

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

Stage-1     Stage-2     Surveillance     Re-Certification

Name of Management Organisation : Ulu Basir Palm Oil Mill subsidiary of United Plantations Bhd.

Plantation Name : Ulu Basir Estate, Changkat Mentri Estate and Lima Blas Estate

Location : *Up River Business Unit, 35800 Slim River, Perak, Malaysia*

Certificate Code : **MUTU-RSPO/098**

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	Reviewed by	Approved by
<b>Stage 1</b>	<b>4, 5, 7 April 2017</b>	Octo H.P.N. Nainggolan (Lead Auditor), Mahmud Firdaus, Ebnu Holdoon Shawal	Ganapathy Ramsamy	Tony Arifiarachman
<b>RC</b>	<b>7, 8 &amp; 9 June 2017</b>	Oktovianus Rusmin (Lead Auditor), Muhammad Rinaldi, Mahaswaran Maliyapan, Ebnu Holdoon Shawal, Yap Ching Hung, Mohd Hairimi		

Assessment	Approved by MUTUAGUNG LESTARI on:
<b>RC</b>	<b>29 September 2017</b>

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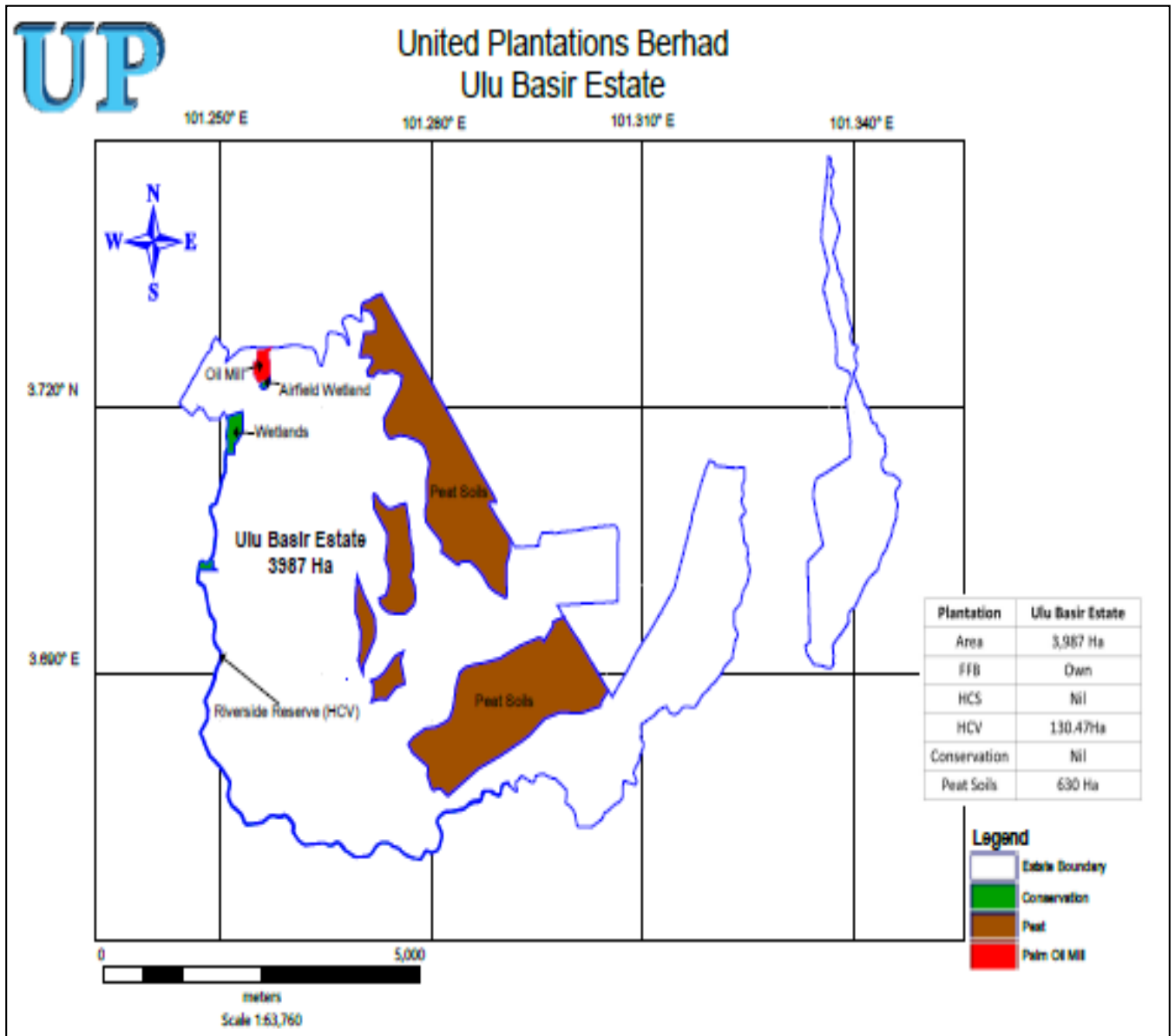
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Figure 1. Location Map of ULU BASIR, United Plantation Bhd, Malaysia



**Figure 2. Operational Map of ULU BASIR Estate, United Plantation Bhd, Malaysia**



**Figure 3. Operational Map of LIMA BLAS Estate, United Plantation Bhd, Malaysia**

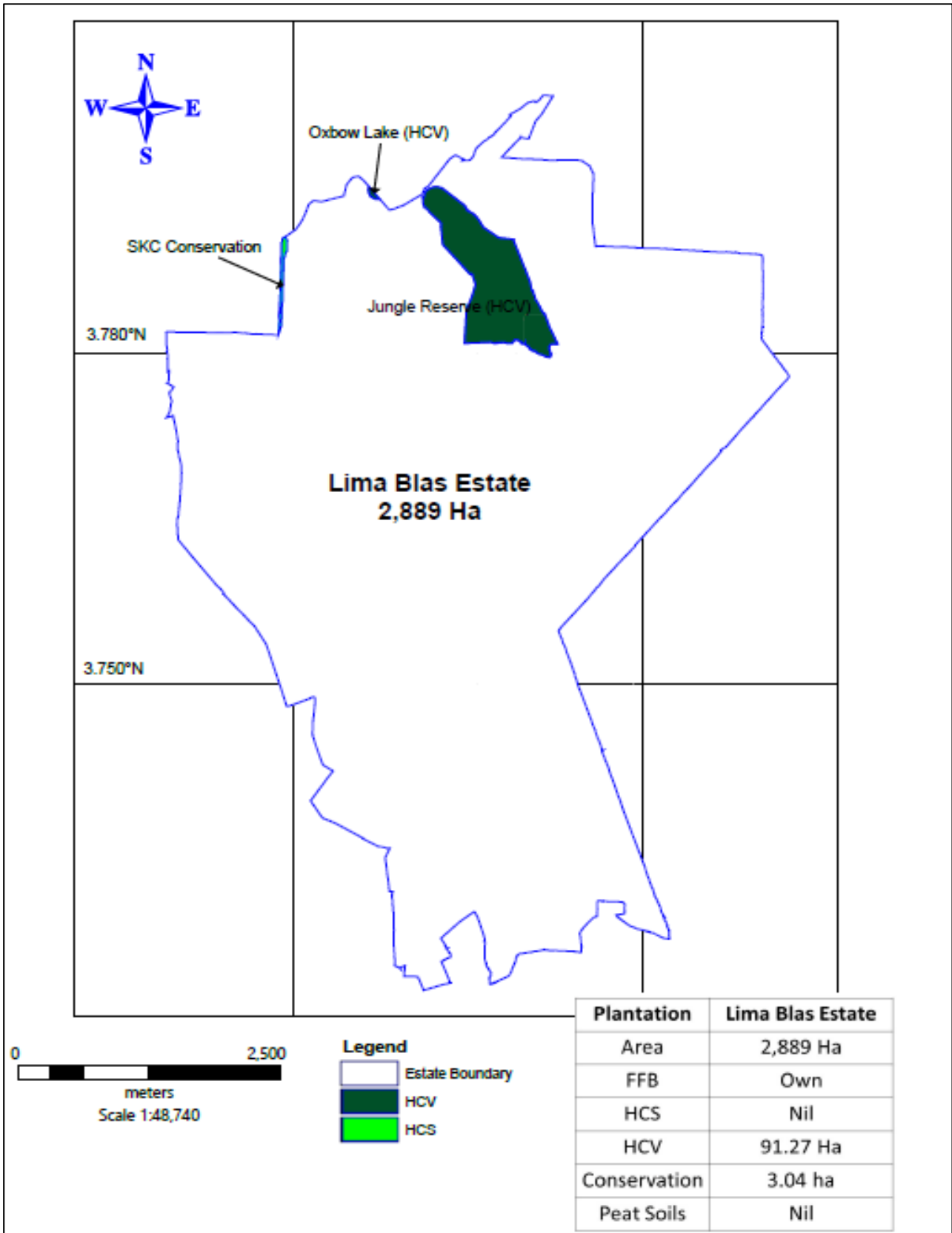
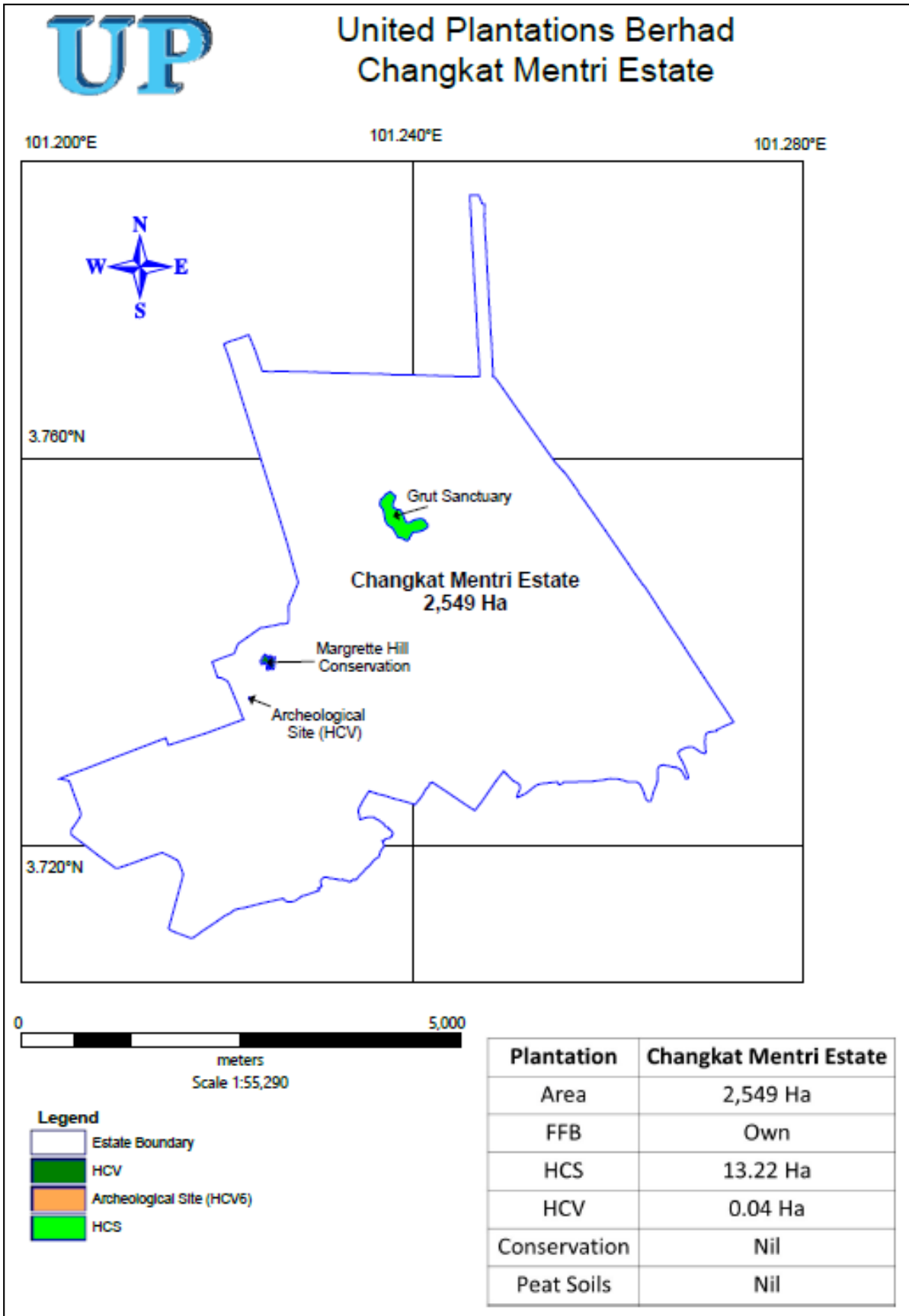




Figure 4. Operational Map of CHANGKAT MENTRI Estate, United Plantation Bhd, Malaysia



**Abbreviations Used**

ASA	:	Annual Surveillance Audit
BOD	:	Biological Oxygen Demand
CHRA	:	Chemical High Risk Assessment
CPO	:	Crude Palm Oil
CSR	:	Corporate Social Responsibility
DOE	:	Department of Environment
EFB	:	Empty Fruit Bunch
ESH	:	Environment and Safety and Health
FFB	:	Fresh Fruit Bunches
HCV	:	High Conservation Value
HIRARC	:	Hazard Identification Risk Assessment and Risk Control
IPM	:	Integrated Pest Management
MPOB	:	Malaysian Palm Oil Board
MSDS	:	Material Safety Data Sheet
LTA	:	Lost Time Accident
NUPW	:	National Union Plantation Workers
OHS	:	Occupational Health and Safety
OER	:	Oil Extraction Rate
P&C	:	Principle and Criteria
PK	:	Palm Kernel
PKO	:	Palm Kernel Oil
POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent
PPE	:	Personal Protection Equipment
RSPO	:	Roundtable on Sustainable Palm Oil
SCCS	:	Supply Chain Certification System
SEIA	:	Social and Environmental Impact Assessment
SIA	:	Social Impact Assessment
SOP	:	Standard Operating Procedure
UPB	:	United Plantation Berhad
UPRD	:	United Plantations Research & Development

