>	
<b>4.</b>	<b>Controlling of Certificate and Logo, including withdrawing inappropriate logo.</b>	<b>X or √</b>
<b>Special Audit</b>	It will verified on next surveillance.	√
	<b>Status: Comply</b>	



3.4. Summary of RSPO Partial Certification.

Summary Partial Certification

Compliance of the uncertified management units of United Plantation Bhd. against the rules for partial certification was determined through external assessment conducted by RSPO Accredited Certification Body in accordance with RSPO Certification System clause 4.2.4. A summary of findings is as stated below.

United Plantation Bhd Time Bound Plan (TBP) is explained in point 1.10. United Plantation Bhd has informed the TBP progress, MUTU has considered that United Plantation Bhd is complied with the RSPO requirement for TBP. The Time Bound Plan was revised and declared by United Plantation Bhd on July 2016.

MUTU has verified partial certification for un-certified unit's subsidiary of United Plantation Bhd based on their Time Bound Plan. There is one (1) uncertified mills and four (4) uncertified estates of United Plantations Bhd. MUTU Auditor verified positive assurance against the company internal audit and supporting evidence as well as any information from others sources.

MUTU Auditor has verified company partial certification and concludes that:

- There are no significant land conflicts which have not been declared above.
- The company has follow RSPO requirement related to New Planting Procedure and Remediation and Compensation Procedure.
- There is no labour disputes that is not being resolved through an agreed process.
- All plantations established since 2005 have been done so in accordance with the applicable laws of the country and that there is no evidence of non-compliance with law in any of the non-certified holdings which has not been declared above.

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.1.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p>Yes and positive assurance is produced for these units.</p> <p><b>Auditor verification</b> There are external audit that has been conducted for all management units of:</p> <ul style="list-style-type: none"> <li>- Lada POM – PT Surya Sawit Sejati</li> <li>- UIE POM</li> <li>- Jendarata POM</li> <li>- Ulu Bernam POM</li> <li>- Ulu Basir POM</li> </ul> <p>And positive assurance is produced for these units.</p>
2.1.2	<p>No replacement after dates defined in Nis Criterion 7.3 of:</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>	<p>United Plantation Bhd has submitted liability disclosure to RSPO.</p> <p>All three certification units of Ulu Bernam POM, Ulu Basir POM, Jendarata POM and UIE POM have no liability.</p> <p>For Lada POM: The company has identified HCV area for Lada Estate and Runtu Estate in 2008. However, the identification result is not considered sufficient by the company since there is no information on the hectare of HCV area and the location of the identified HCV. Therefore, the company re-identify the HCV area and delineate the HCV area based on HCV identification 2006. The delineation is conducted by Biodiversity Team of the company. Based on the delineation of HCV area there is HCV area that is opened by the company. The company</p>

		<p>has sent the disclosure of liability and currently has entered to the third stage of RACP process.</p> <p>In 2014, the company has also conducted HCV identification for smallholder scheme area and Kumai Arut Conservation Area for the area of 1,121.2 ha. However, the area of 49.572 ha is highly potential be opened as housing area of Benaning Bawah Villagers. The information is based on community aspiration to exclude the area from HCV area of Kumai Arut Estate Scheme Smallholder. The company with assigned consultant has approached and counselled local community through FPIC method. The company has consulted to RSPO Jakarta Office on 9 May 2016 in accordance with this situation for RSPO to accommodate community aspiration without disobey RSPO requirement on new area development. This communication shall be followed up and updated</p> <p><b>Auditor verification</b> Auditor has verified the supporting evidence of above the company statement. The above statement in accordance with the supporting evidence provided.</p>
2.1.3	Any new plantings since January 1 <sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.	<p>No new planting/land clearing after 1<sup>st</sup> January 2010</p> <p><b>Auditor verification</b> United Plantation Bhd has sent their LUCA and process their RACP liability. There is no liability applied for units in Malaysia.</p> <p>However, there is liability applied for Lada POM – PT Surya Sawit Sejati, certification unit is located in Central Kalimantan, Indonesia. The company has showed evidence on RACP process for the unit. At current, the compensation process has been sent to RSPO Secretariat but no approval yet.</p>
2.1.4	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>There is no land conflicts.</p> <p><b>Auditor verification</b> The SEIA document of the company has identified legal, customary and user right that is presented in the information of the surrounding community. The company has also the SOP to identify legal, customary and user rights that is provided in SOP Land Compensation No. HRD-015-R00 dated 1 January 2016. The community is involved in identifying the land claimed and in the compensation process including the amount of the compensation is negotiated. The company also provides mechanism that has been socialized to the surrounding the community through three monthly meeting between the company and the community. Further, the record of any claim and the compensation process is filed by the company. The</p>

