



RSPO Assessment Report

PUBLIC SUMMARY

UNITED PLANTATIONS BHD.

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.

Report prepared by: David Ogg FICFor. (Lead assessor).
Certification decision made by: Gerben Stegeman.

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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.

CU is accredited by the Dutch Council of Accreditation (RVA) on the European quality standard EN 45011 for the inspection and certification of CU Organic program (according to the EU regulation 2092/91) and EUREPGAP program. When requested a copy of the accreditation certificate can be obtained from CU.



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1. SCOPE OF THE CERTIFICATION ASSESSMENT.

1.1 National Interpretation used.

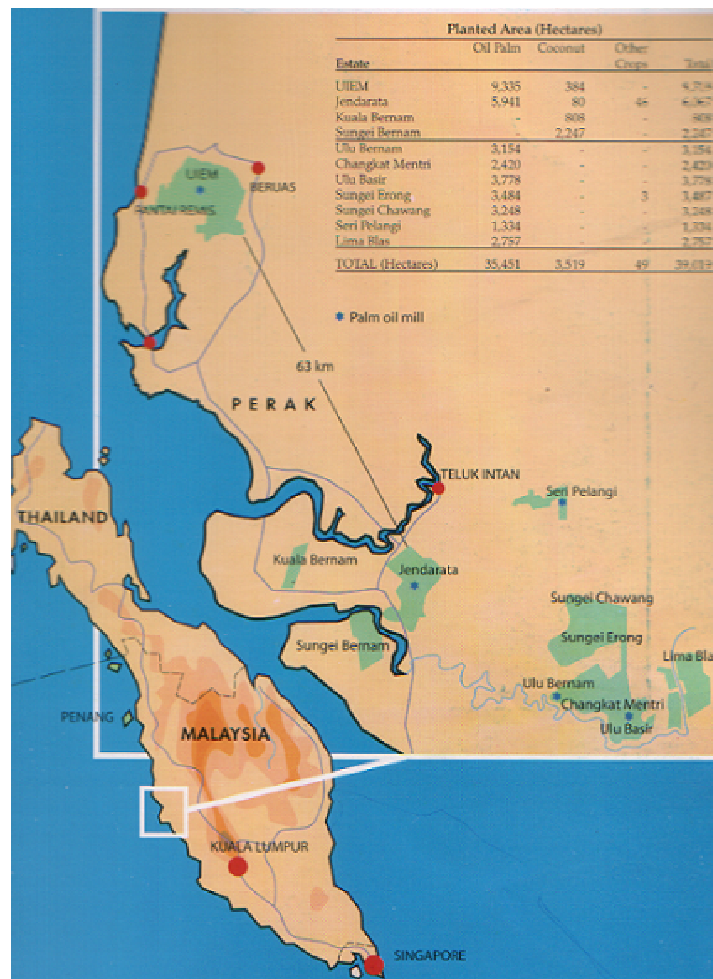
The management of the Palm Oil Mill(s) and associated suppliers of FFB were assessed for compliance against the 2008 International RSPO criteria as interpreted and endorsed for Malaysia.