<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.</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	+6605-6416220	
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 Basir Mill</b>	Up River Business Unit, 35800 Slim River, Perak, Malaysia	<b>N 3° 43' 28"</b> <b>E 101° 15' 21"</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 Basir Estate</b>	Upriver Business Unit, 36500 Ulu Bernam, Perak	<b>N 3° 43' 28"</b> <b>E 101° 15' 12"</b>
	<b>Changkat Mentri Estate</b>	Upriver Business Unit, 36500 Ulu Bernam, Perak	<b>N 3° 45' 30"</b> <b>E 101° 14' 24"</b>



	<b>Lima Blas Estate</b>	Upriver Business Unit, 36500 Ulu Bernam, Perak	<b>N 3° 47' 32"</b>	<b>E 101° 21' 06"</b>
<b>1.5</b>	<b>Description of Area Statement</b>			
1.5.1	Tenure			
	• State			Ha
	• Community		<b>9,425.80</b>	Ha
1.5.2	<b>Area Statement</b>			
	• Total area		<b>9,425.80</b>	Ha
	• Mature area		8,020.76	Ha
	• Immature area		823.23	Ha
	• Mill		12.78	Ha
	• Worker Quarters		40.40	Ha
	• Infrastructure		291.86	Ha
	• HCV (Conservation Area - Riparian)		215.47	Ha
	• Conservation Area		11.30	Ha
	• Water reservoir		10.00	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>Ulu Basir</b>	<b>Changkat Menteri</b>	<b>Lima Blas</b>
	1985			5.00
	1991		45.30	45.30
	1993			57.00
	1994		35.00	97.00
	1995		127.90	87.00
	1996		345.10	89.00
	1997		326.80	93.00
	1998		47.30	95.00
	1999		144.90	144.90
	2000		375.60	113.00
	2001		129.60	98.00
	2002		178.40	103.00
	2004	296.45	161.60	458.05
	2005	453.90		227.00
	2006	95.10		196.00
	2007	394.40		227.00
	2008	235.70	220.00	455.70
	2009	685.40	200.30	286.00
	2010	262.10		262.10

	2011	73.54			73.54		
	2012	93.60		309.00	402.60		
	2013	259.80	17.70	300.00	577.50		
	2014	278.27	8.00	147.00	433.27		
	2015	225.33		211.00	436.33		
	2016	300.87			300.87		
	2017	83.03		3.00	86.03		
	<b>TOTAL</b>	<b>3,737.49</b>	<b>2,363.50</b>	<b>2,743.00</b>	<b>8,843.99</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						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	Ulu Basir POM	60	181,702.04	38,591.94	21.24	8,779.93	4.83
	<i>*Production data source from 12 months before assessment (June 2016 –May 2017)</i>						
1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)	Supplied to Mill	
						FFB (tonnes/year)	%
	Ulu Basir Estate	3,987.49	3,737.49	68,282.82	18.27	68,031.56	99.63
	Changkat Mentri Estate	2,549.31	2,363.50	49,546.36	20.96	49,232.49	99.37
	Lima Blas Estate	2,889.00	2,743.00	58,300.86	21.25	57,430.44	98.51
	<b>TOTAL</b>	<b>9,425.80</b>	<b>8,843.99</b>	<b>176,130.04</b>	<b>19.92</b>	<b>174,694.49</b>	<b>99.18</b>
	<i>*Production data source from 12 months before assessment (June 2016 –May 2017)</i>						
1.7.3	FFB description from other source						
	Name of sources/Organisation (RSPO certified / non-certified)	Type of Organisation	number of smallholders	Production Area (Ha)	Supplied to Mill		
					FFB (tonnes/year)		
	Ulu Bernam Estate (RSPO Certified)	United Plantations Bhd.	-	3,049.82	1,049.98		
	Sunga Erong Estate (RSPO Certified)	United Plantations Bhd.	-	3,499.61	3,243.02		
	Sungai Chawang Estate (RSPO Certified)	United Plantations Bhd.	-	3,239.98	2,561.54		
	Jendarata Estate (RSPO Certified)	United Plantations Bhd.	-	5,620.80	71.21		
	Seri Pelangi Estate (RSPO Certified)	United Plantations Bhd.	-	1,337.00	81.80		
	<b>TOTAL</b>					<b>7,007.55</b>	
	<i>*Source Production Data on 12 months before assessment(June 2016 –May 2017)</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 21 August 2016 to 20 August 2017 (tonnes/year)	Actual certified product August 2016 to 20 May 2017 (tonnes/year)					
	• FFB Production	176,216	152,562					
	• CPO Production	40,713	32,433.24					
	• Palm Kernel (PK) Production	9,705	7,413.58					
<b>1.8.2</b>	<b>Product selling</b>							
	Tonnage of selling product	Actual selling product period August 2016 to 20 May 2017						
	• CSPO	22,371.03 Ton						
	• CSPK	6,855.93 Ton						
	• CPO under other scheme trading (e.g ISCC, RFS)	-						
	• CPO under conventional trading (if any)	10,062.21 Ton						
	• PK under other scheme	-						
	• PK under conventional trading (if any)	557.65 Ton						
1.8.2	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 Basir Estate	3,987.49	3,737.49	19.73				
	Changkat Mentri Estate	2,549.31	2,363.50	22.64				
	Lima Blas Estate	2,889.00	2,743.00	22.95				
	<b>TOTAL</b>	<b>9,425.80</b>	<b>8,843.99</b>	<b>21.51</b>				
	<i>*Projected FFB production for 12 months of certificate</i>							
1.8.3	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>Supply Chain Module</b>		
				<b>Out put (tonnes)</b>	<b>Extraction (%)</b>	<b>Out put (tonnes)</b>	<b>Extraction (%)</b>	
	Ulu Basir POM	60	190,220	41,848	22.0	9,511	5.0	Identity Preserved
	<i>*Projected CSPO and CSPK production for 12 months of certificate</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>							
	Indonesia							

Lada POM PT Surya Sawit Sejati	2016	Lada Estate	738.86 ha (Division 1)	2017	Kotawaringin Barat District, Central Kalimantan	Planning November 2017	
			3,741.2 ha (Division 1 & 2)	2017		Planning November 2017	
			1,769.6 ha + 250.34 ha (Division 1 & 2)	2018		Planning November 2017	
		Runtu Eate	2,916.83 ha (Division North & South)	2017		Planning November 2017	
			4,717.03 ha + 1,366.14 ha (Division North & South)	2018		Planning November 2017	
		<i>Farmers own land and also new ijin for Plasma in Arut and Kumai Estate</i>	49 ha (already SHM + agreement)	2017		Melawen Village and Lada Mandala Jaya Village, Pangkalan Lada SubDistrict -	-
			132 ha (already SHM but must follow Pelepasan + agreement)	2019		Medang Sari Village, Sub-District Arut Selatan Other PLASMA	-
			364.82 ha (SHM to be apply )	2019			-
			600 ha (waitng for agreement and SHM)	2019			-
		<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	Recertificatio n 2017		
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	Recertificatio n 2017		
Ulu Bernam POM	2008	Jendarata Estate, Seri Pelangi Estate, Ulu Basir Estate, Ulu Bernam Estate, Sungai Ering Estate, Sungai Chawang Estate,	2008	Teluk Intan, Perak Darul Ridzuan, Malaysia	Recertificatio n 2017		

		Changkat Mentri Estate, Lima Blas Estate			
	UIE POM	2008	UIE Estate	2008	Pantai Remis, Perak Darul Ridzuan, Malaysia
					Recertification 2017
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>RC</b>	<p><b>1. Oktovianus Rusmin (Lead Auditor).</b> Bachelor's Degree in Social &amp; Political Sciences Department of Anthropology. The working experience, consist of: Coastal Project-Department of Anthropology in Indonesian University (Pilot Project of Mangrove Rehabilitation in coastal area of South Sulawesi) as Social Supervisor (1999-2001), Center of Anhtropology-Indonesian University (Research and Publication) as Researcher (2002 – 2014), The Forest Trust-Indonesia (Consultant of Sustainable Forest Management) as Social Advisor (2004 – 2010) and eForest Consultant (HCV Identification and Social Impact Assessment) as staff (2010 – 2011). Already participated in several training, consist of: Forest Management Auditor (FSC Standard), Environmental Management System ISO 14001, ISO 9001:2008, Conflict Resolution, Human Right, Verification System of Wood Legality, Training Lead Auditor of ISPO &amp; RSPO Scheme. Had participate in Sustainable Forest Certification (Eco Labelling Indonesia Standard), Gap Analysis of FSC Standard. He was numerously involved in audit of sustainable palm oil certification since 2011 for Indonesian Sustainable Palm Oil (ISPO) and RSPO Scheme in Indonesia &amp; Malaysia as Auditor and <i>Lead Auditor</i>. During this audit he has been assigned to verify the Land Rights, Conflict Resolution</p> <p><b>2. Mahaswaran Malipayan (Auditor)</b> Malaysian citizen (Fluent in Local Language), More than 15 years working experience in various industries in Malaysia that covering the full spectrum of Quality and Environmental Management System. As certified Lead Auditor and being the Principle Consultant. He too has vast exposure and experience in Quality Environmental Management System as well the Occupational, Health and Safety auditing. He owns proven track records of auditing warios multinational companies both locally and internationally. In this assessment, He assessed on Legal Aspect, Long Term Business Plan, Conservation &amp; SCCS</p> <p><b>3. 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. 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 Transparencies and Environmental aspect.</p> <p><b>4. Yap Chin Hung (Auditor)</b> Malaysian citizen (Fluent in Local Language) Graduate from University of Malaya with a Bachelor of Engineering (Honours) Degree in Manufacturing Engineering. He is a member of the Institute of Engineers, Malaysia. He had consulted and trained clients from various industries such as chemical, metal fabrication, engineering, electronics, manufacturing, fabrications, plastics, construction and trading in setting up and implementing the Management Systems based on ISO 9001, ISO 14001, ISO 13485, ISO 2200, HACCP, GMP, FSC and OHSAS 18001. Along his service as ISO consultant, he has assist more than 100 companies to obtain the ISO certification from various Certification Body. Yap is also the associate auditor for QE Certification, UK helping in carrying out 3rd party certification audit for ISO 9001, ISO 14001, ISO 22000 &amp; OHSAS 18001. During this audit he has been assigned to verify the Quality Management System, Waste Management, Safety and Health</p> <p><b>5. Mohd. Hairimi (Auditor)</b> Malaysian citizen (Fluent in Local Language) Graduated from University Kebangsaan Malaysia with a Masters of Social Science (Social and Environmental Impact Assessment) and Bachelor of Social Sciences with Honours (Geography). Registered as assistant consultant on Social Impact Assessment with DOE Malaysia AC 1105, and certified on CESSWI 3756 (Certified Erosion Sediment and Storm Water Inspector). He was involved for past 5 years in environment auditing and in Social and Environmental Impact. Assessment Report (EIA and SIA). During this audit he has been assigned to verify the Social aspect &amp; Worker Welfare</p> <p><b>6. Muhammad Rinaldi (Auditor).</b> Indonesian citizen, Diploma of Oil Palm Plantation. He has experience 4 years working as Assistant Agronomy since 2009. He has attended training RSPO Lead Auditor, training of Auditor ISPO, training of Lead Auditor ISO 9001-2008, and training of ISO 14000, training of HCV identification, training of OHS management system, training of potential and conflict resolution. Experienced in auditing in relevant scheme (ISPO) since 2014 with the aspects of land legality, environmental, social, occupational health and safety, Best Management Practices, Conservation and worker welfare. During this audit he has been assigned to verify the Best Agricultural Practices, Quality Management System and GHG.</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>RC</b>	Number of auditors : 6 auditor



	<p>Number of days for <b>RC</b> at site : 3 days          Number of working days for <b>RC</b> at site : 18 Working days</p>
<b>2.2.2</b>	<b>Assessment Process</b>
<b>RC</b>	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the ULU BASIR Mill 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</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>Recertification</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>Improvement of findings from main assesment findings were observed by auditors at this <b>Recertification</b>. 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>RC</b>	<p><u><b>Ulu Basir POM</b></u></p> <ul style="list-style-type: none"> <li>• <b>Scheduled Waste Store.</b> Good scheduled waste storage observed with proper labeling.</li> <li>• <b>Chemical Store.</b> Proper chemical store observed.</li> <li>• <b>Workshop.</b> Good housekeeping observed at the workshop.</li> <li>• <b>Effluent Pond.</b> Observation of the condition of POME management and final discharge.</li> <li>• <b>WTP.</b> Observation about OHS implementation, flowmeter for water used and PPE use.</li> <li>• <b>EFB Stacking Place.</b> Observation on OHS condition, Leachate and it management.</li> <li>• <b>Process Station.</b> Observation and interview with personnel related to FFB's processing into CPO, capacity each station, personnel understanding over the applicable SOP, fire emergency response facilities and infrastructure in mill, POME management, first aid kits, the implementation of OHS, Basic amenities, trainings, deduction of wage and minimum wage.</li> <li>• <b>Engine room.</b> Observation and interview with the worker related to implementation of OHS, understanding of safe working, administration of fossil fuels use.</li> <li>• <b>Boiler station.</b> Observation and interview with the worker related to implementation of OHS, understanding of safe working, smoke dencity tool, utilization of shell and fiber</li> </ul> <p><u><b>Ulu Basir Estate</b></u></p> <ul style="list-style-type: none"> <li>• <b>Field 16.</b> <ul style="list-style-type: none"> <li>- Observation and interview with harvester and supervisor (3 workers) discussing about foreign worker recruitment, worker status, worker rights, OSH implementation and implementation on company policy and procedure.</li> <li>- Interview with IPM worker (1 worker), discussing about OSH implementation, worker status, basic salary, training, Knowledge of pests &amp; diseases procedures</li> </ul> </li> <li>• <b>Field 12.</b> Observation and interview with fertilizer applicator (5 workers) about procedure implementation, foreign worker recruitment, promotion, mutation, worker status, salary, OSH implementation, and socialization of company policy.</li> <li>• <b>Field 39.</b> Observation and Interview with pesticide operators (4 workers) discussing about OSH implementation, worker status, basic salary, training, procedure implementation, safe work procedure.</li> <li>• <b>Field 18.</b> Observation about peat soil management, there is drainage, water level stick and subsidence stick (probe).</li> <li>• <b>Ulu Basir Dispensary.</b> Dispensary were in good condition</li> <li>• <b>Crèche.</b> Crèche were in good condition, monthly medical inspection for children and crèche aya.</li> <li>• <b>Line Site/ worker quarters.</b> Line site were observed in very good condition and workers very satisfy with the</li> </ul>