		<p>record of the compensation process is provided to the claimant and can be access through stakeholder information request regulated in procedure of information request by internal and external party No. SOP-HRD-05-R00.</p> <p>Based on public consultation with the surrounding community, they has understood the mechanism if there is a claim and the PIC of the company to be contacted. They also inform that the claimant has been informed first on the compensation amount offered by the company but they still can negotiated and can say no to refuse the offered compensation if they did not agree. The final result of the negotiation on compensation process is informed to them.</p>
2.1.5	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	<p>There is no labor disputes.</p> <p><b>Auditor verification</b> There is no information from public source and RSPO website on any labour conflict for uncertified unit of the group subsidiaries.</p> <p>The company has a complaint and grievance mechanism regulated in stakeholder communication and consultation (SOP-HRD-07-R00) and land conflict procedure (SOP : SSS-COMDEV(HMS)-024). The mechanism regulated the flow chart process. It is equipped with complaint form</p> <p>The procedure has been socialized to employee in morning briefing and SOP day. And the socialization to the surrounding community is given through three monthly meeting. The documentation of incoming complaint and grievance is documented by the company including the response by the company. The documentation of the complaint process is documented and the response is informed to the complainant. This documentation is managed by Human Resource Department. It can be accessed by stakeholder through information request mechanism.</p>
2.1.6	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	<p>Yes, there is process for land legality.</p> <p><b>Auditor verification</b></p> <p><b>PT Surya Sawit Sejati</b> SSS have complete list of legal requirement that related to RSPO P&amp;C. The copy of the document available in the office during the assessment conducted and sighted by the auditor.</p> <p>Personnel in charge to manage the legal documentation system are Legal Department.</p> <p>A system used for tracking any changes in laws and regulations was set-up trough procedure No: SOP-</p>

		HRD-017-R00. SSS has conducted internal audit for legal compliance and explained the process for evaluate the compliance of regulation.
--	--	---

3.5 Identification of Findings, Corrective Action, Observations, Opportunity for Improvement and Noteworthy Positive Components.

3.5.1 Identification of Findings, Corrective Actions and Observations at Recertification Assessment

NCR No.	:	-	Issued by	:	-
Date Issued	:	-	Time Limit	:	-
NC Grade	:	-	Date of Closing	:	-
Standard Ref. & Requirement	:	-			
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>					
<i>There was no non-conformity raised during the assessment conducted</i>					
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>					
-					
<b>Correction</b> <i>(filled by organization audited):</i>					
-					
<b>Corrective Action</b> <i>(filled by organization audited):</i>					
-					
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>					
-					
Verified by	:	-			

**3.5.2 Opportunity for Improvement**

1	2.1.1.	Consideration to follow up on license progress to the relevant agency.
2	4.7.5	<ul style="list-style-type: none"> <li>• Consideration for the management unit to ensure the first aid kit in conspicuous visible place</li> <li>• Consideration for evaluation of the total numbers of first aid kit in the workplace</li> </ul>







**3.5.3 Noteworthy Positive Components**

No	Description
1	The company has commitment to implement the principle of sustainable palm oil management.
2	New Vorsep System to reduce the smoke emissions from 400 mg to 150 mg according to DOE regulation.
3	New Biogas Plant in Effluent Treatment Pond to reduce GHG Emissions.
4	Commitment from the management to implement the automations in processing palm oil.



