

Report number: 809027RSPOCUCRPT -2010-01-AS

RSPO 2nd Annual Surveillance Assessment Report (ASA2)

UNITED PLANTATIONS BERHAD

PENINSULAR MALAYSIA

This public summary has been prepared in accordance with RSPO requirements and the information included is the result of a full RSPO assessment of the Mills and supply base as included in the scope of the certificate.

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Control Union Certifications is a member of the Control Union World Group - an international inspection and certification body. CU performs assessments and certification in many agricultural based fields such as FSC, RSPO, and Organic production, Sustainable Textile Production, Organic Exchange, Eurepgap, HACCP, BRC, GMP and GTP.

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1. SCOPE OF THE CERTIFICATION ASSESSMENT.

1.1 Company details:	
Company name:	United Plantations Berhad
Business address:	Jendarata Estate, 36009 Teluk Intan, Perak Darul Ridzuan, Malaysia
Group name if applicable:	n/a
Office telephone:	+605 6411 411
Contact person:	Mr C Mathews
Mobile telephone:	+601 9339 2298
Fax:	+605 641 2337
e-mail:	cmm@unitedplantations.com
Web site:	www.unitedplantations.com

1.2 Surveillance assessment detail:		
Dates of the assessment:	1. Field and Documents assessment:	1 – 5 th August 2010
	2. Field and Document assessment and Stakeholders consultation(DOSH, Labour Department, NUPW, Dr. Ravindran, workers):	13 th September 2010
	3. Stakeholders consultation (DOSH, Labour Department, NUPW and Tenaganita) :	23 rd September 2010
	4. Field and Documents assessment and Stakeholder consultations (Danish Energy Agency) :	28 th September 2010
	5. Stakeholder consultation (NUPW and Tenaganita):	11 th October 2010
	6. Stakeholder consultation (Representative of Ministry of Climate and Energy, Denmark):	3 rd November 2010
Assessment number (1 to4).	Annual Surveillance Assessment number : 2 (ASA2)	

1.3 RSPO membership details:	
RSPO membership number:	1-0004-04-000-00
Child numbers for each certification unit:	CU809027D01, CU809027D02, CU809027D03, CU809027D04, CU809027D05, CU809027D06
Certificate number:	CUC809027RSPO-1.2008
Date of original certification:	21 st August 2008
Date of last assessment:	23 – 25 th November 2009

1.4 Location maps.

Map 1: Location of the estates and mills included in the assessment.



Map 2: Location of the neighbouring entities.



1.5 Location address of the mills.	
Name of Mill	Location address
Jendarata Palm Oil Mill.	Jendarata Business Unit, 36009 Teluk Intan, Perak, Malaysia
Seri Pelangi Palm Oil Mill.	Jendarata Business Unit, P.O Box 89 11¼ Miles, Jalan Bidor, 36008 Teluk Intan, Perak, Malaysia
Ulu Basir Palm Oil Mill	Up River Business Unit, 36500 Ulu Bernam, Perak, Malaysia.
Lima Blas Palm Oil Mill	Up River Business Unit, 35800 Slim River, Perak, Malaysia.
Ulu Bernam Palm Oil Mill.	Up River Business Unit, 36500 Ulu Bernam, Perak, Malaysia.
United International Enterprises Palm Oil Mill	United International Entreprise (Malaysia), Mail Bag No 1, 34900, Pantai Remis, Perak, Malaysia.

1.6 Metric tonnages certified and projected outputs.									
(These figures exclude any output product from non-certified suppliers).									
Name of mill	Projected from last audit. (tonnes) (ASA1)			Actual production (tonnes) 2009			Projected production for next 12 months(2010)(tonnes)		
	FFB	CPO	Palm Kernel	FFB	CPO	Palm Kernel	FFB	CPO	Palm Kernel
Jendarata Palm Oil Mill.	171,000	39,000	9,000	165,993	37,423	8,749	145,000	32,000	7,600
Seri Pelangi Palm Oil Mill.	41,220	10,000	2,200	40,582	9,800	2,078	35,000	8,240	1,810
Ulu Basir Palm Oil Mill	158,640	35,000	9,070	173,947	37,788	9,735	142,660	30,814	7,984
Lima Blas Palm Oil Mill	56,400	12,700	3,400	63,217	13,083	3,162	56,000	11,580	2,800
Ulu Bernam Palm Oil Mill.	156,970	34,600	8,910	181,589	39,145	11,007	175,740	38,190	9,700
United International Enterprises Palm Oil Mill	262,500	44,770	13,100	289,866	61,645	18,402	218,400	44,770	13,100
Grand Total	846,730	176,070	45,680	915,194	198,884	53,133	772,800	165,594	42,994

1.7 Description of supply base.
1.7.1 General description.
The supply bases are the 9 plantations that make up the 3 business units of the United Plantations holdings located in Peninsular Malaysia. There are no plans to expand the land holding in Peninsular Malaysia and therefore Principle 7 is not applicable to this annual surveillance assessment.

1.7.2 Location of the supply base.				
CU Code	Name	Location address.	GPS reference	
			Longitude	Latitude
Jendarata Business Unit				
PO1	Jendarata Estate	36009 Teluk Intan,Perak	3° 52' N	101° 01' E
PO2	Seri Pelangi Estate	Batu11 3/4 Jln Bidor,36000,Teluk Intan	3° 59' N	101° 08' E
UP River Business Unit.				
PO3	Ladang Ulu Basir	36500 Ulu Bernam,Perak	3° 42' N	101° 15' E
PO4	Changat Mentri Estate	36500 Ulu Bernam,Perak	3° 44' N	101° 13' E
PO5	Ladang Sungei Erong	36500 Ulu Bernam,Perak	3° 46' N	101° 12' E
PO6	Ladang Sungei Chawang	36500 Ulu Bernam,Perak	3° 50' N	101° 14' E
PO7	Lima Blas Estate	35800 Slim River,Selangor	3° 42' N	101° 27' E
PO8	Ulu Bernam Estate	36500 Ulu Bernam,Perak	3° 45' N	101° 07' E
UIEM Business Unit				
PO9	UIEM Sdn. Bhd. Estate 1 and Estate 2	Pantai Remis,Perak	4° 25' N	100° 40' E

1.7.3 Statistics of the supply base.							
CU Code	Name	Area of oil palm (ha)			Estimate Tonnes FFB (2010)	Planting years	Replanting Cycle (years)
		Oil Palm	Mature	Immature			
PO1	Jendarata Estate	6,024	5,682.10	341.90	145,000	1975-2010	25
PO2	Seri Pelangi Estate	1,337	1,337	-	35,000	1994-2004	25
PO3	Ladang Ulu Basir	3,714	2,604.40	1,109.60	60,000	1983-2010	25
PO4	Changkat Mentri Estate	2,411	1,945.20	465.80	48,500	1988-2009	25
PO5	Ladang Sungei Erong	3,499	2,389	1,110	59,760	1985-2010	25
PO6	Ladang Sungei Chawang	3,248	2,999	249	69,390	1986-2009	25
PO7	Lima Blas Estate	2,740	2,383	357	56,000	1985-2009	25
PO8	Ulu Bernam Estate	3,154	3,021.80	1,32.20	80,750	1986-2209	25
PO9	UIEM Sdn. Bhd. Estate 1 and Estate 2	9,863	9,387	476	218,400	1988-2010	25
Grand Total		35,990	31,748.5	4,241.5	772,800		