- maintenance service.
- Boundary Poles check: sampling poles 1, 2, 3, 4 , 5 was observed (all poles in good condition)
- Water gate & drainage (canal) at Filed 2 & 3: good condition, function properly and any natural vetetation along of buffer zone of canal
- Main water gate (canal): any signboard and well maintain
- Conservation area (wet land): any sign board and natural vegetation along of buffer zone

**Lima Blas Estate**

- **Chemical Store.** Field observations related to condition in the chemical handling, signages, emergency equipment and MSDS.
- **Schedule Waste Store.** Observations and interview towards waste handling, inventory, OHS implementation and emergency equipment.
- **Mixing area.** Observations the waste handling, OHS implementation, PPE used and emergency equipment.
- **Lima Blas Estate Office.** Interview with IPM worker (1 worker), discussing about OSH implementation, worker status, basic salary, training, Knowledge of pests & diseases procedures.
- **Field 7.**
  - Observation and interview with harvester and supervisor (3 workers) discussing about foreign worker recruitment, worker status, worker rights, OSH implementation and implementation on company policy and procedure.
  - Observation about installation of Barn Owl Box
- **Field 10.** Observation and interview with fertilizer applicator (3 workers) about procedure implementation, foreign worker recruitment, promotion, mutation, worker status, salary, OSH implementation, and socialization of company policy.
- **Field 27.**
  - Observation and Interview with pesticide operators (5 workers) discussing about OSH implementation, worker status, basic salary, training, procedure implementation, safe work procedure.
  - Observation in slope area, has been planted legume cover crop and conducted the terracing system
- **Crèche.** Crèche were in good condition, monthly medical inspection for children and crèche aya.
- **Line Site/ worker quarters.** Line site were observed in very good condition and workers very satisfy with the maintenance service.
- Boundary Poles check: sampling poles 2, 3, 4, 8 , 9 was observed (all poles in good condition)

<b>2.3</b>	<b>Stakeholder Consultation and Stakeholders Contacted</b>
<b>2.3.1</b>	<b>Summary of stakeholder consultation process.</b>
<b>RC</b>	<p>Stakeholder consultation of ULU BASIR POM:</p> <ul style="list-style-type: none"> <li>• Public Notification at RSPO Website on May 5<sup>th</sup>, 2017.</li> <li>• Interview the internal stakeholders on June 7-8<sup>th</sup>, 2017 in audit process (particularly to foreign workers, eq. from Indonesia, Bangladesh, etc).</li> <li>• Public consultation on June 7<sup>th</sup>, 2017 was participated by related agency and local peoples or community surrounding</li> <li>• Public consultation with NGO by email on May 30<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) estimate period of nine to twelve months after the date of certificate issued

**3.0. ASSESSMENT FINDINGS**

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

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

During the assessment, there were no Nonconformity assigned against Major Compliance Indicator(s) and no nonconformities assigned against Minor Compliance, and no nonconformance against supply chain requirement for CPO and three (3) 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 POM and three Supply Bases (Ulu Basir, Changkat Mentri & Lima Blas), 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.*

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

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
<b>PRINCIPLE #1 COMMITMENT TO TRANSPARENCY</b>		
<p><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></p>		
<p><b>1.1.1</b>            During the audit at Ulu Basir Palm Oil Mill, the company had updated the latest stakeholder list dated 31<sup>st</sup> March 2017 and the stakeholder meeting has been done tan Sri Bek Nielsen Hall at Ladang Ulu Basir Main office attended by management of United Plantations Ladang Ulu Basir, Ulu Basir Palm Oil Mill, and Ladang Lima Blas, workers representative , staff and related stakeholders including villagers, teachers, and auxiliary police. The policeman attended the meeting had also thanked the UP management for the less problems happen in the estate. The company had also verified the document and the stakeholder list , person in charge is Mr Padmanathan, resident engineer of Ulu Basir mill, and for Lima Blas Estate the stakeholder list verified by Mr Azhar Yazid (Senior manager of Lima Blas estate) comprising NUPW committee, OSHA Committee, gender committee, Temple Committee, Surau Committee, foreign workers welfare, Bengali workers representative, Indian workers representative, Nepalese workers representative, external stakeholders[contractor, chief operation officer, manager of contractor Company and police department slim river for Ladang Lima Blas. During the stakeholder meeting, the managers of each mill and estate 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 estate and mill operation area [16 people attending for Ladang Lima Blas. 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.</p>		

**1.1.2**

The company also had a SOP of constructive response to the stakeholders and has been clearly communicated to all level of staff and workforce:

- i) External : steeled not more that 30 days – forward to company secretary with supporting documents → liter will be send to the stakeholder and estate in 7 days from secretary
- ii) 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 Mr Nantha Kumar, assistant Manager of Lima Blas Estate and approved by Mr Azhar Yazid. Record of request for the mill and estate has been recorded in a ‘Complaint and grievances Request Registry Book’ available at the mill. There is a request for application of 3 month leave by Madwai Veeran (Indian) dated 24/5/2017 and approved on 24/5/2017 by Mr Padmanathan (resident engineer of Ulu Basir Estate) . There is also and external request from the teacher of SK Ulu Bernam that request Permohonan kebenaran untuk Memulakan kerja Awal Pembinaan tapak 1BRIS’ dated 25 Mei 2017 and has been answered by the management on 29<sup>th</sup> May 201, referring to the letter of Mr Roslain Omar.

**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.

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, Pollution prevention Plan (PPR), communication procedure to internal and external parties, and also including the Human right policy that made available at all estate and management unit of UP 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 company Unite Plantations Berhad 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, Bengali 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**

Land titles

**Lima Blas Estate → 2,891.89 Ha (1 Free Hold)**

Free Hold Tenure → Title No. GT (02) 19249 → Lot No. 1899 → 2,891.89 ha → Yearly tax RM 90,603

**Ulu Basir Estate → 4,395.45 Ha (2 Free Hold & 2 Leas Hold)**

1. Free Hold Tenure → Title No. GT (02) 23643 → Lot No. 23 → 89.45 ha → Yearly tax RM 4,833
2. Free Hold Tenure → Title No. GT (02) 23644 → Lot No. 22 → 1,838 ha → Yearly tax RM 99,252
3. Lease Hold Tenure → Title No. PN (03) 80704 → Lot No. 57 → 2,212 ha → Yearly tax RM 119,448
4. Lease Hold Tenure → Title No. PN (03) 80705 → Lot No. 58 → 256 ha → Yearly tax RM 13,824

The mill and estates annually checks the adequacy of legal compliances. Seen the list updated legal requirement notifications from Group HR Manager. Both the mill and estates, maintaining some updated copies of licenses and permits in accordance to the applicable local requirements. It was found that Ulu Basir Mill still not having a Fire Certificate as required compliance under Fire Services Act 1988 and Fire Services (Fire Certificate) Regulations 2001. There are correspondence evidences available since June 2015 with Balai Bomba dan Penyelamat, Teluk Intan. Since the mill was built way before the law was established in 1984, seen email correspondence between the contractor [Prime Edge Consultant] who will reproduce digitize building and structure plans and to upgrade the existing passive & active firefighting systems to meet the guideline of Standard Uniform Building By-Laws. The local authority and Bomba will carry out inspections after the compliance of physical works or upgraded firefighting systems and equipments. The Chief Executive Director, Dato' Carl Bek-Nielsen has signed a memo dated on 24/07/2015 granting the expenses into capital expenditure.

**2.1.2**

There are no changes in the list of legal register since from stage 1 audit. The Group Manager Human Resources and Environment, Safety and Health manage the set of legal documents and communicate to the mill and estate managers. There were no significant changes addressed in the regulation of OHS and environment. As for the general category, "National Wage Consultative Council Act 2011, Minimum Wages Order 2016 has been updated and communicated of the changes within all operating units. Personnel in charge on tracking and updating applicable legal documents are stated in the sustainability manual and estate have list of licence and permit includes the expired date and person responsible as system to tracking all permit is up to date.

**2.1.3**

The annual internal audit by sustainability department [participated by Mr. Mathews, Mr. Norazizi, Mr. Ho SH, Mr. Jeevan, Mr. Lee and was done on 17-24/02/2017 for mill & estates and there were few findings raised on legal aspects, such as disposal of chemical waste not satisfactory. Observations found for housekeeping of boundary markers, policies to



communicate during master call, updating of georeferenced soil map and updating of training records.

**2.1.4**

Any changes in the applicable laws and regulations, the Group Manager Human Resources and OHS and Environment, Mr. Mathews co-ordinates with respective operating units. 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 the changes effectively received and acknowledged by respective operating unit’s manager.

**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:

**Lima Blas Estate → 2,891.89 Ha (1 Free Hold)**

Free Hold Tenure → Title No. GT (02) 19249 → Lot No. 1899 → 2,891.89 ha → Yearly tax RM 90,603

**Ulu Basir Estate → 4,395.45 Ha (2 Free Hold & 2 Leas Hold)**

1. Free Hold Tenure → Title No. GT (02) 23643 → Lot No. 23 → 89.45 ha → Yearly tax RM 4,833
2. Free Hold Tenure → Title No. GT (02) 23644 → Lot No. 22 → 1,838 ha → Yearly tax RM 99,252
3. Lease Hold Tenure → Title No. PN (03) 80704 → Lot No. 57 → 2,212 ha → Yearly tax RM 119,448
4. Lease Hold Tenure → Title No. PN (03) 80705 → Lot No. 58 → 256 ha → Yearly tax RM 13,824

**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. Based on field visit for boundaries check that showed the poles in good condition. The sampling pole consist of:

Ulu Basir Estate

Pole number : 1, 2, 3, 4, 5 & 16 (the boundary pole was in a good condition and the number is clearly)

Lima Blas Estate

Pole number : 2, 3, 4, 8 & 9 (the boundary pole was in a good condition and the number is clearly)

**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 and Sungei Cawang Estate, 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.	
<b>Status: Comply</b>	
<b>2.3</b>	
<b>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.</b>	
<b>2.3.1</b>	
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. 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.	
<b>2.3.2, 2.3.3 &amp; 2.3.4</b>	
There was no land of United Plantation own (Ulu Basir Estate, Changkat Mentri Estate & Lima Blas 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.	
<b>Status: Comply</b>	
<b>PRINCIPLE #3 Commitment to long-term economic and financial viability</b>	
<b>3.1</b>	
<b>There is an implemented management plan that aims to achieve long term economic and financial viability.</b>	
<b>3.1.1</b>	
The source of FFB supplies are from their own estates [Ulu Basir Estate, Lima Blas Estate and Changkat Mentri Estate]. In page of the Mill's Budget 2017, seen the 3 years projection [2017-2020 for FFB, CPO and PK. As for the estates, the Senior General Manager Mr. Nek Wahid reviewed the plan. The quality of planting materials [seeds] for replanting is the responsibility of UPR&D. There is also a SOP established on 31/03/2014 for peat cultivation / management. No scheme smallholder associated.	
<b>3.1.2</b>	
In Ulu Basir Estate, sighted there is a replanting programme available for year 2012 to 2022, based on the records maintained in 2017 – 2022 [there will be no schedule for replanting], 2016 – 310.87 HA, 2015 – 190.10 HA and in 2014 – 388.53 HA. As in 2016, the field 44, 45, 46, 47 and 48 planned and executed for replanting. During filed visit seen no traces of fire been used for land preparation [felling & chipping]. No outbreak of pest encountered and fourth nightly spraying of cypermethrin done to control orycties. As for Lima Blas Estate, based on the soil map, the estate has no peat soil. The last replanting was in 2014/15 at 266 HA.	
<b>Status: Comply</b>	
<b>PRINCIPLE #4 Use of appropriate best practices by growers and millers</b>	
<b>4.1</b>	
<b>Operating procedures are appropriately documented and consistently implemented and monitored.</b>	
<b>4.1.1</b>	
SOPs for POM observed and applied to all mill operation such as:	
<ul style="list-style-type: none"> <li>a) Reception</li> <li>b) Sterilization</li> <li>c) Threshing</li> <li>d) Empty Bunch Pressing</li> <li>e) Clarification</li> </ul>	

- f) Boiler House
- g) Engine Room
- h) Effluent Treatment & Waste Management

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

ULU BASIT plantation had SOP Manual sign by senior executive director on 10 December 2007, the SOP of ULU BASIR plantation consist of:

1. Nursery operations
2. Replanting
3. Upkeep mature / immature oil palm
4. Water management : Peat cultivation management, peat subsidence measurement, sandy soils cultivation management, acid sulphate soils cultivation
5. Roads ( path, railway loco)
6. Boundaries
7. Pest management
8. Manuring, immature and mature oil palm
9. Harvesting and collection
10. Oil mill RSPO Supply chain model
11. Recruitment of guest workers
12. Protection of river reserves

**4.1.2 & 4.1.3**

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.

**4.1.4**

Ulu Basir did not accept FFB from third party supplier. All FFB are came from own estates.

**Status: Comply**

**4.2**

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

**4.2.1**

The soil fertility procedure has listed on SOP Manual Field Operation No. 8.0 about Manuring Immature and Mature oil palm dated 10 December 2007. The company managing their soil fertility based on UPRD recommendation to use fertilizer and used effluent and EFB for improve the soil fertility.