1.2 Assessment type. (Mill, Estate and Mill, Plantation only etc. etc).

6 Palm Oil Mills and 3 business units with a total of 9 estates owned by the company.

1.3 Location maps.

1.3.1 Maps showing the location of the United Plantations in the States of Perak and Selangor.



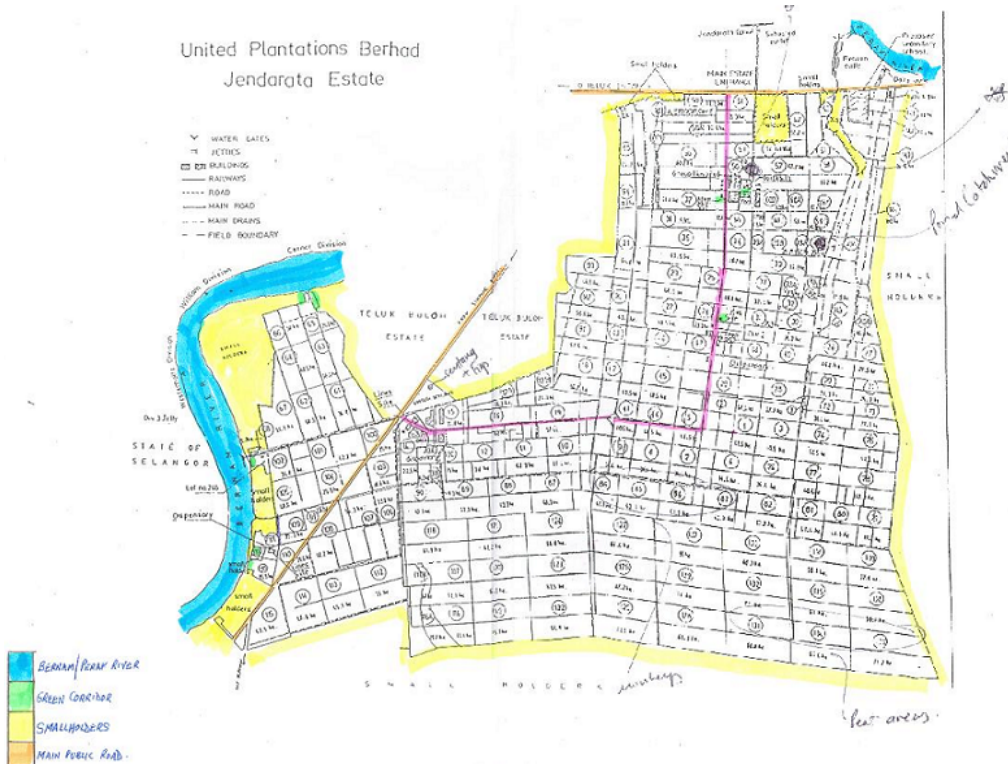


Map to show the location of estates, factories and holdings in Peninsular Malaysia.





1.3.2 Map to show the supply base and neighbouring entities. (Jendarata).



1.3.3 Location of mills.

Name of Mill	Location
Jendarata Palm Oil Mill.	Jendarata Business Unit, 36009 Teluk Intan, Perak, Malaysia
Seri Pelangi Palm Oil Mill.	Jendarata Business Unit, P.O Box 89 11 ¼ Miles, Jalan Bidor, 36008 Teluk Intan, Perak, Malaysia
Ulu Basir Palm Oil Mill	Up River Business Unit, 36500 Ulu Bernam, Perak, Malaysia.
Lima Belas 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 Enterprise (Malaysia), Mail Bag No 1, 34900, Pantai Remis, Perak, Malaysia.

1.3.4 Approximate tonnages certified.

Name of Mill	CPO	PK
Jendarata Palm Oil Mill.	35,141	8,211
Seri Pelangi Palm Oil Mill.	9,376	2,130
Ulu Basir Palm Oil Mill	35,933	9,695
Lima Belas Palm Oil Mill	10,530	2,641
Ulu Bernam Palm Oil Mill.	36,136	10,513
UIE (M) Palm Oil Mill	58,205	17,005

1.4 Description of supply base.

1.4.1 General description.

The supply base 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 and therefore Principle 7 is not applicable to this assessment.



1.4.2 Location of the supply base.			
Estate		Location.	GPS reference.
CU Code	Name of estate:		
	Jendarata Business Unit	Teluk Intan, Perak	
PO1	Jendarata Estate		3°52' N. 101° 01E.
PO2	Seri Pelangi Estate		3°59 N. 101° 08 E.
	UP River Business Unit.	Perak.	
PO3	Ladang Ulu Basir		3°42' N. 101° 15 E.
PO4	Changat Mentri Estate		3°44' N. 101° 13 E.
PO5	Ladang Sungei Erong		3°46' N. 101° 12 E.
PO6	Ladang Sungei Chawang		3°50' N. 101° 14 E.
PO7	Lima Belas Estate		3°42' N. 101° 27 E.
PO8	Ulu Bernam Estate	Selangor.	3°45' N. 101° 07 E.
	UIEM Business Unit	Pantei Remis, Perak	
PO9	UIEM Sdn, Bhd. Estate 1snd Estate 2		4°25' N. 100° 40 E.

1.4.3 Statistics of the supply base.						
CU Code	Name of estate.	Area of oil palm (ha)		EstTonnes FFB/yr	Planting years	Cycle (years)
		Oil Palm	Mature			
PO1	Jendarata Estate	5941	4230	160000	All estates. Vary between 1975 to 2008.	Cycles: Between 25 and 30 years.
PO2	Seri Pelangi Estate	1334	935	35000		
PO3	Ladang Ulu Basir	3778	2644	99700		
PO4	Changat Mentri Estate	2420	1687	63500		
PO5	Ladang Sungei Erong	3484	2273	85400		
PO6	Ladang Sungei Chawang	3500	2450	92400		
PO7	Lima Belas Estate	2757	1914	7200		
PO8	Ulu Bernam Estate	3154	2214	83500		
PO9	UIEM Estate 1&2	9335	6803	25600		

1.5 Details of other certifications or awards held.
Joint winner for the Malaysian Business Corporate Social Responsibility (CSR) Award. (Environmental Performance).
Anugerah Hibiscus Perdana Menteri. Prime Minister's Hibiscus Award for 2006/2007.
Anugerah Cemerlang Keselamatan Dan Pekerjaan Kebangsaan 2004.
Anugerah Cemerlang Keselamatan Dan Kesihatan Pekerjaan Kebangsaan 2006.