1.7.4 Percentage of planted areas of different ages.							
CU Code	Before 1990	1991 – 1995	1996-2000	2001 – 2005	2006 -2010	2011-2015	2016+
PO1	12.59	34.62	34.63	13.77	4.39	-	-
PO2	-	29.32	47.34	23.34	-	-	-
PO3	42.27	-	-	20.53	37.20	-	-
PO4	0.73	8.64	51.42	19.89	19.32	-	-
PO5	38.20	1.10	9.50	23.40	27.80	-	-
PO6	57.93	-	0.27	13.12	28.68	-	-
PO7	31.57	12.70	14.23	15.62	25.88	-	-
PO8	16.52	36.46	27.55	13.02	6.45	-	-
PO9	77.01	16.94	2.77	-	3.28	-	-

1.7.5 Calculation of the number of production units (N) to sample for each mill.				
N = 0.8√y, where y is the number of units, with the result always to be rounded UP to the next whole integer. Where only a sample of the supply base is assessed, units not previously assessed, or assessed earlier in the certification programme, are to be preferred over those more recently assessed.				
How many mills?		6		
For each mill, how many units make up the production base?				
Name of POM	Owned estates (Y)	N = 0.8√Y	Smallholders (Z)	N = 0.8√Z
Jendarata Palm Oil Mill.	1	1 (Jendarata Estate)	n/a	n/a
Seri Pelangi Palm Oil Mill.	1	1 (Seri Pelangi Estate)	n/a	n/a
Ulu Basir Palm Oil Mill	4	2 (Sungei Erong Estate) (Ulu Basir Estate)	n/a	n/a
Lima Blas Palm Oil Mill	1	1 (Lima Blas Estate)	n/a	n/a
Ulu Bernam Palm Oil Mill.	3	2 (Ulu Bernam Estate) (Sungei Chawang Estate)	n/a	n/a
United International Enterprises Palm Oil Mill	1	1 (UIE Estate 1 and 2)	n/a	n/a

1.8 Progress of associated smallholders or outgrowers towards compliance with relevant standards - should be in accordance to the 3 year implementation plan.
Not applicable for this assessment. During the surveillance assessment, it is noted that there is no associated smallholders or outgrowers within the company's control. The existing smallholders are independent smallholders who are free to sell their crop to any POM that can offer higher FFB price.

1.9 Rules for partial certification.		
1.9.1	<ul style="list-style-type: none"> Progress made from the last assessment against the time-bound plan for certifying other units within the organisation. 	The time bound plan remains as 2011 to certify the operating unit in Indonesia.
1.9.2	<ul style="list-style-type: none"> Any alteration made to the time-bound plan, for example, due to acquisitions/disposals, emergence/re-emergence of land disputes and/or labour conflicts must be reported. 	There is no change to the time bound plan.
1.9.3	<ul style="list-style-type: none"> The company's justifications for any revision are also to be reported; with the audit team's considered opinion on the matter and recommendation for acceptance/rejection. 	There is no change to the time bound plan.
1.9.4	<ul style="list-style-type: none"> Where the structure of the holding company is changed during the course of the implementation of the time-bound plan, so as to alter the plan, the change in structure must be legal and registered with the relevant authorities. The documentation relating to such structural changes must be presented to the audit team for verification, if necessary. 	There are no changes in the structure of the holding company noted during the ASA2. Discussion with top management confirms that there are no such changes.
1.9.5	<ul style="list-style-type: none"> Where there is evidence that the time bound plan is not being adhered to, or the conditions justifying a time-bound plan have changed, the audit team must summarise this evidence here. 	There is no change to the time bound plan.
1.9.6	<ul style="list-style-type: none"> The audit team must be satisfied that the company has not opened new land without HCV assessment since first certified. 	There is no new acquisition and opening since the first certified and ASA1.
1.9.7	<ul style="list-style-type: none"> New acquisitions by the company which have not replaced primary forests or HCV areas are required to comply with certification requirements within three years of the date of acquisition. 	There are no new acquisitions since last assessment.
1.9.8	<ul style="list-style-type: none"> New acquisitions which have evidently replaced primary forests or HCV areas will not be eligible for RSPO certification and will, by the rules of partial certification, render the entire company ineligible for certification. 	There are no new acquisitions since last assessment.
1.9.9	<ul style="list-style-type: none"> Where there is a dispute whether a primary forest or HCV has been replaced or lost, the company shall, at its own cost, provide RSPO with expert opinion. 	There is no new dispute reported since the last assessment.
1.9.10	<ul style="list-style-type: none"> The organisation is a member of RSPO <p>Invoice and evidence of payment.</p>	<p>Membership number: 1-0004-04-000-00 Invoice no.: 0331-10/SPE Membership payment Date: July 2010-07-23 Amount: Euro 2000.00</p>
1.9.11	<ul style="list-style-type: none"> There are no significant land conflicts. For ALL land disputes. Location maps, area involved. People involved. Contact details. Timetable of events and a summary as to the actions taken by all parties. 	The negotiation on land conflict at PT SSS1 with one of the traditional land owner has been settled and company representatives in Indonesia have conducted several meetings with concerned parties and settled the negotiation. Compensation has been paid. Full details of negotiations are available to stakeholders on request to the company.
1.9.12	<ul style="list-style-type: none"> No labour disputes that are not being resolved through an agreed process. Summary of any labour disputes. People involved. Timetable of events and summary as to the action taken by all parties. 	There are no labour disputes since the last audit at property in Peninsular Malaysia, where this assessment was conducted. Stakeholder consultation was conducted with Workers Union leaders, NUPW national and state secretaries, DOSH Official and Labour Department officials.

1.9.13	<ul style="list-style-type: none"> No evidence of non-compliance with law in any of the non-certified holdings. 	PT SSS1 HGU (2500ha) was received and the remaining is in progress.
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2. ASSESSMENT PROCESS.

2.1 Certification Body.

Control Union Certifications is a member of the Control Union World Group - an international inspection and certification body. CU performs assessments and certification in many agricultural based fields such as FSC, RSPO, and Organic production, Sustainable Textile Production, Organic Exchange, Eurepgap/GlobalGAP, HACCP, BRC, GMP and GTP.

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2.2 Qualifications of the audit team.

2.2.1 Qualifications of the lead assessor: A. Senniah

REQUIREMENT	QUALIFICATIONS	Compliance
A minimum of post high school (post secondary school) training in either agriculture/forestry, environmental science or social sciences;	Post graduate qualification in human resource management with more than 10 years working experience in plantation.	Yes
At least 5 years professional experience in area of work relevant to the assessment (e.g., palm oil management; agriculture/forestry; ecology; social science);	More than 10 years working experience in plantation. Involved in RSPO auditing since April 2009. Fully trained in similar agriculture certification programmes such as RSPO SCCS, Global Gap, ISCC and GMP.	Yes
Training in the practical application of the RSPO criteria, and RSPO certification systems;	Involved in RSPO assessment since April 2009. Member of CUC RSPO audit team. Involved in audits conducted in Malaysia and Indonesia.	Yes
Successfully completion of an ISO 9000:19011 lead assessors course;	Completed ISO 9001:2008 lead auditor course in September 2009.	Yes
A supervised period of training in practical assessing against the RSPO criteria or similar sustainability standards, with a minimum of 15 days assessment experience and at least 3 assessments at different organisations.	Member of CUC RSPO audit team since April 2009. Involved in audits conducted in Malaysia and Indonesia since April 2009 in 8 different companies in Malaysia and Indonesia.	Yes