Based on interview with worker in manuring activity, it is known that the dose that used in fertilizer application has been accordance with the recommendation for example in field 12 at Ulu Basir Estate the dose usage is 3.2 Kg/tree. In addition, the company has applied effluent at the field for improve the soil fertility.

**4.2.2**

The unit management records their fertilizer input on fertilizer application document (Year 2017 Fertilizer Recommendation). On that document inform the estate, division, ledger, ROP year, soil series, Hectare, actual SPH, planted palms, type of fertilizer, plan and realization. Based on the document, it is known that all of fertilize application has been accordance with the recommendation. However for Kieserite fertilizer in Lima Blas Estate is not accordance with the

time schedule because of the fertilizer is out of stock. The Lima Blas shown mail from Senior Manager to PT. PK Fertilizer Sdn. Bhd. on 27 May 2017 explaining about fertilizer delays and impose penalty to the contractors

The unit management shown the document of Nutrient Inputs period 2016 that describe Nutrient input per Ton FBB or Ton CPO, for Example in Ulu Basir & Lima Blas:

Estate	Kg/ton FFB			
	N	P <sub>2</sub> O <sub>5</sub>	K <sub>2</sub> O	MgO
Ulu Basir	6.10	2.90	15.59	1.58
Lima Blas:	5.98	2.22	11.97	2.35

**4.2.3**

Company had document called “recording of oil palm agronomy trials” dated on 25-10-2004, which is the document issued by UPRD. On the section 1.2.0 there are information regarding the leaves, soil and foliar sampling. Based on the document there are information mention that leaf sampling, soil sampling and foliar sampling conduct regularly.

The company shown the result of analysis for oil palm leaves that conducted by UPRD laboratory on 16 June-18 August 2016for Ulu Basir Estate and 01 July- 02 August 2016 for Lima Blas Estate. The analysis is to know the nutrient status of N, P, K, Mg, Ca, B, Cu, Zn, Fe and Mn. For soil analysis has conduct on 26 January 2008 that monitoring status of nutrient of N, P, K, Mg, Ca.

**4.2.4**

Nutrient recycling programme observed in the POM and estate:

- a) 100% EFB mulching at all estates.
- b) 100% POME land application thru furrow irrigation to all estates.
- c) Fibre and kernel shell used as burning fuel for boiler.
- d) Boiler ash used for road maintenance work.
- E) Biogas plant in operation.

Monitoring record for nutrient recycling programme observed with 5-year projection plan.

**Status: Comply**

**4.3**

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

**4.3.1 & 4.3.6**

Ulu Basir Estate and Lima Blas Estates had soil maps that inform type of soil in each estate. Type of soil in each estates are :

- Soil type in Lima Blas estates: batu lapan, bungor, binjai, serdang, seremban, chempaka, colluvial deposits.
  - Soil type in Ulu Basir Estates : tepus, Gondang (deep peat >2m), bungor, batu lapan, gali (peat <1m), organic clay
- Based on soil map and field visit in Ulu Basir & Lima Blas Estate, there is no fragile soil except peat soil in Ulu Basir Estate.

**4.3.2**

The company have SOP no. 2.0 about replanting, point 2.4.11 terracing: where the terrain ranges from rolling – hilly to steep with gradient from 6 – 20 degrees, contour terraces should be constructed at an average horizontal interval of 7.9 meters as guides by FMM – B.1.1.9 (dated on 29 December 2004).

Based on field visit in ulu basir estate, it is known that the area is flat. However in the LBE, it is known from the detail information about Batu Lapan and Seremban Soil Series is an area with rolling to hilly slope (6<sup>o</sup>-20<sup>o</sup>). Based on field visit

to Lima Blas estate at field 27, it is know that the area rolling till hilly slope. The LBE has do the management planting strategy in accordance with SOP such as has constructed contour terraces and planting the Legume Cover Crop.

In addition, LBE can show record of management in slope area at the document of Replanting Progress. For example in the replanting in 2015 with total area of 211 ha (Field 31 & 32) with terracing area is 61 Ha and planting cover crop for all replanting area.

**4.3.3**

The company program of road maintenance listed in Annual Budget. For example on period 2017 in Mature area has budget for road maintenance in the form of Grading road, patching road and pruning the roadside fronds. There are records for road maintenance listed Progress Report, for example in January - March 2017:

**Ulu Basir Estate**

- Grading/rolling: estimate for 2017 102,210 dm ; completed on Jan-Mar 2017 11,915.21 dm.
- Patching of road: Completed on Jan-Mar 2017 3,649.11 dm.

**Lima Blas Estate**

- Grading/rolling: estimate for 2017 9,000 dm ; completed on Jan-Mar 2017: 7,180 dm.
- Pruning roads: estimate for 2017 12,500 dm ; completed on Jan-Mar 2017: 3,566 dm.

Based on field visit in Ulu Basir Estate and Lima Blas Estate, it is known that the road is well maintenance and all road can be accessed.

**4.3.4**

UP Bernhard have an SOP to guidance on subsidence management No 1.4 about cultivation management on peat area and SOP section 4.4 for peat cultivation / management and peat subsidence measurements date issued on 31/03/2014. Based on soil maps and field visit, it is known that there is no peat land in Lima Blas Estate but there are identified peat land amount 130.4 Ha in Ulu Basir estates.

Ulu Basir Estates installed probe (subsidence stick) in field 18, row 194, and palm 10 on 13 March 2008. There are internal memorandum from senior research manager dated on 30 March 2017 regarding the peat probe reading. The data for probe reading in Ulu Basir Estates are :

date	measurement form surface	subsidence since last reading	rate of peat subsidence per year
31/12/2014 (42 months)	3.15	0.27	0.89
31/12/2015 (54 months)	3.60	0.45	0.80
31/12/2016 (66 Months)	4.94	1.34	0.90

To arrange the water, Ulu Basir Estate has been equipped with main drain, collection drain and field drain and there are 23 sandbag/weirs, 5 Watergate. The Ulu Basir Estate has monitored water level twice a month in field 14, 18, 27 and 33 in 2017 the average water level is 1-4 feet. For example at field 14 on 1/05/17 at field drain 3 feet and collection drain 4 feet; 15/05/17 at field drain 3 feet and collection drain 4 feet. It is worthwhile to ensure measurement result consistent with improved measurement methodology of water level monitoring in the peat area (Ulu Basir Estate). **OFI**

**4.3.5**

Based on soil maps and field visit, it is known that there is no peat land in lima blas estates but there are identified peat land amount 130.4 Ha in Ulu Basir estates. The peat area at Ulu basir is in field 18 (2005), 23 (2004), 20 (2005), 21 (2007), 26 (2004), 28 (2008), 32 (2009), 30 (2009), 29 (2007), 33 (2006), 35 (2006), 38 (2008), 14 (2004), 15 (2005) and 17 (2004). This is shown that in peat area not yet conduct the replanting

**Status: Comply**

**4.4**

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

**4.4.1 & 4.4.2**

The company had a water management plan established in the company in order to prepare during the rainy and drought season. The company had a holding pond area at and the water treatment plant at nearby river to be treated and supplied to the mill and estate. There is 1 water treatment plant at Ladang Ulu Basir Estate to cater the housing area at Ulu Basir Estate and Ulu Basir Mill. It was verified that Ladang Lima Blas estate is using the treated water from the water catchment and rain harvesting and being supplied to the workers and staff at the estate. Water Sources renewability is from Bernam river [Ulu Basir estate : Bernam river – at field 57 (holding pond → water extracted from Bernam river and transferred to holding pond 1 → sedimentation occurred → transferred to pond no 2 ] and for Lima Blas estate, water supplied is from rain harvesting into the water catchment, treated and filtered supplied into the Lima Blas estate by 2 water tank. SOP of water management plan has been made at the estate issued on 10/12/2007 for the whole UP Berhad. 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, downriver and UIE). Water monitoring daily and send to the lab every month, last date sighted on 13/4/17 sample for drinking water results from Ulu Basir Estate and Mill :

- Color – 10 < 15
- TSS 72 < 1000
- Ammonia ND = 0.01 < 0.5
- Nitrate = 1.12 < 10
- Iron = ND
- Aluminium = 0.23 > 0.2
- E coli = ND
- Coliform = ND

The company also had provide a fresh and treated water to all stakeholders (staff and workers) for their consumption all year around, as per interview, there is no cases of sickness due to polluted water.

The company had also provide a SOP of protecting water courses at the estate and water catchment area. Its include installing the water gates, bund for water catchment and also set up a buffer zone / riparian area along the canal. Based on the interview and field visit, the company had educated the workers and field staff not to spray and disturb the buffer zone area and along water courses area. The company had identified the wetland and watercourse at the estate and map of it made available at the estate office. The ground water surface has been protected by Bund protection and manual grass cutter.

**4.4.3**

During the visit at Ulu Basir Mill, the company had install a biogas plant and the effluent form pond no. 1 has been extracted to the plant and methane gas had been transferred back to the boiler for mill operation. The effluent treatment system are Conventional treatment system pond and flat bed system (Field 53), Anaerobic digestion process, multistage biochemical process, anaerobic digester system design and closed tank anaerobic digester system. There is a monitoring daily , monthly and once a year from UPRD for the water discharge quality, results of effluent on April 2017 :

- PH : 7.95 at 28.3 c
- COD = 1243 mg/l
- BOD = 327 mg/l
- TSS = 385 mg/l

Sighted the license of effluent treatment until 30<sup>th</sup> June 2017 from Department of Environmental at Ulu Basir mill. The latest bod result for land application is OD 327 mg/l which is far less than allowable = 5000mg/l. There is monthly monitoring of the result and every month the mill had send the sample to the third party lab (chemvi Laboratory Sdn Bhd. ) for result analysis including PH result, COD results, BOD at 30 days, and total suspended solids available (TSS). There is also analysis been made regarding mill water usage per FFB processed for 2017 which are:

- January [ 1.63 m3/ Mt FFB ]
- February [1.90 m3 / MT FFB ]
- March [1.81 m3/MT FFB]
- April [1.45 m3 /MT FFB]

**4.4.4**

Water consumption record available for year 2016 & 2017 observed.

Monitoring of water footprint activity stated in the UP Berhad annual report. Control and mechanism of water footprint monitoring well defined. Monthly monitoring observed and reported into Monthly Engineering Department Progress Report.

**Status: Comply**

**4.5**

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

**4.5.1**

There was SOP No. 7.0. Oil Palm Pest Management; point 7.0.2. Standard was explained critical threshold levels for key pest, pest control and the type of biological control.

There is record of pest occurrence and control that listed on, for example in Ulu Basir Estate:

- Summary Bagworm Census 2016, For January there are fields above the threshold eg in field 18 of 5,09 and have been treated on 26/01/16. In July, there are fields above the threshold eg in field 52 of 5,21 and have been treated on 23/7/16
- Summary of Ganoderma on June 2017 has conduct by tree census and there is 227 palm has infected by ganoderma. Ulu Basir Estate show the document of Identification, removal and supplying of abnormal palm for example in field 22 row no 2, there is palm supplied because of the palm infected by diseased.
- Summary of Rat Census on 2016 for example:

Field	March		
	Census Date	Infest	Treatment Date
5	03/10	9.73	07/10
6	26/9	7.22	08/10
9	27/9	7.03	6/10
10	12/10	10	22/10

Based on visit on field 7 and 28 in Lima Blas Estate, there is known that the company is planting the beneficial plant (*Turnera subulata*) and installing the owl box.

**4.5.2**



The records for IPM training are available in office division.

- There are 4 person trained in ulu basir estates on 03/02/2016. Training conducted to Yulius, Daudul, Mansur, Stefanus, the trainer are conducted by supervisor.
- For lima blas estates the training of IPM conducted on 27/06/2016 and the attendee are 8 persons. The trainer are the assistant manager.

Based on interview with the census worker, it is known that the workers has been given the training about IPM and also can explain the method and periodically census that conducted.

**Status: Comply**

**4.6**

**Pesticides are used in ways that do not endanger health or the environment**

**4.6.1**

The company had list pesticides against the targeted pest. The list are :

Category	Pests	Active Material	
		Spray	Trunk Injection
Bagworm	<i>Metisa Plana</i> <i>Pteroma Pendula</i> <i>Mahasena Corbetti</i>	<i>Cypermethrin</i> <i>Trichlorfon</i> <i>B. Thuringiensis</i>	<i>Monochrothopos</i> <i>Methamidopos</i>
Nettle Caterpillar	<i>Darna Trima</i> <i>Setotosea</i>	<i>Cypermethrin</i> <i>Trichlorfon</i> <i>B. Thuringiensis</i>	<i>Monochrothopos</i> <i>Methamidopos</i>
Cockchafer	<i>Apogonia</i> <i>Adoretus</i>	<i>Cypermethrin</i> <i>Trichlorfon</i>	
Grasshopper	<i>Valangan Nigricornis</i>	<i>Cypermethrin</i> <i>Trichlorfon</i>	
Rodent	<i>Rattus Tiomanicus</i> <i>Rattus Argentiventer</i>	<i>Cypermethrin</i> <i>Trichlorfon</i>	

To measures to avoid the development of resistance, the company just use the pesticide based on census result.

**4.6.2**

The company do not have pesticide application programs for control pest and Disease. All pesticide application is based on pest census. However for Herbicide to weed control, there is application program that listed on budget 2017, for example at mature area:

- Circle spraying knapsack is 2 rounds
- Selective spraying 2 rounds
- Strip spraying with maxi boom 4 rounds

The Unit Management had list pesticides usage from 2014 – 2016. The details are such as:

**Lima Blas Estate**

Type of Pesticides	active ingredients	2015		2016	
		liters	per Ha	liters	per Ha
Metfuron (in Kilogram)	<i>Methyl metsufuron</i> 20%	359.50	0.2	424	0.3
Sentry	<i>Glyphosate</i> 41%	12,269	10.1	15,030	11.6
RH cypher /	<i>Cypermethrin</i>	4,788	7.9	6,552	37.1

contest					
Krotopos	<i>monocrotphos</i>	880	0.4	240	0.1
Ebor bait	<i>warfarin</i>	15,740	7.4	3,280	1.5

In addition, Lima Blas Estate has Long Term Summary of Pesticide Usage that inform the pesticide rate per Ha period 2006-2016, for example on 2016 with total planted area is 3,251:

- Herbicide/Planted Ha: 3,06
- Insecticide/Planted Ha: 0.19
- Rodenticide/planted Ha: 0.000655

For LD50 information, the company shows Material Safety Data Sheet for example for LD50 Sentry is > 5000 mg / Kg.