**3.6 Summary of Arising Issues from Public, Management and Auditor Response**

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p><b>Gender Committee of Ulu Bernam Optimill Upriver Business Unit</b></p> <p>There is a feedback from gender committee chairman of UP Berhad Upriver Business Unit for the women staff at both estate. Sighted the respondent are having a good response and feedback to the United Plantations management. There is a budget given for a year for the committee to run the activities in the estate. The Gender Committee in the estate had been involve in activities and such as cooking activity that involve women staff and the workers. There is also meeting among them to discuss the request, new amendmet of company policies of woman rights, and also to discuss any sexual harassment that happen in the company. The club also thanks the United Plantations management to keep on approving the budget for their activity throughout the years.</p>	<p>United Plantations will continue to follow the company policy and support the woman rights at Ulu Bernam Optimill and upriver Complexes</p>
<p><b>Foreign Workers representative (Bangladeshi)</b></p> <p>The Bangladeshi representative has been 10 years working in Ulu Bernam Mill United Plantations and feel satisfied with the UP Management. The company had paid them according to the procedure, PPE has been provided by the management including decent housing facilities (1 house with 2 bedroom). He is happy with the management and been helping the communities and represent the workers to voice out on the management. The company is very helpful to help the guest workers and given a good cooperation by treating them fairly between the local workers.</p>	<p>The company will continue to keep a good relation between the workers and guest workers</p>
<p><b>Temple Committee</b></p> <p>The temple committee has been interviewed. They feel very satisfied with the management and had given a budget for the beautification of temole and festival (Masimagem) Festival yearly. There is no suggestion and comment available towards the management.</p>	<p>The company will continue to keep and help the committee whenever wherever its need.</p>

4.0	<b>CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY</b>		
4.1	<b>Formal Sign-off of Assessment Findings</b>		
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p style="text-align: center;">Signed on behalf of:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <p>United Plantations Berhad, Malaysia Group Manager Human Resources And Environment, Safety &amp; Health</p>  <p><b><u>C. Mathews</u></b> 10<sup>th</sup> February 2018</p> </td> <td style="width: 50%; vertical-align: top;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><b><u>Trismadi Nurbayuto</u></b> 10<sup>th</sup> February 2018</p> </td> </tr> </table>	<p>United Plantations Berhad, Malaysia Group Manager Human Resources And Environment, Safety &amp; Health</p>  <p><b><u>C. Mathews</u></b> 10<sup>th</sup> February 2018</p>	<p>Mutuagung Lestari Lead Auditor</p>  <p><b><u>Trismadi Nurbayuto</u></b> 10<sup>th</sup> February 2018</p>
<p>United Plantations Berhad, Malaysia Group Manager Human Resources And Environment, Safety &amp; Health</p>  <p><b><u>C. Mathews</u></b> 10<sup>th</sup> February 2018</p>	<p>Mutuagung Lestari Lead Auditor</p>  <p><b><u>Trismadi Nurbayuto</u></b> 10<sup>th</sup> February 2018</p>		