2.2.2 Qualifications of the audit team member.

RSPO REQUIREMENT	ASSESSOR	QUALIFICATIONS	Compliance
Fluent in main local languages and English.	A. Senniah	Able to speak and understand local language and English.	Yes
	Muhammad Haris	Able to speak and understand local language and English.	Yes
	D. Manivannan	Able to speak and understand local language and English.	Yes
Field working experience in the palm oil sector, or a demonstrable equivalent.	A. Senniah	Working experience in palm oil plantation. Involved in RSPO audits since April 2009.	Yes
	Kongpichit	RSPO auditing experience in palm oil sector since October 2009. Fully trained in other programmes such as Global Gap, GMP and Organic farming.	Yes
	Muhammad Haris	Working experience in palm oil plantation for two years.	Yes
	D. Manivannan	Two years of plantation management. 7 years with corporate agriculture	Yes

Good agricultural practices (GAP), integrated pest management (IPM), pesticide and fertilizer use.	A. Senniah	financing. Degree in agribusiness. Working experience in palm oil plantation. Involved in RSPO audits since April 2009.	Yes
	Kongpichit	RSPO auditing experience in palm oil sector since October 2009. Fully trained in other programmes such as Global Gap, GMP and Organic farming.	Yes
	Muhammad Haris	Working experience in palm oil plantation and familiar with GAP, IPM and estate practices.	Yes
	D. Manivannan	Two years of plantation management. 7 years with corporate agriculture financing. Degree in agribusiness.	Yes
Health and Safety assessment on the farm and in processing facilities. (For example OHSAS 18001 or occupational. Health and safety assurance system).	A. Senniah	Working experience in palm oil plantation. Involved in RSPO audits since April 2009.	Yes
	Kongpichit	RSPO auditing experience in palm oil sector since October 2009. Fully trained in other programmes such as Global Gap (lead auditor), GMP and Organic farming (lead auditor).	Yes
Workers welfare issues and social assessment experience. (For example with SA8000 or related social or ethical accountability codes).	A. Senniah	Working experience in palm oil plantation. Involved in RSPO audits since April 2009.	Yes
	Kongpichit	RSPO auditing experience in palm oil sector since October 2009. Fully trained in other programmes such as Global Gap, GMP and Organic farming.	Yes
	Muhammad Haris	Working experience in palm oil plantation and able to conduct workers interview.	Yes
	D. Manivannan	Two years of plantation management. 7 years with corporate agriculture financing. Degree in agribusiness.	Yes
Environmental and ecological assessment. (For example experience with organic agriculture, ISO 14001 or environmental management systems).	A. Senniah	Working experience in palm oil plantation. Involved in RSPO audits since April 2009.	Yes
	Kongpichit	RSPO auditing experience in palm oil sector since October 2009. Fully trained in other programmes such as Global Gap, GMP and Organic farming.	Yes
	D. Manivannan	Two years of plantation management. 7 years with corporate agriculture financing. Degree in agribusiness.	Yes
Economic issues.	A. Senniah	Working experience in palm oil plantation. Involved in RSPO audits since April 2009.	Yes
	Kongpichit	RSPO auditing experience in palm oil sector since October 2009. Fully trained in other programmes such as Global Gap, GMP and Organic farming.	Yes
	Muhammad Haris	Working experience in palm oil plantation for two years. Graduated in Business Administration.	Yes
	D. Manivannan	Two years of plantation management. 7 years with corporate agriculture financing. Degree in agribusiness.	Yes

2.2.3 Timing of the Annual Surveillance Assessment	
<p>Not earlier than 9 months after the anniversary of the awarding of the certificate.</p>	<p>Certificate anniversary is on 21st August. ASA2 was scheduled and conducted with few trips to the operating units on 1 – 5th August 2010, Field assessment and stakeholder consultation conducted on 13th September 2010, 23rd September 2010, 28th September 2010 and 11th October 2010. Last stakeholder consultation was conducted on 3rd November 2010 with the representative from the Ministry of Climate and Energy, Denmark who was interested on the RSPO assessment towards compliance to criteria 4.6 RSPO P&C. Extensive field assessment and stakeholder consultation was conducted during this ASA2 to verify the feedback from NGO and foreign media news on paraquat handling in United Plantations and there were request from Denmark Energy Agency and Ministry of Climate and Energy of Denmark for a stakeholder consultation. It was necessary to allow all the stakeholder queries addressed accordingly during this annual assessment and close all the issues raised by the stakeholders.</p>

2.3 Assessment methodology.
2.3.1 General overview.
<p>The annual assessment was carried out in conformity with the procedures as laid down in the CUC RSPO Procedure Manual for ASA and the program manual for the assessor and certifier. During the assessment qualified CUC assessors used the RSPO standard as endorsed for the country in which the assessment took place and recorded their findings.</p> <p>For each estate and small holder identified to be included in the sample for this audit, the original main assessment checklist was used, which includes any updates from previous annual surveillance audits.</p> <p>Workers and local communities were interviewed and evidence sought to confirm ongoing compliance which includes:</p> <ul style="list-style-type: none"> • Chemical stores. Storage. MSDS leaflets. Herbicide mixing areas. PPE. Ventilation. Security. • Field inspections. Herbicide application programmes. Harvesting sites and efficiency. Fertilising operations. SOP's. Soil maps. Land preparation. Ground cover. IPM. First aiders and boxes. Ground cover. Soil erosion. Field observations of all operations. • Worker interviews. OSH. Sexual, religious, racial harassment. Pay and contracts. Child labour. First aid. Awareness. • Re-planting sites. Zero burn. • HCV's. Identification. Management plans. Environmental Impact Assessments. Implementation. • Riparian zones. Width. Current and future management. Non maintenance regimes. • Water management. Water courses. Water monitoring. • Road maintenance. Run off. • Social amenities. Social Impact Assessments. • Local communities. Contributions made. Employment opportunities. Social impacts. Complaints procedures. • Workshops. Oil traps. Safe working environment. PPE. Diesel tanks. Environmental waste management. • Line sites. Interviews with householders. Inspection of water discharge points. Water improvement plans. Waste disposal. • Documentation review. <p><u>Palm Oil mill audits include:</u></p> <ul style="list-style-type: none"> • Mill and workshop inspections. Documentation. Worker interviews. • Mill. SOP's. Safe working environment. Gen sets. Walk ways. Signs. EFB. POME treatment. Emissions. Mass balance. Diesel tanks. PPE. Fire extinguishers. First aiders and boxes. Fuel and water usage. • OSH. Training. Management structure. First aiders. • Full document review. Completion of the checklist. Review and documentation of evidence. All aspects of RSPO P&C's are applicable.

- **Worker interviews.** OSH. Sexual, religious, racial harassment. Pay and contracts.

Verification.

Verification of implementation was done through field observations, workshop and chemical store inspections, worker and community interviews and mill inspections as summarised above.