**4.6.3**

The IPM plan is listed in SOP No. 7.0. Oil Palm Pest Management; point 7.0.4 explain the control of pest. The control of pest does not conduct just by pesticide but can do by biological control. For example for nettle caterpillar/ bagworms can control by beneficial plants (*Turnera subulata*, *antigonon*, *cassia cobanensis*, etc) and for control rat can use Barn owl. In addition, SOP explained that the use of pesticide are based on census data, if the result is above the threshold then it must control by use pesticide.

Based on visit on field 7 and 28 in Lima Blas Estate, there is known that the company is planting the beneficial plant (*Turnera subulata*) and installing the owl box

**4.6.4**

Based on list pesticides usage from 2014 – 2016, it is know that the company does not use paraquat. However the company are using pesticide with active ingredient *Warfarin* that include in Pesticide WHO category 1B, for example in Ulu Basir Estate on 2016 is using warfarin as much as 1,222 kg.

The use of ebor bait (warfarin) that include in Pesticide WHO category 1B is based on the Census Result. For Rat Census on April-October 2016, there are attacks above the threshold (5%), among others at ulu basir estate:

Field	March		
	Census Date	Infest	Treatment Date
5	03/10	9.73	07/10
6	26/9	7.22	08/10
9	27/9	7.03	6/10
10	12/10	10	22/10

**4.6.5 & 4.6.7**

SOP for chemical handling are listed in SOP Safe Use of Pesticides (Chapter IV, Section 11) describe classification of Pesticides According to Hazards; General Standard Operating Procedures; Safety Precautions, Emergency Measures, Medical Examinations, Procurement and Storage of Agricultural Chemicals to ensure optimum potency.

The company had record on the training regarding the pesticides / chemical handling such as :

- Training record on 02-03-2017 about safe use of highly toxic pesticides to 13 personnel conducted by assistant manager of Lima Blas Estate.
- Training about safe spraying operation to 12 personnel on 10 October 2016 at Ulu Basir Estate

Based on interview with sprayer, it is known that the workers has given a training by the company about safe work and use of PPE. The worker explaining that after work, they will cleanse their body and PPE and then the PPE must store in PPE Storage at the mixing area.

PPE provide is record in the document of PPE Issuance Record to the sprayer, for example:

- **Ulu Basir Estate:** Andrus given on 13/4/17 with type of apron, rubber shoes, nitrile glove, respirator mask.
- **Lima Blas Estate:** Mahmud Islam given PPE on 28/4/17 with type of apron and rubber glove; on 18/5 with type of respirator mask.

When the field visit spray activity is using Herbicide of Basta, it is known that workers have used PPE with type of respirator, nitrile glove, google, rubber boots, and wear two layer clothing from polyester. This has been in accordance with MSDS of Basta and Risk identification.

**4.6.6 & 4.6.10**

Sufficient SOP developed for handling of pesticide including storage and disposal.

Pesticide storage was developed and maintained in good condition.

Empty chemical container triple rinsed before the disposal. Hole punched on the container to prevent reuse of empty container.

No evidence of indiscriminately disposed of empty chemical container found during the site observation.

A specific area was prepared for storage of triple rinsed empty chemical container.

Disposal of empty container to appointed contractor observed.

**4.6.8**

Based on field visit in spraying activity, the pesticide application is done by spray tools and not applied by aerial.

**4.6.9 & 4.6.11**

List of sprayer available. Periodical training provided for identified sprayer. Bahasa Malaysia used during the training.

Annual medical surveillance performed for all sprayers. Medical surveillance record for all pesticide operators observed and found all sprayers are fit to work.

**4.6.12**

Policy on preventing pregnant and breast-feeding woman from handling pesticide observed.

No woman observed as sprayer during the audit. Memo will be issued by clinic of the woman pregnant.

	<b>Status:</b>	
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**4.7**

**An occupational health and safety plan is documented, effectively communicated and implemented.**

**Indicator 4.7.1**

Occupation Safety and Health Policy observed. Relevant safety operating procedure (SOP) observed with coverage of overall mill and estate operation process.

Occupational Health & Safety Management System established for mill.

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 performed according to legal requirement. Sufficient actions observed following the test results.

**Indicator 4.7.2**

HIRADC procedure developed with proper criteria attached for risk assessment at mill and estates. All mill and estates activities covered for HIRADC study. Relevant action plan proposed for identified hazard. Progress of OSH action plan assessed and found relevant program implemented according to plan. Updating of HIRADC 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.

**Indicator 4.7.3**

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.

**Indicator 4.7.4**

Safety & Health Committee established for mill and estates. The establishment of Safety & Health Committee observed and in line with legal requirement. Safety & 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.

**Indicator 4.7.5**

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.

Sufficient first aiders trained in mill and estates.

First aid box available at relevant area in the mills and observed with sufficient contents.

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 clinic facility available.

**Indicator 4.7.6 & 4.7.7**

Accidents reported for year 2016 & 2017 for mill and estate. Relevant accident investigation report observed and corrective action was verified during site observation. Good handling of accident observed at the moment. Submission of accident report such as JKPP6 & JKPP8 was complied with legal requirement.

Submission of accident summary record (JKPP8) to JKPP observed. Accident recorded in LTA term and clearly presented during the audit.

Medical insurance provided to all workers. Insurance agreement observed for all workers.

<b>Status: Comply</b>
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**4.8**

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

**4.8.1**

There is a list of staff, workers and contract workers is maintained by the Mill and Estate. Ulu Basir POM, Ulu Basir and Lima Blas estate has established an annual training plan for 2017. Annual training for RSPO P&C training stated in the OSHA Training Programme 2017. Ulu Basir and Lima Blas Estate show annual training programs for 2017 made by assistant manager and approved by estate manager. The training programs for 2017 are :

- a. SOP training in safety spraying
- b. SOP training in Pest and disease spraying
- c. SOP training in Weedicide / pesticide
- d. SOP training in Harvesting

the related training is covering in OSHA and HIRADC and in Safe Operating Procedures, Section 11 – Safe Use of Pesticides (S4.4 Safety precautions)

**4.8.2**

According to the available document, there is a training record of each workers and staff which include social, environmental and operation aspect. The record of each person is properly kept and maintained throughout the year of operation based on their name and nos. of training they have been through. 5 workers from Ulu Basir POM and Both Estate that came from different countries were interviewed during the ground verification.

**Status: Comply**

**PRINCIPLE #5 Environmental responsibility and conservation of natural resources and biodiversity**

**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.**

**5.1.1**

There is available Environment action plan made available at the estate: Environment Risk Assessment ERA) < Action Plan (EAP) & review Plan ERP 2017 dated 15<sup>th</sup> February 2017 for Ulu Basir mill and 29<sup>th</sup> March at Lima Blas estate (held at Iversen clubhouse) 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 Flat Bed method including mill operatio and Severity X Quantity X Probability results (SQP) :

- Weighbridge FFB reception = 4 (negligible ) ERAOM 1
- Sterilisers = 21.38 LOW (ERAOM 2)
- Crane and stripping station = 4 negligible
- Screw press station = 10 negligible
- Bunch Press station = 10 negligible
- Clarification system = 2 negligible
- Kernel Station = 18 low
- Laboratory = 12.17 (negligible)
- Biler House = 18 (low)
- Engine room / Power house = 9 negligible
- Raw Water treatment plant = 4 negligible
- Workshop maintenance and safety = 27 low

The Environment action plan was covering the remaining natural vegetation by: re-establish buffer zone as per DID regulation. Reducing usage of chemical by using mechanical mowers in harvesting, and avoiding spraying in waterways, Legumous cover crop establishment along drain edges and Oil Palm Disease Management. The assessment has been done accordingly by engaging the related stakeholders. The score and review of the Risk Assessment depends on the feedback and meeting discussion with the management decision and stakeholders both at Ulu Basir mill and Ladang Lima Blas.

**5.1.2 & 5.1.3**

The environmental management plan is established, there is a responsible person has been assigned for the environmental management plan in Mill and both estate. Potential impacts and measures to mitigate negative impacts is covered in the ERA, EAP and ERP for 2017. There is an evidence that the plan have been implemented with a complete timetable.

The plan has incorporated all the monitoring protocol in the EAP, ERA and EMP. The plan is reviewed yearly the latest in February and March 2017 at Ulu Basir Mill and Lima Blas estate. The result of monitoring will be changes on operational of the unit depending on the severity of the SQP result.

**Status: Comply**

**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**

**5.2.1**

In Ulu Basir Estate, the riparian area of 130.47 HA identified as HCV 04 in Ulu Basir Estate map. Species of animals identified were listed as least concern, including barn owl, wild boar, Kingfisher, Myna, cobra and monitor lizard. No threatened or endangered animal species were identified. The estate is monitoring their riparian from illegal encroachment, no fire, no hunting or bird trapping. For Lima Blas Estate, the estate has Virgin Jungle Reserve [88.44 HA] as HCV and Oxbow Lake [0.57 HA] and Self-Created Conservation [3.04 HA] and the intact dense forest at Lima Blas Estate is a living testimony of their commitment to conserve for generations to come. The decommissioning of Lima Blas POM is seen as a classic manifestation and honoring their contribution to natural conservations.

**5.2.2**

No HCV in Ulu Basir Estate, except there is Sungai Bernam river catagorised in 20-40 meter wide, buffer zone for the river is maintained. In Lima Blas Estate, the initial assessment by Wildlife Asia, the document indicating several mammals such as dragonflies and birds (with "Near Threatened" IUCN status) spotted in Lima Blas Estate. During this audit period, among the common species found and recorded in the ERT logbook area monkey, beetle, tortoise, cobra, various snakes, hornbill, Phoebes Rurina Butterfly. A management plan exists with annual review, the latest is group reviewed on January 2017. e.g. conservation of natural areas with high rating, monthly review, and done by the estate management staff.

**5.2.3**

There is a group level policy on the mission to protect any RTE species if would present in any of the company owns property. Even though there isn't any HCV within Ulu Basir Estate perimeter, the estate does regularly [at least annually] educate their workforce and external stakeholders on the HCV requirements. In Lima Blas Estate, a brief management plan established effectively since Feb 2013. Lima Blas jungle reserve of 85 ha and is totally conserved primary forest of over a century old. This plan is associated with a mile stone chart on activities how the estate can preserve the species.

**5.2.4**



In Ulu Basir, seen the management encourage the workers [during muster call] and surrounding communities [through stakeholder meeting] to report to the estate management if they spot any ERT. This was verified with external stakeholder during stakeholder meeting on 07/06/2018 at Ulu Basir Community Hall. Sighted a training record dated 13/11/2016 which was attended by 14 internal and external stakeholders. The Lima Blas Estate, consistently plan and conduct awareness trainings for internal and external stakeholders. However, according to the estate manager Mr. Azhar, the approach in conducting training in regard to the Reserve Jungle very much depends on the participants as to ensure the intention of the conservation is maintain at all time.

**5.2.5**

Since the estates were acquired from the state government, therefore no rights of local communities are applicable.

**Status: Comply**

**5.3**

**Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.**

**5.3.1**

Notification of scheduled waste to Department of Environmental observed in the mill and estates.

Several type of scheduled waste identified:

- a) SW 102
- b) SW 110
- c) SW 305
- d) SW 306
- e) SW 322
- f) SW 409
- g) SW 410

**5.3.2 & 5.3.3**

Schedules waste disposal data observed and inserted into e-swis system. Relevant consignment note observed and all records well kept. All scheduled waste disposed to licensed collectors.

Scheduled waste management program observed with disposal of scheduled waste to licensed collector and proper scheduled waste store erected and good store management practice observed. Good labelling practice observed.

**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 2016 & 2017. The management plan implemented and monitored.

Monitoring of diesel and electricity usage per tonne FFB performed in mill and estates. On-going analysis performed and monitoring result observed.

**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.**

**5.5.1 & 5.5.2**

The company has a policy of zero burning and the policy has been set up by the UP management on 18<sup>th</sup> February 2008

approved by Dato Carl Bek Nielsen (Chief Executive Director) and has been circulated to all workers, staff and business unit. The company has set the SOP of replanting procedure as per documented on the estate. Based on the field observation the company had used a method of felling, chipping and shredding for replanting and record of hectareage planted sighted at the estate. Based on the field audit and interview, it was known that the company had done zero-burning policy towards its entire operation. There is a replanting has been done accordingly based on the plan and the contractor appointed had used the mechanization process to replant the oil palm area. Sighted also the contract of replanting method that include all the operation of machine without burning. Based on the field visit at Ulu Basir Estate that done replanting on 2016, there is no evidence of land preparation using burning palm trees.

**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 Certification Unit has monitored the level of noise in the area undertaken by the accredited laboratory. The latest monitoring conducted on February 2017. There are several activities for example in boiler and sterilizer station that the noise level above the threshold. However the certification unit had implementing the regularly machineries check and services and also provide the workers with appropriate PPE as required.

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.