### Appendix 1. List of Stakeholder Contacted in the RSP0 Certification Process

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Bangladeshi workers representative	Ulu Bernam, Perak, Malaysia	-	Focus Group Discussion	09/02/18	✓	
2	Indonesia workers representative	Ulu Bernam, Perak, Malaysia	-	Focus Group Discussion	09/02/18	✓	
3	Gender Committee	Ulu Bernam, Perak, Malaysia	-	Focus Group Discussion	09/02/18	✓	
4	Worship committee (church, Mosque, Temple) / Villager Representative	Ulu Bernam, Perak, Malaysia	-	Focus Group Discussion	09/02/18	✓	
5	Malaysian Nature Society (MNS)	Kuala Lumpur	<a href="mailto:mns@mns.org.my">mns@mns.org.my</a>	email	14/12/17		✓
6	UNION – AMESU	-	<a href="mailto:amesu@amesu.org.my">amesu@amesu.org.my</a> ; <a href="mailto:amesu@streamyx.com">amesu@streamyx.com</a>	email	14/12/17		✓
7	Centre for Environment, Technology and Development, Malaysia – CETDEM	-	<a href="mailto:ed@cetdem.org.my">ed@cetdem.org.my</a>	email	14/12/17		✓
8	National Council of Welfare & Social Development Malaysia – NCWSDM	-	<a href="mailto:makpem@gmail.com">makpem@gmail.com</a>	email	14/12/17		✓
9	Ulu Bernam Optimill: <ul style="list-style-type: none"> <li>• 1 weighbridge operator (Women/Malaysian)</li> <li>• 2 loading ramp operators (Bangladeshi&amp;Indian)</li> <li>• 1 loading ramp operator (Malaysian)</li> <li>• 1 sterilizer operator (Indonesian)</li> <li>• 1 Boilerman (Malaysian)</li> <li>• 1 Chargeman (Malaysian)</li> <li>• 1 Store Keeper (Malaysian)</li> <li>• 1 WTP operator (Malasyian)</li> <li>• 1 Effluent Treatment Plant Operator (Malaysian)</li> </ul>	Ulu Bernam, Perak, Malaysia	-	Interview	08/02/18	✓	

<b>Appendix 2. Assessment Program</b>
---------------------------------------

DATE TARIKH	7 – 10 February 2018	
PLANNED TIME PELAN MASA	PROCESSES / CLAUSES TO BE AUDITED PROSES / FASAL YANG DIAUDIT	AUDITOR
<b>Wednesday, 7 February 2018</b> 08.35 – 11.50  13.00 – 16.00	<b>Travelling from Jakarta to Kuala Lumpur (GA 820/Garuda Indonesia)</b>  Travelling from Kuala Lumpur to Lodging / United Plantations Guest House, Jendarata, Teluk Intan, Perak	  <b>TNB</b>  <b>TNB/EHS</b>
<b>Thursday, 8 February 2018</b> 08.00 – 09.30  09.30 – 13.00  13.00 – 14.00  14.00 – 17.00	<b>Opening Meeting</b> <ul style="list-style-type: none"> <li>Auditee Speech (Introduction of PIC, Profile of Mill and Estates Management Unit)</li> <li>Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Determine of Field Visit Audit, Transparency and Confidentiality Clarification)</li> </ul> Document Audit and Field visit to <u>ULU BERNAM OPTIMILL</u> <ul style="list-style-type: none"> <li>Supply Chain verification (FFB Receiving, Weighbridge, FFB Sorting, Processing Activity, Despatch CPO)</li> <li>Occupational Health &amp; Safety Aspect (Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, POME Pond &amp; Land Application of POME)</li> </ul> <b>Break and Lunch</b> <ul style="list-style-type: none"> <li>Field Observation Verification &amp; Completion of Check List in Mill</li> </ul>	  <b>TNB/EHS</b> <b>TNB/EHS</b>     <b>TNB</b>  <b>EHS</b>   <b>TNB/EHS</b>
<b>Friday, 9 February 2018</b> 08.00 – 13.00  13.00 – 14.00  14.00 – 17.00	<ul style="list-style-type: none"> <li>Interview with Worker's Union Mill, Gender Committee, Local Contractor</li> <li>Field Observation Verification &amp; Completion of Check List in Mill</li> </ul> <b>Break and Lunch</b> <ul style="list-style-type: none"> <li>Field Observation Verification &amp; Completion of Check List in Mill</li> </ul>	  <b>EHS</b> <b>TNB</b>   <b>TNB/EHS</b>

DATE TARIKH	7 – 10 February 2018	
PLANNED TIME PELAN MASA	PROCESSES / CLAUSES TO BE AUDITED PROSES / FASAL YANG DIAUDIT	AUDITOR
<b>Saturday, 10 February 2017</b> 09.00 – 11.00 11.00 – 14.00 19.05 – 20.10	<b>Closing Meeting</b> <b>UP – KL</b> <b>KL – JKT (GA 817/Garuda Indonesia)</b>	<b>TNB/EHS</b> <b>TNB/EHS</b> <b>TNB</b>