2.3.2 Assessment Agenda.		
Date	Location /main sites	Main activities
1st August 2010	Guest House	Arrival of the Auditors at the location.
2nd August 2010	Ulu Bernam Engineering Dept. Conference Room	<ul style="list-style-type: none"> • Discussion on progress made to time bound plan and partial certification progress. • Opening meeting. Introduction by team leader. Introduction of team members and assessment agenda. • Presentation by respective mill and estate managers on Continuous improvement status of Upriver Business Unit.
		<p>Assessment at Sg Erong Estate, Sg Chawang Estate, Ulu Basir Estate, Ulu Bernam Estate.</p> <ul style="list-style-type: none"> • Chemical stores. Storage. MSDS leaflets. Herbicide mixing areas. PPE. Ventilation. Security. • Field inspections. Herbicide application programmes. Harvesting sites and efficiency. Fertilising operations. SOP's. Soil maps. Land preparation. Ground cover. IPM. First aiders and boxes. Ground cover. Soil erosion. Field observations of all operations. • Worker interviews. OSH. Sexual, religious, racial harassment. Pay and contracts. Child labour. First aid. Awareness. • New planting sites. Zero burn. • HCV's. Identification. Management plans. Environmental Impact Assessments. Implementation. • Riparian zones. Width. Current and future management. Non maintenance regimes. • Water management. Water courses. Water monitoring. • Road maintenance. Run off. • Social amenities. Social Impact Assessments. • Local communities. Contributions made. Employment opportunities. Social impacts. Complaints procedures. • Work shops. Oil traps. Safe working environment. PPE. Diesel tanks. Environmental waste management. • Line sites. Interviews with householders. Inspection of water discharge points. Water improvement plans. Waste disposal. • Document inspection and assessment.
		<p>Assessment at Ulu Bernam POM and Ulu Basir POM</p> <ul style="list-style-type: none"> • Mill and workshop inspections. Documentation. Worker interviews. • Mills. SOP's. Safe working environment. Gen sets. Walk ways. Signs. EFB. POME treatment. Emissions. Mass balance. Diesel tanks. PPE. Fire extinguishers. First aiders and boxes. Fuel and water usage. • OSH. Training. Management structure. First aiders. • Full document review. Completion of the checklist. Review and documentation of evidence. All aspects of RSPO P&C's. • Worker interviews. • OSH. Sexual, religious, racial harassment. Pay and contracts. • Document inspection and assessment.
3rd August 2010	UIEM	<ul style="list-style-type: none"> • Opening meeting. Introduction by team leader. Introduction

	Conference Room	<p>of team members and assessment agenda.</p> <ul style="list-style-type: none"> • Presentation by respective mill and estate managers on Continuous improvement status of UIEM Business Unit. • UIE Estate and POM assessment as per above for estate and mill. • Lima Blas Estate and POM assessment.
4th August 2010	Jendarata Business Unit	<ul style="list-style-type: none"> • Opening meeting. Introduction by team leader. Introduction of team members and assessment agenda. • Presentation by respective mill and estate managers on Continuous improvement status of Upriver Business Unit. <p>Seri Pelanggi Estate, Jendarata Estate, Jendarata POM and Seri Pelanggi POM assessment as per above for estate and mill.</p>
5th August 2010	Borge Bek-Nielsen Auditorium.	<p>Interim closing meeting. Welcome and introduction by the team leader. Presentation of findings by the assessment team.</p> <ul style="list-style-type: none"> • Questions and answers.
<p>Number of assessors participating: 3 Number of days spent for the assessment on site: 4 Total number of person days used for the assessment on site: 12</p>		
13th September 2010	Jendarata Estate	<ul style="list-style-type: none"> • Stakeholder consultation with Perak State DOSH official, Perak State Labour Department officials, National Secretary of NUPW, Perak State Secretary of NUPW, Dr. Ravindran (Sabak Bernam Dispensary), VMO and workers. • Field and Documents assessment.
<p>Number of assessors participating: 1 Number of days spent for the assessment on site: 1 Total number of person days used for the assessment on site: 1</p>		
23rd September 2010	Borge Bek-Nielsen Auditorium.	<ul style="list-style-type: none"> • Stakeholder consultation with Tenaganita, Perak State DOSH official, Perak State Labour Department officials and Perak State NUPW secretatry.
<p>Number of assessors participating: 2 Number of days spent for the assessment on site: 1 Total number of person days used for the assessment on site: 2</p>		
28th September 2010	Jendarata Estate	<ul style="list-style-type: none"> • Field, field operation, facility and Document assessment at Jendarata Estate in the present of Representatives from Danish Energy Agency. • Stakeholder consultation with the representatives from Danish Energy Agency (Denmark), Perak State NUPW secretary, Jendarata Estate NUPW representatives and Gender Committee representatives.
<p>Number of assessors participating: 1 Number of days spent for the assessment on site: 1 Total number of person days used for the assessment on site: 1</p>		
11th October 2010	Borge Bek-Nielsen Auditorium.	<ul style="list-style-type: none"> • Stakeholder consultation with Tenaganita, NUPW representatives and workers.
<p>Number of assessors participating: 1 Number of days spent for the assessment on site: 1 Total number of person days used for the assessment on site: 1</p>		
3rd November 2010	Telephone conversation And documents Reference to monocrotophos	<ul style="list-style-type: none"> • Stakeholder consultation with the representative from the Ministry of Climate and Energy, Denmark. The stakeholders requested that the queries raised by them to be included in the annual assessment report as a part of stakeholder feedback and comments. Queries refer to the criteria 4.6 in general and reference to the use of monocrotophos in specific.
<p>Number of assessors participating: 1 Number of days spent for the assessment: 1 Total number of person days used for the assessment: 1</p>		

3. ASSESSMENT FINDINGS.

3.1 Lead assessor's summary and recommendation for certification:

During this second annual assessment there was a need for extensive stakeholder consultation due to the allegation made by the Danish Newspaper. There were series of articles published related to United Plantations. The allegations was that the United Plantations employees (workers) are exposed to unsafe working environment, pesticide poisoning and without adequate medical attention. It was necessary to address this issue during this annual assessment before a positive recommendation to maintain the certificate is made.

The extensive stakeholder consultation was incorporated with field operation verification, field workers interview, site visit such as chemical store, chemical mixing area, interview with those handling chemical store, and inspection of all the requirement with Occupational safety and Health.

The stakeholder consultation was conducted in few separate occasions with Perak State DOSH official, Perak State Labour Department officials, National Secretary of NUPW, Perak State Secretary of NUPW, representatives from Tenaganita, Doctor from Sabak Bernam Dispensary, United Plantations Visiting Medical Officer, Representatives from Danish Energy Agency, Representative from Danish Environmental Protection Agency, Representative from Danish Ministry of Climate and Energy, Workers, representatives from Gender committee, representatives from foreign workers, staff, executives and managers. It was necessary to conduct few stakeholder consultations because the stakeholders were also engaged with tight schedule and other commitments. It is also the wish of the stakeholder's especially from the Danish Energy Agency and Ministry of Climate and Energy that the feedback gathered from this stakeholder consultation is highlighted during this annual assessment report. The stakeholder's comments are listed at the bottom of this report.


During this assessment, it is noted that paraquat is completely eliminated since 1st October 2010. This was the commitment by the company since certified in 2008. The audit team find this achievement as one of the continuous improvement committed and implemented successfully by the company. Now the company is looking into further reducing and eliminating monocrotophos by cooperating with two globally known leading agrochemical producers to find the best possible alternative to replace monocrotophos.

The second annual assessment process ensures that all the stakeholders who have shown interest in the RSPO P&C assessment is attended accordingly before closing of the assessment report. It was necessary to ensure that all the issues related to the chemical handling under the RSPO P&C is checked and verified for compliance in the presents of the interested stakeholders.

Based on the findings during the Annual Surveillance Assessment, the audit team concludes that United Plantations Berhad's operation comply with the requirement of RSPO P&C. It is therefore the recommendation of the assessment team leader that:

- A certificate of compliance is maintained.