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 SIMApro 8 and IPCC method with the following data:

Emmission per product	tCO2e/tProduct
CPO	1.53
PK	1.53

Production	t/yr
FFB processed	166,089
CPO produced	35,996
PK produced	8,096

Extraction	%
OER	21.67
KER	4.87

Land use	Ha
Planted area	8,841
Planted on peat	669.84
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
Land conversion	-	-	-	-	-	-
CO2 emmissions from fertilizer	10,284	0.23	-	-	-	-
N2O emissions	13,646	0.31	-	-	-	-
Fuel consumption	1,679	0.04	-	-	-	-
Peat oxidation	40,634	0.92	-	-	-	-
Sinks	-	-	-	-	-	-
Crop sequestration	-	-	-	-	-	-
Sequestration in Conservation area	-869	-0.02	--	-	--	-
Total	65,374	1.48	-	-	-	-

Summary of Mill Emission and Credits

Emissions	tCO2e	tCO2e/tCPO
POME	3,195	0.07

Fuel Consumption	142	0,001
Grid Electricity Utilization	-	-
Credits	-	-
Export of Grid Electricity to Housing & Grid	-327	-0.01
Sales of PKS	-731	-0.02
Sales of EFB	-	-
Total	2,279	0.04

POME Treatment

Emissions	%
Divert to compost	0
Divert to anaerobic digestion	100

POME Diverted to Anaerobic Digestion

Emissions	%
Divert to anaerobic pond	0
Divert to methane capture (flaring)	68
Divert to methane capture (Electricity generation)	32

**Status: Comply**

**PRINCIPLE #6 Responsible consideration of employees and of individuals and communities affected by growers and mills**

**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.**

**6.1.1**

Social Risk Assessment (SRA) has been made with latest on 2017 for internal and external stakeholder for various activity :-

- Operation - Nursery
- Operation - Replanting
- Operation - Weeding
- Operation - Pruning
- Operation - Circle Sanitation
- Operation - EFB Mulching
- Operation - Water Management
- Operation - Roads, Paths, and Railways
- Operation - Boundary
- Operation – Oil Palm Pest and Disease Management
- Operation – Foreign Workers

Latest SRA is conducted on 13 March 2017 for Ulu Basir, Lima Blas Estate on 29 March 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. The process in conducting

the SIA and the findings is documented in Operational Social Risk Assessment (SRAOM 5)

**6.1.2**

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 Basir POM, Ulu Basir and Lima Blas Estate. There is a Social Risk Assessment (SRA) for outline the Social impacts and person in charge to resolve the issues.

**6.1.3**

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.

**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. There is no smallholder at Ulu Basir Mill, Ulu Basir and Lima Blas estate.

**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**

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 workings 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.

**6.2.2**

The nominated persons for Ulu Basir Mr Nek Wahid and Lima Blas Estate is Mr Azhar is in charge of all complaint or grievance from the stakeholder, there is stakeholder meeting that been held in every year, latest meeting in the 2017. 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).

**6.2.3**

There is a clear list of internal and external stakeholder listed the affected parties for Mill and Estate. The latest of stakeholder list is on 2017. There is a record of meeting of Internal / External Stakeholder Meeting on 17 march 2017 at Ulu Basir POM, Ulu Basir 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 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. 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**

Based on document verification and information by the United Plantation Representation Management, that informed 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. Based on stakeholder consultation and field visit observation in Ulu Bernam Estate and Sungai Cawang Estate, there was no land under of United Plantation under manage of customary right or earn by compensation process.



**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**

Based on list of Ulu Basir POM, Ulu Basir and Lima Blas Estate worker on 2017 there are 2 types of worker, there are C-roll and Contractor workers. 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. 4 workers were checked 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. In addition, the company also gives an annual bonus to celebrate the holidays depending on their religion, called Tunjangan Hari Raya (THR).

**6.5.2**

based on document contract there are information regarding duration of the contract, wages, working hours, piece rate, rest day, public holiday, annual leave, levy, medical and workmen compensation, Deductions, accommodation, sick leave, renewal of worker permit, air passages, repatriation, termination, restriction and termination of services, extension and outstanding wages. The contract available in English languages, Malay, Tamil, Bengali, Nepal, Hindi version. Based on the interviewed the workers is understand about the contact matters. Pay and conditions provided in agreements (contract) is based on local regulation. Stated in item 5 workers will received the salary based on the tariff set by the Malaysia Agricultural Producers Association (M.A.P.A) and National Union of Plantation Workers (N.U.P.W). Latest salary for July 2016 is based on the average oil palm price announced by MPOB. Minimum wages is RM 1000. No cases recorded of breach by the company, or complaint made by employees against the company.

**6.5.3**

Based on the site visit, The management have complied workers Minimum Standards of Housing and Amenities Act 1990 (Act 446). All workers are provided with adequate housing and were observed in very good conditions. In Lima Blas Estate 12 unit of phase 1 cost of RM 1,767,387.00 completed in October 2010 and occupied in January 2011, Phase 3, 4 Blocks total cost RM 819,767.00 completed in May and occupied in June 2015.



Phase 2 Workers Housing Quarters



Phase 3 Workers Housing Quarters

Several new staff quarters and modern employees' house were built during 2016 in line with the UP Goal to provide its employees with the best housing facilities within the plantation industries. Upgrading the UP guest workers living quarters with the two apartment blocks completed 2011. Living facilities with a living area 220m<sup>2</sup> per unit encompassing 3 bedrooms, 1 kitchen, 2 bathrooms and large hall and patio. More than 20 additional terrace apartment blocks have been built providing first class housing facilities for more than 140 employees

Adequate electricity for each workers and clean water supplies available all year round at Ulu Basir POM, Ulu Basir and Lima Blas Estate. POM and Estate is using the treated water and have a permit form Jabatan Tenaga Kerja Semenanjung Malaysia (Permit kebenaran menggunakan bekalan air persendirian sekyen 6(1) (a) Akta Standard-Standard Minimum Perumahan dan Perumahan dan kemudahan pekerja 1990 from 17 April 2015 – 16 April 2018 - SPAN Domestic Water Treatment License from 17 April 2015 – 16 April 2018 (SPAN / EKS / (PT) / 800 – 4- 15 / 09. Monthly drinking water analysis is done to monitor the water quality for parameter E-coli and Total Coliform and yearly analysis for full parameter based on the WHO guidelines. Domestic water usage consumption is monitored yearly.

There is a Dispensary / Clinic, Visiting Medical Officer, Hospital Assistant, Ambulatory services and at Lima Blas Estate 1 Divisional Clinic, 1 Visiting Medical Officer, 1 Hospital Assistant and 1 Malaysia Mobile Clinic from government provided free medical treatment to all the occupants (Local and Foreign Workers) of Lima Blas Estate There is SK Ulu Bernam, SMK Ulu Bernam and SJKT Ulu Bernam cater for estate workers and also other communities surrounding. Transport subsidized by the company (90% of the cost) and financial aid and scholarship for higher education.

**6.5.4**

Ulu Basir POM, Ulu Basir and Lima Blas Estate is giving free of water and subsidized electricity to all workers to improve their income and also provide credit terms for workers, with pasar malam on payday more choices available and cheaper. Estate provides rice & cooking oil for workers personal use in the beginning of month at cost price from whole seller.

9 primary schools and 7 kindergarten which are maintained by the UP providing education for more than 500 children ranging from 5 to 12 years. Bus subsidies for school above the age of 12 years are also provided for. A place of worship, group hospitals and clinics and old folks home to care for the aged and the homeless as well as a fully operational Danish bakery are also a part of UP care and commitment towards the wellbeing of its employees. in addition 42 scholarships were granted to children of UP employees enabling these students to pursue their tertiary studies

**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 UIE Estate 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. The minutes of meeting are available at the management office of Mill and both estate.

There are documented meeting between representative of worker and management to attend meeting in 19 April 2017 for Ulu Basir and 24 May for Lima Blas Estate. The meeting subject are guest worker welfare committee meeting. There are minutes of meeting discuss about new worker orientation, welfare, safety, runaway worker. The attendance list and minutes of meeting are keep in the division office and the copy distribute to all attendee.

**Status: Comply**

**6.7**

**Children are not employed or exploited.**

**6.7.1**

There is a clear policy that prohibited under aged workers (below 16 years) Human Rights Policy, Signed by Dato' Carl Bek-Nielsen, Chief Executive Director on 23 March 2013. There is a list of workers & age as stated that all of the workers are aged above than 16 years old. Based on the site visit and interview there is no employment of workers below the minimum working ages. Ulu Basir POM, Ulu Basir and Lima Blas Estate is complied with the labour law and their human rights policy to not employed workers less than 16 years.

**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**

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).

**6.8.2**

There is evidence that employees and immigrant workers have not been discriminate based on the foreign workers union and gender committee to express the workers feelings. Based on the interview the workers is happy with the way Estate management treating them 4 workers were interviewed. There is no complaints against the company relating to this

issues. There is a Grievance and Redressal procedure established at to handle the complaint lodged by the workers. Workers also can raise issues during the meeting. All record is keep by the HR department of Mill and Estate.

**6.8.3**

For local workers there is an evidence of job vacancies advertisement detailing about the academic qualification and experiences. There is a detail of specification for employment in (MAPA'S Manual of Job Classification in Respect of Clerical, Medical & Health and Technical Staff non-clerical staff and guidelines for employment by United Plantation Berhad. For foreign workers, the recruitment and selection are based on passing the medical fitness by FOMEMA.

**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**

There is a policy to prevent the sexual harassment and violence (Sexual Harassment Policy) signed by Ho Dua Tiam, Senior Executive Director. A clear procedure to channel the sexual harassment in the workplace, and there is a specific form (Misconduct Report Form (Sexual Harassment & Violence) to launch a complaint to the management.

There is a gender committee training calendar for 2017. Awareness, training has been done to all the UP workforce: "An Understanding of Sexual Harassment at Work" 14 July 2016). A gender committee is established at UIE Estate. List of the member of the gender committee is displayed at the Notice Board at Mill and Estate. There is a training calendar for gender committee programme 2017 Based on the grievance procedure for sexual harassment in the workplace there is consultation with the Company's Executive Committee.

There is a policy to protect the reproductive rights for women (Gender Policy) to protect the reproductive rights and Motherhood responsibilities of women as under the Universal Declaration of Human Rights and Labour laws. In workers agreement there is a clause related to OSHA 1994 (Article 37 – Non-Hazardous duty for Expectant Women. Latest policy is signed on 24 April 2015.

**6.9.3**

There is Grievance Redressal Procedure to recognizing the value and importance of discussion in clearing up misunderstanding and preserving harmonious relations, every reasonable effort shall be made by the Estate / MAPA and employee / NUPW to dispose of any grievance or complaints at the lowest possible level as quickly as possible. 4 steps of procedure to raise the grievance. Besides the supervisors the workers can raise the issues to the workers unions and straight up to Group Manager. The procedure is documented and copy is given to the workers through Employee's Hand Book. The Estate Manager and Assistant manager is responsible person to receive and manage complaints from the workforce.

**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 and 6.10.4**

The interview resulted from stakeholders and company workers, found no smallholders associated to this certificate holder and the mill only receives FFB from own estates. However, there is a MOA dated 08/12/2016 between mill/estate and contractor [Armada Semarak Sdn. Bhd.] utilizing contractor own permits in carrying out contract jobs in the mill by employing foreign workers with valid travel documents and work permits. The interview resulted from stakeholders and company workers, found no smallholders associated to this certificate holder. Seen the MOA dated 08/12/2016 between mill/estate and contractor [Armada Semarak Sdn. Bhd.] was signed mutually by G. Padmanathan [Resident Engineer of UP] and Sukumar on behalf of contractor. The interview resulted from stakeholders and company workers, found no smallholders associated to this certificate holder. Seen the payment evidence for the contractor as mentioned in 6.10.3,



amount of RM 3784.00 was paid on 29/05/2017 and the workers are paid through bank deposit. Sampled record of payment for Feb 2017, the workers acknowledged their payment in the Check roll Summary.

**Status: Comply**

**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 POM and Estate. The company was sighted an evidences of contributions to local development made by the Mill and Both estate 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. In the year of 2016 there is an award for winner for the Best Corporate Responsibility Initiatives (CSR) category by the Edge Billion Ringgit Club (Below RM 10 billion market cap)

**Status: Comply**

**6.12**

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

**6.12.1**

Human right policy, 2014, UP will not tolerate the use of child or forced labour, 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 labour, 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 is Mr Hazizi for selecting / 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.

	<b>Status: Comply</b>	
<b>6.13</b>		
<b>Growers and millers respect human rights</b>		
<b>6.13.1</b>		
<p>The United Plantation Bernhard has Human Right Policy signed by Carl Bek Nielsen (Chief Executive Director) on 23 March 2013. 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 &amp; 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 on 31 March 2017 in Ulu Basir Estate. Also has been observed the documentation of Human Right Policy communicated in Ulu Basir and Lima Blas Estate. The audience was cover to Local Malaysia, Office Staff and Field Staff (Harvester, Chemical &amp; Fertilize Applicator &amp; foreman). Based on field visit on mill area and both of estate (Ulu Basir &amp; Lima Blas), there was showed in several place (office area, housing complex and the public area) was installed the Human Right Policy. The result of interview on stakeholder consultation with the several workers, worker union representative and Gender Committee, there is no cases of human rights violations</p>		
<b>6.13.2</b>		
Based on document verification and stakeholder consultation with foreign worker from Indonesia and India in Ulu Basir Estate and Lima Blas Estate, there is no foreign worker can bring their family to United Plantation.		
	<b>Status: Comply</b>	
<b>PRINCIPLE #7 Responsible development of new plantings</b>		
<b>7.1</b>		
<b>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.</b>		
There is no expansion of the plantation operations observed during filed visit. The stakeholder interview also has resulted that both estates has not engaged in any land clearing.		
	<b>Status: Comply</b>	
<b>7.2</b>		
<b>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.</b>		
There is no expansion of the plantation operations observed during filed visit. The stakeholder interview also has resulted that both estates has not engaged in any land clearing.		
	<b>Status: Comply</b>	
<b>7.3</b>		
<b>New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.</b>		
<b>7.3.1, 7.3.2, 7.3.3, 7.3.4 and 7.3.5</b>		
There is no expansion of the plantation operations observed during filed visit. The stakeholder interview also has resulted that both estates has not engaged in any land clearing. United Plantations Bhd have send the "0" Liability Disclosure to RSPO Secretariat July 2015.		
	<b>Status: Comply</b>	



<b>7.4</b>	
<b>Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.</b>	
There is no expansion of the plantation operations observed during filed visit. The stakeholder interview also has resulted that both estates has not engaged in any land clearing.	
	<b>Status: Comply</b>
<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>	
There is no expansion of the plantation operations observed during filed visit. The stakeholder interview also has resulted that both estates has not engaged in any land clearing.	
	<b>Status: Comply</b>
<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>	
There is no expansion of the plantation operations observed during filed visit. The stakeholder interview also has resulted that both estates has not engaged in any land clearing.	
	<b>Status: Comply</b>
<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>	
There is no expansion of the plantation operations observed during filed visit. The stakeholder interview also has resulted that both estates has not engaged in any land clearing.	
	<b>Status: Comply</b>
<b>7.8</b>	
<b>New plantation developments are designed to minimise net greenhouse gas emissions.</b>	
There is no expansion of the plantation operations observed during filed visit. The stakeholder interview also has resulted that both estates has not engaged in any land clearing.	
	<b>Status: Comply</b>
<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>	
For the mill, in order to improve of OER and KER, always ensure of the SOPs are fully follow in order to ensure machineries are running well without leakages. Continuous grading done by laboratory personnel to ensure estates are not sending hard bunches, under ripe or over ripe. For estates, there is a "Annual Yield Per Hectare [FFB]" documented with reference to color coding against tonnage. Sampled Block 09, planted year 2008 with mature hectarage of 81.80. Based on the annual report of 2016, monthly crop production was highest during the second half of the year where 53% of the crop for the year was realized.	
Several continual improvement activities observed during audit:	
<u>Palm Oil Mill</u>	
a) Installation of VORSEP dust collector system to improve the air emission.	