Signed:



Name: A. Senniah

Date: 8th November 2010

3.2 Summary of the findings.		
<ul style="list-style-type: none"> Over the 5 year period of the life of the certificate, there will be 4 annual surveillance assessments and a sample of the criterion will be summarised each year. Identified Non-Conformities and noteworthy Positive and Negative Observations. 		
3.2.1	Principle 1	All operating units provide adequate information to other stakeholders (when requested) on environmental, social and legal issues relevant to RSPO criteria. Information is given in appropriate languages and forms. The system available is also allowing stakeholders to effectively participation decision making through stakeholder meeting.
	1.1	All the operating units maintain and updating all request and response records including records of meeting held with stakeholder during information sharing session. Information request and response to Hilir Perak Health Department, MPOB and Statistic Department of Malaysia was sited during document audit. During this assessment, information was given to the stakeholders who was interested in agrochemical handling in United Plantations in general and Jendarata estate in specific.
	1.2	No any changes noted in the land title and restrictions. S&H plan covers training, policy, risk assessment and OSH meeting. In May 2010 review was done. Internal Operational Review of EIA and SIA by the Group Environmental department on 14/4/10. Pollution Prevention Plans reviewed on 13/4/10 with new plans developed to address pollution prevention such continuous implementation of pollution control devises (spillage kits). Grievances are recorded and acted promptly. All the issues raised by the stakeholders during the main assessment have been addressed and interview with these stakeholders confirmed that actions have been taken. Negotiation procedure is maintained and available in stakeholder booklet and stakeholder aware of such procedures. Continuous improvement plans have been implemented as planned during the last audit. Details as per Principle 8 below.
3.2.2	Principle 2	<p>Tracking of changes in law was done for the changes in Law for foreign workers permit which was extended from 5 years to 10 years effective 20/1/10, Pos Malaysia Domestic Tariff 2010-domestic standard mail rate increase to RM0.60 effective from 1/7/10, New requirement for getting permit to purchase, store and use sodium hydroxide. Permit 024824 Exp.31 Dec 2010. Altogether there are 16 permits sited.</p> <p>Relevant sampling of documents sited are: Quit rent no. 0001899, DOE license 000401, diesel storage permit number: PPDNKK.TPH/PK/SK/SK/(PD)/052 009/10, MPOB permit: 500371-004000, Foreign Worker Recruitment Permit Number: E3302360, Deduction Permit number: 0049.</p> <p>CDM project completed in UIE, the following permit available: Global Environmental Facility project (UNFCC), letter of approval dated 24/2/10 by the DOE.</p> <p>Similar to the first Annual Surveillance Assessment, Group Human Resource, Safety and Environment department ensures that information from the Company Secretary is disseminated to all the operating units. There are 4 laws revised by relevant authorities.</p> <p>The changes tracked and informed to the operating units by Company Secretary through Group HR, Safety and Environment Dept and duly acknowledged by the authorised personnel at the operating units.</p> <p>All the legal ownership remains same as per main audit. No changes in the land title. Boundary stones along the perimeter adjacent to other properties are being located and visibly maintained. No conflict or dispute over the land is noted. No customary rights issues noted during the assessment.</p>
3.2.3	Principle 3 3.1	Latest budget is available and projected for 2 years. Budget includes projection of FFB production, OER, CPO yield/ha, operational expenses and budget for continuous improvement projects i.e. biogas plant and biodiversity enhancement project. Replanting programme is verified. Replanting is carried out with zero burning technique. Old palms are felled and chipped.
3.2.4	Principle 4	<p>SOP/Field manual updated for Ganoderma control (under Oil Palm Disease section).</p> <p>Latest HIRARC done in May 2010.</p> <p>Standard Operating Procedure (SOP) for buffalo evacuation was done in Nov 2009. Latest vaccination for buffalo by Vetenary Department conducted on 2/8/10 as per SOP. UIEPOM developed SOP for the biogas plant, and safe operating procedure for enclosed flare, SOP for burner and enclosed flare, HIRARC for burner and enclosed flare, SOP for biogas burner, shut down procedure for burner and safety manual for biogas plant.</p> <p>The peat areas are mapped. Water management is carried out to maintain a water table at 0.5m and this is done by water gates, sand bag weirs. One weir on average per 40ha. The systems were inspected on site. Ground cover is also maintained to reduce oxidation at the peat. No blanket spraying. Only selective spraying. Flat area is maintained with grass cutting.</p>

		<p>Biodiversity enhancement is on going with planting of rare forest trees along the existing area. Each estate has planted endangered forest trees and continuously planting trees such as "<i>Baccaurea brevipes</i>", "<i>Kneme hookerisna</i>", sentang species, and "<i>Diospyros diepenhorstii</i>". The company also has established tea tree corridor, sentang park, silver oak avenue and tembusu park to enhance biodiversity within the plantation. River buffer zones have been planted with cover crop along with natural vegetation. All these areas are well maintained and ensuring the biodiversity enhancement.</p> <p>Good ground cover has been established at the replanted area with <i>Mucuna bracteata</i>. All harvesters' path (approximately 95%) at the matured fields is maintained by mowing grasses. During the field visit there were no serious erosions observed.</p> <p>For road maintenance, map available, upkeep of roads recorded and SOP for road maintenance is used as guidance. Budget allocation verified during document audit.</p> <p>Rainfall checked daily in the morning and recorded by the staff concerned.</p> <p>Water usage at POM is ranging from 1.2m³ - 1.5m³ to process per mt FFB.</p> <p>Water management includes water analysis for domestic water supply and mill processing water analysis. IPM includes planting of beneficial plant (<i>tunera, cassia, antignon, and carambola and fox tail</i>), increasing barn owl population through proper maintenance and monitoring of boxes. Effective establishment of beneficial plants to control leaf eating pest has helped the operating units to eliminate/reduce the use of methamidophos and warfrain.</p> <p>OSH policy as per main audit. OSH policy well briefed to all workers. Interview with workers reveal that they understand the policy and importance of safety at work. OSH meeting on quarterly basis. Awareness training programme includes safe working procedure. Morning briefing carried out to ensure workers are aware of safe working practices. Company provides appropriate PPE at the place of work to cover all potentially hazardous operations such as pesticide application, land preparation, harvesting and all other works with necessary PPE. A certified first aid trainer/ paramedic is on standby 14 hrs per day and there is a local clinic. First aiders also available at work site and verified. First aid equipment sited at work place. JKPP6 is prepared to inform any accidents if happened in the operating units. Accident investigation is carried out to review and formulate necessary training. There are no any agrochemical poisoning reported. It was confirmed by the Visiting Medical Officer and DOSH officials.</p> <p>Workers covered by insurance. SOCSO number: D4501132 and Workmen compensation number: WWBOAG 000315 by Tokio Marine Insurance. Training programme is reviewed annually and new programme developed. Every operating units and POM keep the training records. Beside workers training, staff and executives are sent for internal and external training.</p>
4.2		<p>Soil analysis conducted once in 5-10 years. Annual foliar analysis, yield productivity, age of palm, soil type, and field visit carried out by the Research and Development department before fertilizer recommendation is made. Based on this analysis fertilizer recommendation developed and applied accordingly. EFB applied at rate of 40mt/ha applied to reducing in-organic fertilizer application.</p> <p>Zero burn during replanting has been practised as per principle 3 above. Field visit confirms that no burning carried out. POME application area has been increased compared to the last audit. POME and EFB applied areas are monitored through field records. BOD of the POME applied to land is below the stipulated DOE standard of 5000mg/L.</p>
4.6		<p>All the POM has developed Safe Operating Procedures which incorporated with HIRARC for main 12 stages, ramp, sterilizer, hoisting, threshing, EFB station, pressing, oil room, nut plant, boiler room and engine room, water treatment plant, effluent treatment plant and workshop. DOSH visits the estates and POMs to monitor the risk, action plans prepared by estates and POMs and its implementation. CHRA is reviewed every 5 yrs by DOSH certified Assessor.</p> <p>There is an approved list of pesticides for oil palm. Written justification for all agrochemicals used available. All pesticides are officially registered. Records show that the agrochemicals used are appropriate and in accordance with product label recommendations for target species. DOSH visits periodically to ensure that USECHH regulation is followed and implemented. Pesticide stores are secured and well ventilated. Only authorised staff and executive allowed entering the store. Stores are well ventilated. Chemical stores with MSDS leaflets. First aid kit available at work site. Workers are trained in the use of agrochemicals and this training is recorded.</p> <p>Agrochemicals arranged according to the class and clearly marked. There were no paraquat and monocrotophos in the store during the visit on 28/9/2010. MSDS available in local language and English with all the information regarding the chemicals and its usage, hazards, trade and generic name. Policy on no work with pesticides for confirmed pregnant and breast-feeding women is continuously implemented.</p> <p>Medical check up is carried out annually for all those in high risk including agrochemical</p>

		<p>applicators. Medical check up dated 15/9/2010 confirms that all the agrochemical applicators are fit to work and no chemical poisoning. Medical check up includes hematology, renal, liver function; chest x-rays other than physical examination of hand, fingers, leg, face, eyes, blood pressure and fitness. CHRA was done in May 2009. Monthly medical check up by internal doctor.</p> <p>The use of WHO type 1a or 1b chemicals such as monocrotophos is on reducing trend. Monocrotophos is used for trunk injection directly into the palm. The use is on reducing trend about 50%. United Plantations is also looking into further reducing and eliminating monocrotophos by cooperating with two globally known leading agrochemical producers to find the best possible alternative to replace monocrotophos.</p> <p>paraquat was eliminated completely since 1/10/2010. Paraquat is replaced with glyphosate and glufosinate. During the assessment on 28th September 2010 in the presence of the Danish Energy Agency representative, it is noted that there were no paraquat in the store and stock records shows that there are no paraquat. It is completely eliminated from United Plantations during the assessment and company confirm that all the operating units are completely eliminated paraquat since 1/10/2010 which is earlier than the targeted date.</p> <p>No aerial spraying of agrochemicals. Records of pesticide use (including active ingredients used, area treated, amount applied per ha and number of applications) are maintained by each operating units.</p> <p>Records of pesticide usage are updated regularly and verified during document audit. The details include date of application, ha, type, quantity, field and workers involved.</p>
3.2.5	Principle 5	<p>Plantations and mill management that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.</p> <p>Schedule waste collected by Aliran Segar Sdn. Bhd.(license number 000394) and GBR Birch. Chemical containers collection record: GBR Birch Enterprise and it is used for industrial purpose. Medical waste sent to Pantai Medivest.</p> <p>Shell and fibre reused for boiler. EFB is applied to the field. POME is used for land application. Please refer to 4.2 above for POME monitoring. Fossil fuel usage is 2.31L/mt CPO, renewable energy used is monitored and recorded. Average is Fibre 6.12GJ/tome and shell 3.65GJ/tonne of CPO.</p> <p>HCV was followed the first assessment. Now mainly on enhancement of biodiversity area by planting jungle trees. Monitoring and management is ongoing. The HCV area is 11 ha of wildlife sanctuary (Grut Wildlife Sanctuary), Archaeological site(HCV 6) and 7th century site. "Bukit Sejarah at Changkat Mentri Estate". All this areas are well conserved and monitored.</p> <p>At Lima Blas Estate 200 acres of primary forest with a rich flora and fauna is maintained and monitoring carried out by the internal staff to ensure it is preserved.</p> <p>Pollution prevention plans reviewed and there were no new pollutants arise because the operation remains same but recently water filters are included as one of waste to be collected. Previous pollution prevention measures are maintained.</p> <p>Monitor and reduce peat subsidence rate through water table management is implemented at peat area by maintaining water table at a mean of 60 cm (within a range of 50-75cm) below ground surface through a network of weirs and sandbags.</p>
	5.1	<p>Latest HIRARC was done 24/3/10 and ongoing all the time and when ever new workers are joining the company.</p> <p>Letter from DOE, Perak dated 28/10/10 approved the biogas plant to be commissioned without EIA (EIA is not required)</p> <p>All the pollution control devices such as diesel bund, spill kit, waste oil traps are well maintained and monitored. Visit to these facilities confirmed that mitigation plans are implemented and monitored.</p>
	5.5	<p>Zero burning is practiced during replanting. Progress reports and checklist to support this is available. Clear evidence on the ground to support this is noted during field visit. Replanted area inspected and found that previous palm are felled, chipped and used as a mulching to reduce and avoid exposing soil. Household waste goes for land filling and field waste are recycled back to the field such as EFB, fronds and chipped materials.</p>
3.2.6	Principle 6	<p>Latest social impact assessment for operating units conducted on 14/5/10, attended by internal and external stakeholders. Group level social impact assessment conducted on 15/5/10 attended by 166 internal and external stakeholders.</p> <p>EIA reviewed on 26/1/10. Stakeholder meeting conducted on 12/5/2010. During this assessment there were several stakeholder meeting conducted after the release of reports in foreign media regarding the use of paraquat and mishandling of agrochemicals in Jendarata Estate. It was necessary to conduct this stakeholder meeting to close out all the issues raised by the</p>