- b) Operation of biogas plant.
- c) Implemented The LOTO system to enhance safety at work and to eliminate/reduce accidents at workplace.

**Best Management Practices in Estate**

- Buffalo collection contributes effectively towards reduction of fossil fuel usage
- Mowing of harvester’s path, greater emphasis is given to the mowing of the harvesters’ path to control weeds, soil erosion and rutting. These practice effectively reduces the use of herbicides and associated smell and odour problems, including air pollution in general.
- Chantas Mehcanizerd Harvesting for increases productivity & harvesting becomes less strenuous
- Using "Allion" for extra herbicide to effectives the use of herbicide. The "Allion" can reduce of herbicide use till 50%. This is shown from rotation of spraying activity from 4 round now is just 2 round. for example

**Social impacts**

- House upgrading
- Upgraded ATM Machine to comply the new banking facilities
- Build new shop houses in division

**Pollution and greenhouse gas (GHG) emissions**

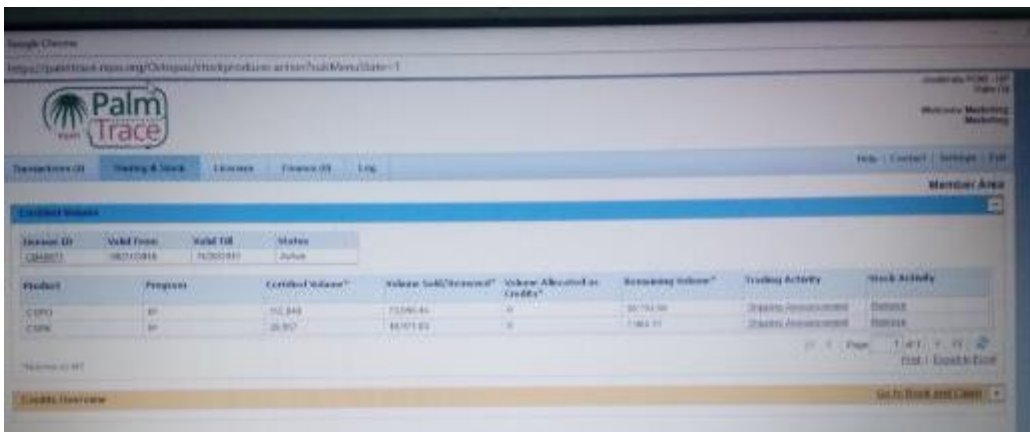
- Close monitoring on vehicle usage & expected improvement from TNB for consistent supply which will avoid using genset
- To improve and sustain the usage of petrol by having good controls.
- Good periodic maintenance schedule & it is in tandem with FFB processing hours.
- Increase implementation of buffalo assisted operation whereas suitable
- Buffalo collection contributes effectively towards reduction of fossil fuel usage
- To maintain batteries in good order

**Encourage optimising the yield of the supply base**

- Maintaining the harvesting standard
- To maintain harvesting interval 10 - 12 days
- To improve ripeness standard
- Despatch crop to mill within 24 hours
- To plant high yielding material
- Increase Buffalo Joint Crop Share System (JCSS) when more suitable area come into maturity

<b>Status: Comply</b>	
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**3.2. Summary of Assessment Report of Supply Chain Requirement**

Clause	(Module D) CPO Mills – Identity Preserved Requirements				
D1	Definition				
<p><b>D.1.1</b>  <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>Visit and interview with mill workers, found the mill is complies to IP module since the FFB used by the mill are sourced from its own supply base who also RSPO certified. During visit to weighbridge station, the “Avery - Cardinal System” was accessed to verify the volumes and sources of certified FFB entering the mill for the period from Aug 2016 – Mar 2017 and found no negative findings. the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products.</p>					
<p><b>Status: Comply</b></p>					
D.2	Explanation				
<p><b>D.2.1</b>  <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>On every month-end the Palm Trace announcement done by Marketing &amp; Shipping Department of Unitata Berhad and the in-charge person is K. Senthamarai Selvi. It is the UP Berhad management’s decision to centralize control of Palm Trace for both refinery and palm oil mill.</p> <p>Based on the Shipping Announcement the seller name appears as Jenderata POM – UP with registration number RSPO_PO100000238 who act on behalf of 3 mills], however the seller contract number stated the Ulu Basir mill which the supply base of CSPO.</p> <p>For this audit, the cut-off date of announcement in Palm Trace is from 21/08/2016 to 30/04/2017, whereby the transactions from 01/05 – 31/05/2017 still in progress of updating. Based on the Palm Trace account logged on 05/06/2017 at 10.45am, the volume shown in the “Trading &amp; Stock” is as below:</p>					
					
<p>The validity of the Palm Trace account has been extended to 20/11/2017 from initial date of 20/08/2017 as the mill expected to end its operation by October 2017. In line with the expansion of validity period a request to add of volume as below been posted by Ulu Bernam Mill:</p>					
	Product	21/08/16	01/06/17	Current Palm Trace balance	Additional Palm Trace Provisions
		-	-		

	20/05/17	21/11/17	25/05/17	till Nov'17
CPO	82,675.00	63,852.00	40,254.00	23,598.00
PK	19,283.00	14,532.00	7,985.00	6,547.00

The estimated tonnage of CPO and PK products for next one year are:

- FFB: 190,220 ton
- CPO: 41,848 ton (OER: 22%)
- PK: 9,511 ton (KER: 5%)

**Status: Comply**

**D.2.2**

**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).**

- Certified CSPO sold to each buyer period of Aug 2016 to April 2017

Date / Month	Buyer	Volume [MT]
Aug'16	Unitata Berhad	2531.23
Sept'16	Unitata Berhad	934.01
Oct'16	Unitata Berhad	2831.55
Nov'16	Unitata Berhad	4095.74
Dec'16	Unitata Berhad	3741.94
Jan'17	Unitata Berhad	4145.16
Feb'17	Unitata Berhad	1448.68
Mar'17	Unitata Berhad	1289.09
Apr'17	Unitata Berhad	1353.63
<b>Total</b>		<b>22,371.03</b>

- Certified Palm Kernel sold to each buyer period of Aug 2016 to April 2017

Date / Month	Buyer	Volume [MT]
Aug'16	Unitata Berhad	798.41
Sept'16	Unitata Berhad	850.19
Oct'16	Unitata Berhad	820.76
Nov'16	Unitata Berhad	835.28
Dec'16	Unitata Berhad	636.38
Jan'17	Unitata Berhad	564.23
Feb'17	Unitata Berhad	659.06
Mar'17	Unitata Berhad	926.27
Apr'17	Unitata Berhad	765.35
<b>Total</b>		<b>6,855.93</b>

**Status: Comply**

**D.3 Documented procedures**

**D.3.1**

**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:**

- Complete and up to date procedures covering the implementation of all the elements in these requirements;**
- 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.**

A group level SOP "Traceability and RSPO Supply Chain Certification System" - SOP No.240-A, established as guideline to ensure the implementation for the SCC required elements. It aims 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 persons 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 personnel involved.

**Status: Comply**

**D.3.2**

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

The mill does not receive FFB from external sources. The mill has a 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 connects to United Plantations 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.**

- Certified and non-certified FFB received period of Aug 2016 to April 2017

Month	FFB		
	RSPO Certified	Non-Certified	Total
Aug'16	15344.68	-	15344.68
Sept'16	15089.60	-	15089.60
Oct'16	18665.94	-	18665.94
Nov'16	16552.34	-	16552.34
Dec'16	15339.81	-	15339.81
Jan'17	14048.58	-	14048.58
Feb'17	13574.39	-	13574.39
Mar'17	15762.66	-	15762.66
Apr'17	18049.89	-	18049.89
<b>Total</b>	<b>142427.90</b>	<b>-</b>	<b>142427.90</b>

**Status: Comply**

**D.4.2**

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

There was no overproduction calculated and the finding is as follows:

Month	Number		
	FFB	CPO	PK
Aug - Oct 2016	49100.22	11108.34	2498.47
Nov 2016 – Jan 2017	45940.73	9358.28	2025.24
Feb - Apr 2017	47386.94	9866.64	2394.97
01 <sup>st</sup> to 20 <sup>th</sup> May 2017	10135	2099.98	494.90
<b>Actual Total</b>	<b>152562</b>	<b>32433.24</b>	<b>7413.58</b>

Estimate of production on the certificate are:

- FFB: 176,216 ton
- CPO: 40,713 ton
- PK: 9,705 ton

	<b>Status: Comply</b>																															
<b>D.5</b>	<b>Record keeping</b>																															
<b>D.5.1</b>																																
<b>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.</b>																																
	<table border="1"> <thead> <tr> <th rowspan="2">Month</th> <th colspan="3">Number</th> </tr> <tr> <th>FFB</th> <th>CPO</th> <th>PK</th> </tr> </thead> <tbody> <tr> <td>May - Jul 2016</td> <td>32623.58</td> <td>6849.32</td> <td>1504.06</td> </tr> <tr> <td>Aug - Oct 2016</td> <td>49100.22</td> <td>11108.34</td> <td>2498.47</td> </tr> <tr> <td>Nov 2016 – Jan 2017</td> <td>45940.73</td> <td>9358.28</td> <td>2025.24</td> </tr> <tr> <td>Feb - Apr 2017</td> <td>47386.94</td> <td>9866.64</td> <td>2394.97</td> </tr> <tr> <td>May 2017</td> <td>16440.77</td> <td>3419.37</td> <td>791.00</td> </tr> <tr> <td><b>Total</b></td> <td><b>191492.24</b></td> <td><b>40601.95</b></td> <td><b>9213.74</b></td> </tr> </tbody> </table>	Month	Number			FFB	CPO	PK	May - Jul 2016	32623.58	6849.32	1504.06	Aug - Oct 2016	49100.22	11108.34	2498.47	Nov 2016 – Jan 2017	45940.73	9358.28	2025.24	Feb - Apr 2017	47386.94	9866.64	2394.97	May 2017	16440.77	3419.37	791.00	<b>Total</b>	<b>191492.24</b>	<b>40601.95</b>	<b>9213.74</b>
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	<b>Status: Comply</b>																															
<b>D.6</b>	<b>Processing</b>																															
<b>D.6.1</b>																																
<b>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</b>																																
<p>There are 7 SOPs, a process flow chart and a Sop on SCC established. Since the mill only adopts to IP Module, therefore the established procedures are seen clearly indicates the required mechanisms to ensure the objective of IP is monitored and achieved. There is also a storage tank map available for 5 tanks for CSPO [2x1000MT and 3x100MT], there are 2 kernel silo tanks x 140MT and 140MT kernel dispatches. Sampled records verified for FFB tickets from 3 estates, weighbridge tickets for CSPO, CSPKO and FFB.</p>																																
	<b>Status: Comply</b>																															
<b>D.6.2</b>																																
<b>The objective is for 100 % segregated material to be reached</b>																																
<p>The mill only receives FFB from UP Berhad owns plantations [Ulu Basir Estate, Lima Blas Estate and Changkat Mentri Estate], therefore it was assessed for IP module. Based on the documentation verification, interview with mill workers and visit to weighbridge station, there is no evidence the mill applies SG module. However, due to the request from buyer [Unitata Berhad], the mill sold CSPO &amp; CSPKO under SG where the internal documents such as weighbridge tickets are stamped as "Certified Sustainable – CPO (SG) MUTU-RSPO/068. The status in Palm Trace remain as "IP".</p>																																
	<b>Status: Comply</b>																															



**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>Recert</b>	ULU BASIR Palm Oil Mill, United Plantation Berhad has had approval/permit the use of the certificate by Mutugung Lestari with CERTIFICATE CODE: <b>MUTU-RSPO/068</b>	✓
	<b>Status: Full Compliance</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>Recert</b>	ULU BASIR Mill does not use the logo both in the on-product and off-product.	✓
	<b>Status: Full Compliance</b>	
<b>3.</b>	<b>Implementation of Certificate and Logo is not used on product</b>	<b>X or ✓</b>
<b>Recert</b>	ULU BASIR Mill does not use the logo both in the on-product and off-product.	✓
	<b>Status: Full Compliance</b>	
<b>4.</b>	<b>Controlling of Certificate and Logo, including withdrawing inappropriate logo.</b>	<b>X or ✓</b>
<b>Recert</b>	ULU BASIR Mill does not use the logo both in the on-product and off-product.	✓
	<b>Status: Full Compliance</b>	