		<p>stakeholders including Danish Energy Agency, Tenaganita, DOSH, Labour Department, NUPW and Danish Ministry of Climate and Energy. Last stakeholder consultation and verification of documents related to use of 1a and 1b agrochemicals was conducted with representative from Ministry of Climate and Energy, Denmark. During this assessment stakeholder meeting was held with workers who was mentioned in the foreign media report on use of paraquat in Jendarata Estate. The workers interviewed were able to express their views through their own present and through representative institutions (NUPW) during the identification of impacts, reviewing findings and plans for mitigation, and monitoring the success of implemented plans on use of paraquat and elimination.</p> <p>During this assessment all the grievances highlighted in the Danish newspaper were checked and consultation conducted with all those highlighted in the report to ensure there is no pending grievances especially from the employees. It is noted that there are no such grievances as reported. The workers and NUPW representatives interview revealed that the present grievances procedures are effective and workers confirmed that they have access to this procedures and able to find solution without the assistance from any third party. It is also noted that United Plantations is open and transparent to share all the activities and stakeholders are given access to the information required to resolve any issue concerning their interest.</p> <p>Pay is recorded through payslip, workers acknowledge by signing the master copy, payslip is given to the workers. All the operating units conducting drinking water analysis and sample result dated 24/6/10 shows e-coli and coliform not detected. The water is suitable for drinking. Although all the operating units comply with this requirement, it is noted that drinking water analysis was not conducted in one of the operating unit (Seri Pelanggi POM). There is no evidence to confirm that the drinking water supplied to the labour housing at this operating unit is in compliance with WHO specification for drinking water. This was raised as a minor non conformity during the closing meeting.</p> <p>All employees paid and treated equally. Gender committee meeting held on 29/6/10. It is also noted that during stakeholder consultation between the Danish Energy Agency representatives and Gender committee representatives, the gender committee representative confirmed that female employees are treated equally as the male employees . It is confirmed that they are happy with the present working condition.</p> <p>Contribution to school, Bethany Home is regularly assisted with food and cash donations. Neighbourhood Communities given access and assistance to use the hall in the estate.</p>
	6.4	No customary rights issues note during this assessment.
	6.6	<p>Meeting with foreign worker and NUPW members conducted on monthly basis.</p> <p>Again during this assessment, meeting with NUPW National Secretary and Perak State Secretary was conducted by auditor to verify the foreign media's claim on workers affected by paraquat, pesticide poisoning, use of PPE and inhumane working condition. It was highlighted by NUPW that there were no such case in United Plantations and the company is always vry responsible in protecting the welfare and well being of its employees. The state and national NUPW is always monitoring all the estate to ensure the workers welfare is taken care. Freedom given to all employees to join workers union. This was confirmed by the national NUPW Secretary who attended the stakeholder consultation.</p>
	6.10	<p>The price of FFB is adjusted every month based on the price given by the MPOB. The file contains a clear calculation of the net payment having taken into account the extraction rates, haulage and processing costs.</p> <p>There are no associated smallholders. FFB prices per tonne are available at Jendarata Head Office and suppliers directly deal with the Head office. Independent smallholders always have discussion with the POM Managers. POMs have a copy of the payments records. Payment records show that payments are made promptly. Contractors confirm that they understand the agreement entered into.</p>
3.2.7	Principle 7	Not Applicable – No new planting.
3.2.8	Principle 8	All the operating units are regularly monitoring and review their activities and develop and implement action plans that allow demonstrable continual improvement in key operations such as in minimising use of certain pesticides, environmental impacts, maximizing recycling and minimizing waste or by-products generation, pollution prevention plans, Social impacts and mechanism to capture the performance and expenditure in social and environmental aspects.
	8.1	<p>IPM is continuously implemented extensively to control pest and indirectly resulted reduction in pesticide usage. Planted area of beneficial plants such as <i>tunera</i>, <i>cassia</i>, <i>antignon</i>, <i>carambola sp.</i> and fox tail are on increasing trend. Effective establishment of beneficial plants to control leaf eating pest has helped the operating units to eliminate/reduce the use of monocrotophos. On 28th October 2010, during the assessment in the present of the Danish Energy Agency it is</p>

		<p>noted that there were no paraquat in the store and stock records shows that there are no paraquat. It is completely eliminated from Jendarata Estate during the assessment and company confirm that all the operating units are completely eliminating paraquat since 1/10/2010, which is earlier than the targeted date. This is one of the positive continuous improvements committed by the management since the first RSPO assessment and successfully implemented. This positive approach by the company has resulted in huge reduction of use of class 1a and 1b agrochemical.</p> <p>SOPs' provided for reducing herbicide by inter row mowing/grass cutting which covers flat area. Selective and spot spraying to control herbicide usage and careful calibration carried out to ensure no wastage. No pesticide usage at the riparian zones, weeding by manually. IPM also includes barn owl establishment. All the operating units have increased the boxes and to ensure the owl population, monthly monitoring of owl occupancy is conducted. Fibre glass boxes are used. Rat bait is being eliminated.</p> <p>Zero burning is practised during replanting to reduce impact on air quality and protect the environment. Replanted area established with cover crop established to eliminate impact on soil surface.</p> <p>Construction of bio-gas plant in UIEPOM completed and test run is in progress and expected to be commissioned completely by end of this year. Jendarata POM already has bio-gas plant and start trading for carbon credits. With this bio-gas project, it is expected that 90% of methane produced by mill effluent will be captured and hugely contributing to Certified Emission Reduction Credit.</p> <p>POME, EFB etc is all fully utilised for land application. This practice is being extended to all mills progressively. Waste products are recycled. Used oil, battery, oil filters, chemical containers sent to licensed waste collectors. Used oils are recycled continuously to lubricate railing track and by the mill engineering department to lubricate machineries. The Fibre and shell is recycled to operate boilers. Excess shell is sold to outside buyers. Decanter cake is dried and used as organic fertilizers in the field.</p> <p>Waste products – sources & reduction plan has been revised. Waste management action plan for each type of waste identified. Aliran Segar Sdn. Bhd.(license number 000394), GBR Birch, and Pantai Medivest has been identified as licensed and authorised waste collectors of schedule waste. Chemical containers are triple rinsed and punctured before released to the waste collectors.</p> <p>New budget has been developed by the top management for year 2010 to address continuous improvement. Bio-gas plant at UIEPOM is in the final stage of operating. Work is in progress at the Ulu Basir POM for bio gas plant at the cost of RM6 million. Enhancement of the biodiversity is continuously addressed with tree planting and maintaining the biodiversity.</p>
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3.2.9 Criterion to be summarised for each annual surveillance audit.				
Criterion	year 1	year 2	year 3	year 4
1.1	x	x	x	x
1.2	x	x	x	x
2.1			x	
2.2			x	
2.3			x	
3.1		x		x
4.1	x			
4.2		x		
4.3			x	
4.4				x
4.5	x			
4.6		x		
4.7			x	
4.8:				x
5.1		x		
5.2			x	
5.3				x
5.4			x	
5.5		x		
5.6	x			
6.1			x	
6.2				x
6.3			x	
6.4		x		
6.5	x			
6.6		x		
6.7			x	
6.8				x
6.9			x	
6.10		x		
6.11	x		x	
7.1	x			
7.2		x		
7.3	x			
7.4			x	
7.5				x
7.6		x		
7.7	x			
8.1	x	x	x	x


3.3 Non conformity register.

This section gives an over view of new or revised non-conformities raised during this assessment and of action taken to close out non-conformities raised during the previous assessments.

- If a minor-non-conformity raised at the last audit, is not closed out, then this will be raised to Major status and the company given 60 days to close this out.
- The NC number is comprised of 2 parts to include the year in which the NC is raised as well as a sequential number.

Annual assessment date (ASA2) :	2 - 5th August 2010 13th September 2010 23rd September 2010 28th September 2010 11th October 2010 3rd November 2010
Number settled (Closed):	2 (Closed during the 1 st Annual Surveillance Assessment)
Number outstanding:	1 (Registered during the 2 nd Annual Surveillance Assessment)

NON CONFORMITY REPORT	
NC number:	1/2010
Client name:	United Plantation Berhad.
Date raised:	5 th August 2010
Major or Minor:	Minor
Raised by:	A. Senniah
Aspect of standard: 6.5.3 Growers and millers provide adequate housing, water supplies, medical, education and welfare amenities in accordance with Workers' Minimum Standard of Housing and Amenities Act 1009 (Act 446) or above, where no such public facilities are available.	
Evidence of non-conformity: Although all the operating units comply with this requirement, it is noted that drinking water analysis was not conducted in one of the operating unit (Seri Pelangi POM). There is no evidence to confirm that the drinking water supplied to the labour housing at this operating unit is in compliance with WHO specification for drinking water. Assessors signature:  A. Senniah Date: 5 th August 2010	
Proposed corrective action / improvement action by company. The management of the particular operating units is taking immediate action to conduct the Water analysis.	
Timeline for conformance: Immediate action.	
Review of corrective /improvement action: will be reviewed during the next surveillance assessment.	

Observations.	
Client name:	United Plantation Berhad
Date raised:	5 th August 2010
Raised by:	A. Senniah
<p>During the audit it is noted that some of the operating units are not updating the documents regularly although the documents are available on site and sent to the units by the Group HR & Environment Department. As an area for further improvement, there should be a progressive inspection of the documents by the internal Person In Charge (PIC) to ensure all the records are updated and acknowledge by respective PIC.</p>	
Assessors signature:	
	
<p>A. Senniah Date: 5th August 2010</p>	

3.4 Stakeholder consultation and interview.
Summary of how the stakeholder consultation was conducted.
<p>Stakeholders consultation mainly comprised by field workers, workers union representatives, foreign workers representative, National NUPW Secretary, Perak State NUPW Secretary, Perak State DOSH Official, Perak State Labour Department Officials, Tenaganita, Doctor from Sabak Bernam Dispensary, Visiting Medical Officer, Representatives from Danish Energy Agency, Representatives from Danish Ministry of Climate and Energy.</p> <p>Representative from the Danish Energy Agency and Ministry of Climate and Energy was interested on the agrochemical handling, agrochemical poisoning, use of agrochemicals 1a and 1b, use of paraquat , agrochemical storage and the process of RSPO assessment. Throughout the consultation they are given access to all the relevant information and it was highlighted that this information should be included in the RSPO assessment report. The information are mainly covered in the assessment finding report under section 3.2.4 above.</p> <p>During a separate stakeholder consultation on 28/9/2010 with the NUPW committee, workers representatives and gender committee representative, the following questions were asked and their feedback recorded. The meeting with workers was conducted in the local Tamil and Bahasa Malaysia language to ensure that they understand the purpose of the consultation and to allow them to express their feedback freely. All the UP management representative was asked to leave the meeting room and the consultation were conducted without their present as per RSPO requirement. This is to ensure that the workers comfortable and free to give their comments. The representatives from the Danish Energy Agency were present during the meeting.</p> <p>1. Do you have any remarks on the safe handling of chemicals in Jendarata estate? Answer: Chemicals are handled safely with the enforcement of PPE and safe working environment.</p> <p>2. What is your relation with the plantation being assessed? Answer: Worker's union members, secretary and chairman, and Gender committee representative.</p> <p>3. Are there any plantation management practices that affect you and your health? Answer: No because we are given full and complete protective equipments for all kind of operations which approved by the DOSH. Medical surveillance conducted by doctor. Medical facility available at site. There are no issues.</p> <p>4. Do you consider any management practises is in conflict with the safe working environment? Answer: No</p> <p>5. Do you have any suggestions for management? Answer: Even before RSPO introduced, UP were having all the good practices. Our welfare and family welfare is well taken care. That is why you can see some of us have been working here for more than 10</p>

years.

6. Are you aware of any accidents related to chemical poisoning?

Answer: No. If there is any we are the first one to confront the company. But we are confused and upset why there are reports that such case has happened here although there are no such incident.

7. Are you aware of any cases where PPE is not implemented?

Answer: No. The fulltime supervisor and executive always monitor the PPE usage in the field and PPE is given free.

8. Are there any adverse effects on workers due to poor working condition in estate?

Answer: In Jendarata and in all the UP estates welfare and working condition are very well taken care.

9. Additional comments.

Answer: We as the Worker's Union Representative and workers representatives would like to request any interested party to interview directly with us if they want to know about our working environment here.

11. Do you have any comments that you would like to discuss in private with the assessment team and would you like to meet with them in future?

Answer: No. We always liaise with our NUPW officials if there are any issues. We also aware that RSPO audit conducted annually.

12. Do you have any comments of the management's any other plantations that you are aware?

Answer: Generally in Malaysia, safety of workers is given high priority. There is enforcement by government department.

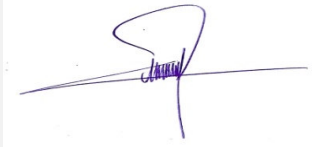
All the worker's union members, the Perak State Secretary and Chairman who attended the above consultation confirmed that safety aspects during work is strictly enforced at Jendarata estate and United Plantations which includes PPE use and safe working procedure. They also stressed that there are no any herbicide or pesticide or any kind of poisoning has taken place in Jendarata estate or in UP. They highlighted that they are very unhappy with the report in media about pesticide poisoning incidents because there are no such incident in their work place.

Number of persons attended/interviewed during this stakeholder meeting

30

4. Certified organisation's acknowledgement of internal responsibility

4.1 Date of next annual assessment:	August 2011
4.2 Date to close major non-conformities.	n/a
4.3 Date to close minor non-conformities.	Will be verified during next surveillance assessment.

4.4 Formal sign off of assessment findings.	
Acknowledgement of internal responsibility by the client.	
I the undersigned, being the legal representative of the inspected company, agree with the contents of this report and accept the liability in execution of the instructions given in the report.	
Name:	C. Mathews
Position:	Group Manager Human Resources And Environment, Safety & Health
Signature:	
Date:	3 rd November 2010

5. Appendix: Abbreviations used in the report.

ASA	Annual Surveillance Assessment/Audit
BM	Bahasa Malaysia
BOD	Biological Oxygen Demand
BPN	Badan Pertanahan Nasional (National Land Body)
BRC	British Retail Consortium
CDM	Clean Development Mechanism
CF	Certificate of Fitness
CHRA	Chemical Health Risk Assessment
CoC	Chain of Custody
CPO	Crude Palm Oil
CSR	Corporate Social Responsibility
CU	Control Union
Div	Division
DOE	Department of Environment
EFB	Empty Fruit Bunch
EIA	Environmental Impact Assessment
EUREPGAP	Euro-Retailer Produce Good Agricultural Practices
EWG	Estate Working Group
FFB	Fresh Fruit Bunch
FSC	Forest Stewardship Council
FPIC	Free Prior Informed Consent
FSC FM	Forest Stewardship Council Forest Management
GGL	Green Gold Label
GMP	Good Manufacturing Practice
GTP	Good Trading Practice
GOTS	Global Organic Textile Standard
GPS	Global Positioning System
HACCP	Hazard Analysis and Critical Control Point
HCV	High Conservation Value
HCVF	High Conservation Value Forest
HGU	Hak Guna Usaha (Land Right)
HIRARC	Hazard Identification, Risk Assessment and Risk Control
HM	Head Master
HUMAS	Hubungan Masyarakat (Public Relation)
IPM	Integrated Pest Management
KKPA	Smallholder Cooperative Association
MAPA	Malaysian Agriculture Producers Association
MPOB	Malaysian Palm Oil Board
MSDS	Material Safety Data Sheet
MWG	Mill Working Group
N/A or n/a	Not Applicable
NC	Non Conformity
NIOSH	National Institute of Occupational Safety and Health
NUPW	National Union for Plantation Workers
OE	Organic Exchange
OER	Oil Extraction Rate
OSH	Occupational Safety and Health
OSHAS	Occupational Safety and Health Assessment Scheme
P&C	Principle and Criteria
PEFC	<i>Programme for the Endorsement of Forest Certification</i>
PK	Palm Kernel
PKB	Perjanjian Kerja Bersama (Collective Agreement)
PKO	Palm Kernel Oil
PKS	Pabrik Kelapa Sawit (Palm Oil Mill)
POD	Policy Document
POM	Palm Oil Mill
POME	Palm Oil Mill Effluent

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PPE	Personal Protective Equipment
PT	Perseroan Terbatas (Limited Company)
PT SSS1	PT Surya Sawit Sejati
R&D	Research and Development
RSPO	Roundtable on Sustainable Palm Oil
S&H	Safety and Health
SIA	Social Impact Assessment