**3.4. Summary of RSPO 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.

Section	Requirement	Concerns to Discuss, if any
3.4.1.	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>
3.4.2	<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 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</p>

		<p>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>
3.4.3	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>
3.4.4	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 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>
3.4.5	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</p>

		<p>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>
3.4.6	<p>Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.</p>	<p>Yes, there is process for land legality.</p> <p><b>Auditor verification</b></p> <p><b>PT Surya Sawit Sejati</b></p> <p>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-HRD-017-R00. SSS has conducted internal audit for legal compliance and explained the process for evaluate the compliance of regulation.</p>

**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 *Re-Certification* Assessment**

<b>NCR No.</b> :		<b>Issued by</b> :	
<b>Date Issued</b> :		<b>Time Limit</b> :	
<b>NC Grade</b> :		<b>Date of Closing</b> :	
<b>Standard Ref. &amp; Requirement</b> :			
<b>Non-Conformance Description &amp; Evidence observed:</b>			
During the re-certification assessment conducted, there was no non-conformity raised.			
<b>Root Cause Analysis:</b>			
<b>Correction:</b>			
<b>Corrective Action:</b>			
<b>Assessor Evaluation and Conclusion:</b>			
<b>Verified by</b> :			

**3.5.2 Opportunity for Improvement**

No	Ref Std	Descriptions
1	Major 2.1.1	Consideration to improve the scheduled waste manage selection & evaluation process (Ulu Basir Estate)
2	Minor 2.2.2	Consideration to review the current legal boundary monitoring process to achieve uniformity among estate
3	Major 4.3.4	It is worthwhile to ensure measurement result consistent with improved measurement methodology of water level monitoring in the peat area

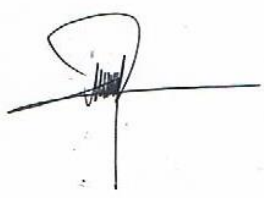
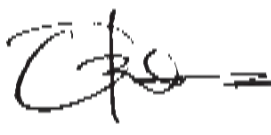
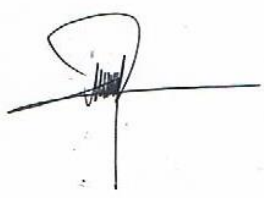
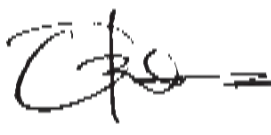
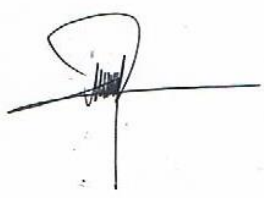
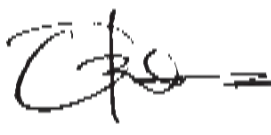
**3.5.3 Noteworthy Positive Components**

No	Description
1	The Company has commitment to implement the principle of sustainable palm oil management
2	Has earned RSPO certificate in 2008
3	The Ulu Basir POM has install VORSEP Dust Collector to reduce dust emission for compliance of Clean Air Regulation 2014
4	The company was implemented the Best Agriculture Practices in weeding control to reduce of herbicide usage
5	The company has provide above average Workers Housing and sufficient supporting facilities
6	There is no any traces of labor discrimination for both local and foreigners as seen many employees of the company are long serving and comfortable with the management administrative

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

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>Respondent no. 1 (Bengali workers representative)</p> <p>A workers representative from ULU Basir estate thanking the management of UP Berhad and already working in a company for 11 years. He said that the company had been cooperative and provide all the safety equipment to all the workers. He said that he is satisfied with how the company is treating them.</p>	<p>The company had thanked the worker for their commitment working in Up Berhad. The Company also promised to continue giving full support and cooperation with the guest workers without discrimination with the local workers.</p>
<p>Respondent no. 2 (Indonesian workers representative)</p> <p>The worker had been 14 years working in a company and so far he is very satisfied on how the company treating the guest workers and local workers. He is happy with UP management towards the workers right also</p>	<p>The company had thanked the worker for their commitment working in Up Berhad. The Company also promised to continue giving full support and cooperation with the guest workers without discrimination with the local workers.</p>
<p>Respondent no. 3 (Villagers representative)</p> <p>The local villagers thanking UP for the invitation to the stakeholder meeting. He said there is no problem with UP management and operation as UP had given the full cooperation and had operate the mill and estate properly. He give a suggestion to UP management to more involve in the activities that been organised by the nearby village.</p>	<p>The company thanking the respondent regarding their comment on UP management and operation. The UP management will look into the suggestion and enhance the engagement with local stakeholders and nearby village.</p>
<p>Respondent no. 4 (Felda Gedangsa Estate)</p> <p>The Felda representative thanking the management for inviting them to the stakeholder meeting. The respondent had a concern regarding the management UP. During the RSPO audit in Felda Gedangsa, it was found a rubbish and fertilizer bags at the boundary of UP (Lima Blas estate) and Felda. Hence they want the UP management to be more concern regarding the waste management at the boundary area.</p>	<p>The issue had been asked to UP management accordingly. Based on the interview and field verification, the company had found that the rubbish is from the nearby village (kg Sri Keledang) and not from UP Estate Lima Blas. The fertilizer bags and rubbish pit area was far from the boundaries and not nearby the estate. However, UP management will look into the issue and will enhance the engagement and cooperation with nearby estate and stakeholders.</p>



<b>4.0</b>	<b>CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY</b>		
<b>4.1</b>	<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 border="0" style="width: 100%;"><tr><td style="text-align: center; width: 50%;"><p>United Plantation Berhad, Malaysia Management Representative</p><p><b><u>C. Mathews</u></b> June 21<sup>st</sup>, 2017</p></td><td style="text-align: center; width: 50%;"><p>Mutuagung Lestari Lead Auditor</p><p><b><u>Oktovianus Rusmin</u></b> June 21<sup>st</sup>, 2017</p></td></tr></table>	<p>United Plantation Berhad, Malaysia Management Representative</p>  <p><b><u>C. Mathews</u></b> June 21<sup>st</sup>, 2017</p>	<p>Mutuagung Lestari Lead Auditor</p>  <p><b><u>Oktovianus Rusmin</u></b> June 21<sup>st</sup>, 2017</p>
<p>United Plantation Berhad, Malaysia Management Representative</p>  <p><b><u>C. Mathews</u></b> June 21<sup>st</sup>, 2017</p>	<p>Mutuagung Lestari Lead Auditor</p>  <p><b><u>Oktovianus Rusmin</u></b> June 21<sup>st</sup>, 2017</p>		

**Appendix 1. List of Stakeholder Contacted in the RSPO Certification Process**

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Felda Gedangsa Estate	Ulu Basir, Perak, Malaysia	-	FGD	07/06/17	✓	
2	Balai Bomba	Ulu Basir	-	FGD	07/06/17	✓	
3	Bengali workers representative	Ulu Basir	-	FGD	07/06/17	✓	
4	Indonesia workers representative	Ulu Basir	-	FGD	07/06/17	✓	
5	Gender Committee	Ulu Basir	-	FGD	07/06/17	✓	
6	Worship committee (church, Mosque, Temple) / Villager Representative	Ulu Basir	-	FGD	07/06/17	✓	
7	Local Shopkeeper	Ulu Basir	-	FGD	07/06/17	✓	
8	Environmental Protection Society Malaysia	Malaysia	epsm@epsm.org.my	Email	30/05/17		✓
9	All Women's Action Society	Malaysia	awam@awam.org.my	Email	30/05/17		✓
10	Malaysian National Animal Welfare Foundation	Malaysia	secretary@mnawf.org.my	Email	30/05/17		✓
11	United Nation Development Program	Malaysia	registry.my@undp.org	Email	30/05/17		✓
12	Malaysian Environmental NGOs	Malaysia	admin@mengo.org	Email	30/05/17		✓
13	Sustainable Development Network	Malaysia	bisans@pc.jaring.my	Email	30/05/17		✓
14	Ulu Basir Estate: - 3 harvesters - 1 IPM worker - 5 fertilizer applicators - 4 man pesticide applicator	Ulu Basir, Perak, Malaysia	-	interview	07/06/17	✓	
15	Lima Blas Estate: - 3 harvesters - 1 IPM worker - 3 fertilizer applicators - 5 man pesticide applicator	Ulu Basir, Perak, Malaysia	-	interview	08/06/17	✓	

**Appendix 2. Assessment Program**

DATE		5 <sup>th</sup> to 9 <sup>th</sup> June 2017	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<b>Ahad / Sunday, 4 June 2017</b>			
08.35 – 11.50	08.45 – 12.00	<b>JAKARTA → KUALA LUMPUR</b>	• ORN / RNL
12.00 – 15.00	12.00 – 15.00	<b>KUALA LUMPUR → Lodging / United Plantations Guest House, Jendarata, Teluk Intan, Perak</b>	• ORN / MHS / EBN / HR / YCH / RNL
<b>Rabu / Wednesday, 7 June 2017</b>			
07.00 – 08.00	07.15 – 08.20	<b>Guest House → ULU BASIR</b>	• ORN / MHS / EBN / HR / YCH / RNL
08.00 - 08.30	08.20 – 09.00	<b>Opening Meeting (at Ulu Basir estate Meeting Room) → heads of Ulu Basir estate, Lima Blas estate and Ulu Basir Mill.</b> (Brief Introduction, Audit scope confirmation, Standards Use, Audit Objectives, Transparency and Confidentiality Clarification and Audit Agenda Explanation)	• ORN / MHS / EBN / HR / YCH / RNL
08.30 - 13.00	09.00 – 12.30	<b>Field Observation ULU BASIR Mill</b> • Mill processing, WWTP, Land Application, Schedule Waste, Water Treatment Plant, Safety & Health • Supply Chain  <b>Field Observation ULU BASIR estate</b> • Legal Operational (Boundary Monitoring). • Conservation area  • Best Agricultural Practices (Manuring, Spraying, Harvesting, Integrated Pest Management, Empty Fruit Bunch Application, Land Application, Health and Safety Implementation) • Worker Welfare and Interview (housing, payments, complaint mechanism, health clinic, clean water, etc.)	• YCH / EBN  • MHS • ORN  • RNL  • HR
13.00 – 14.00		<b>BREAK</b>	
14.00 - 15.30	14.00 – 15.30	<b>Document Review</b> • Review of Previous Visit Non-conformance • Collect Basic Information (Mill and Estates)	• ORN / MHS / EBN / HR / YCH / RNL
15.30 – 16.30	15.30 – 16.30	<b>follow-up any outstanding audit issues</b>  <b>Internal &amp; External Stakeholders Meeting (Ulu Basir estate Community Hall)</b> • Related Government Institutions & NGO • Nearest village and community leader • Worker representative	• ORN / MHS / YCH / RNL  • HR / EBN

DATE		5 <sup>th</sup> to 9 <sup>th</sup> June 2017	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
16.30 – 17.00	16.30 – 17.00	<b>Brief of Audit progress</b>	<ul style="list-style-type: none"> <li>• ORN / MHS / EBN / HR / YCH / RNL</li> </ul>
<b>Khamis / Thursday, 8 June 2017</b>			
07.00 - 08.00	07.00 – 08.30	<b>Guest House → LIMA BLAS estate</b>	<ul style="list-style-type: none"> <li>• ORN / MHS / EBN / HR / YCH / RNL</li> </ul>
08.00 - 13.00	08.40 – 13.30	<b>Field Observation LIMA BLAS Estate</b> <b>A-Team</b> <ul style="list-style-type: none"> <li>• Legal Operational (Boundary Monitoring).</li> <li>• Conservation area</li> </ul> <b>B-Team</b> <ul style="list-style-type: none"> <li>• Best Agricultural Practices (Manuring, Spraying, Harvesting, Integrated Pest Management, Empty Fruit Bunch Application,</li> <li>• Land Application, Health and Safety Implementation)</li> </ul> <b>C-Team</b> <ul style="list-style-type: none"> <li>• Worker Welfare (housing, payments, complaint mechanism, Safety and Health, Labour, health clinic, clean water, other facilities)</li> <li>• Land Fire facilities</li> <li>• Chemical Storage, Schedule Waste storage, ect..</li> </ul>	<ul style="list-style-type: none"> <li>• ORN</li> <li>• MHS</li> <li>• RNL</li> <li>• YCH</li> <li>• EBN</li> <li>• HR</li> </ul>
13.00 – 14.00		<b>BREAK</b>	
14.00 – 16.30	14.00 – 16.30	<b>Document Review → Lima Blas estates</b> <ul style="list-style-type: none"> <li>• Document Verification, Completion of Checklist for Mill &amp; Estate</li> <li>• <b>follow-up any outstanding audit issues</b></li> </ul>	<ul style="list-style-type: none"> <li>• ORN / MHS / EBN / HR / YCH / RNL</li> </ul>
16.30 – 17.00	16.30 – 17.00	<b>Brief of Audit progress</b>	<ul style="list-style-type: none"> <li>• ORN / MHS / EBN / HR / YCH / RNL</li> </ul>
<b>Juma'at / Friday, 9 June 2017</b>			
08.00 - 09.00	08.00 – 09.00	<ul style="list-style-type: none"> <li>• <b>Follow-up any outstanding audit issues</b></li> <li>• <b>Audit finding discussion and preparation</b></li> </ul>	<ul style="list-style-type: none"> <li>• ORN / MHS / EBN / HR / YCH / RNL</li> </ul>
09.30 - 10.30	09.00 – 11.00	<ul style="list-style-type: none"> <li>• <b>Closing Meeting (at UPRD) → Ulu Basir POM, Lima Blas estate &amp; Ulu Basir estate</b></li> </ul>	<ul style="list-style-type: none"> <li>• ORN / MHS / EBN / HR / YCH / RNL</li> </ul>
14.00 – 17.00	12.30 -15.30	<b>United Plantation → KUALA LUMPUR</b>	<ul style="list-style-type: none"> <li>• ORN / MHS / EBN / HR / YCH / RNL</li> </ul>