1.6 Contact person.	
Principle Contact person:	Mr C Mathews
Business address:	Jendarata Estate, 36009 Teluk Intan, Perak Darul Ridzuan, Malaysia
Group name if applicable:	n/a
Office telephone:	+605 6411 411
Mobile telephone:	+601 9339 2298
Fax:	+605 641 2337
e-mail:	uprd4@tm.net.my
Web site:	www.unitedplantations.com



1.7 Time bound plan for other management units and justifications.				
The time frame laid out below is considered to be both challenging and realistic. The company will be using the experience of the main assessment to ensure that the other management units conform to the RSPO principles and criteria.				
The audit team are satisfied that United Plantations conform with the RSPO requirements for partial certification as laid out in the Final RSPO Certification Systems document, May 2007, section 4.2.4				
Progress will be verified and reported in subsequent surveillance visits.				
Name of plantation.	General Location	Area Summary (ha)		Time bound timetable.
		Total	Planted	
Pt Surya Sawit Sejati	Central	15,650	Under	2013
Pt Sawit Seberang Seberang	Kalimantan	18,000	development.	2016

1.8 Date certificate issued and scope of certificate	
Name of Client:	United Plantations Bhd.
Client number:	CU809027
Certificate number:	CUC809027
Certification Decision Date:	August 21, 2008
Issued by	Control Union Certifications Group scheme: Yes <input type="checkbox"/>
Address	Meeuwenlaan 4-6 8025 BS Zwolle
Telephone	0031 (0) 38 426 0100
Fax	0031 (0) 38 423 7040
Email	certification@controlunion.com
Website	www.controlunion.com/certification
Scope	
Name of Mill:	Jendarata Palm Oil Mill.
Scope (Summary of suppliers of FFB):	<ul style="list-style-type: none"> PO1 – Jendarata Estate.
Projected mass balance CPO:	35,141.27 tonnes
Certificate registration code:	CU809027D01
Type of certification:	Single site: Yes <input checked="" type="checkbox"/> Group scheme: Yes <input type="checkbox"/>
Name of Mill:	Seri Pelangi Oil Mill.
Scope (Summary of suppliers of FFB):	<ul style="list-style-type: none"> PO2 –Seri Pelangi Estate.
Projected mass balance CPO:	9,376.65 tonnes
Certificate registration code:	CU809027D02
Type of certification:	Single site: Yes <input checked="" type="checkbox"/> Group scheme: Yes <input type="checkbox"/>
Name of Mill:	Ulu Basir Palm Oil Mill
Scope (Summary of suppliers of FFB):	<ul style="list-style-type: none"> PO3 – Ladang Ulu Basir. PO4 – Changat Mentri Estate. PO5 – Ladang Sungei Erong. PO6 – Ladang Sungei Chawang.
Projected mass balance CPO:	35,933.27 tonnes
Certificate registration code:	CU809027D03
Type of certification:	Single site: Yes <input checked="" type="checkbox"/> Group scheme: Yes <input type="checkbox"/>
Name of Mill:	Lima Belas Palm Oil Mill
Scope (Summary of suppliers of FFB):	<ul style="list-style-type: none"> PO7 – Lima Belas Estate
Projected mass balance CPO:	10,530.13 tonnes
Certificate registration code:	CU809027D04



Type of certification:	Single site: Yes <input checked="" type="checkbox"/>	Group scheme: Yes <input type="checkbox"/>
Name of Mill:	Ulu Bernam Palm Oil Mill.	
Scope (Summary of suppliers of FFB):	<ul style="list-style-type: none"> • PO5 – Ladang Sungie Erong. • PO6 – Ladang Sungei Chawang. • PO8 – Ulu bernam Estate. 	
Projected mass balance CPO:	36,136.80 tonnes	
Certificate registration code:	CU809027D05	
Type of certification:	Single site: Yes <input checked="" type="checkbox"/>	Group scheme: Yes <input type="checkbox"/>
Name of Mill:	United International Enterprises (Malaysia) Palm Oil Mill	
Scope (Summary of suppliers of FFB):	<ul style="list-style-type: none"> • PO9 – UIE (M) Sdn. Bhd. Estate 1 and Estate 2 	
Projected mass balance CPO:	58,205.68 tonnes	
Certificate registration code:	CU809027D06	
Type of certification:	Single site: Yes <input checked="" type="checkbox"/>	Group scheme: Yes <input type="checkbox"/>
Certifier (contact person)	Gerben Stegeman.	
Signature		



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, HACCP, BRC, GMP and GTP.
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2.2 Qualifications of the assessment team.		
2.2.1 Qualifications of the lead assessor. David Ogg FICFor.		
REQUIREMENT	QUALIFICATIONS	Compliance
A minimum of post high school (post secondary school) training in either agriculture/forestry, environmental science or social sciences;	OND (credit) Forestry. Newton Rigg College of Agriculture and Forestry. Penrith, Cumbria. U.K. 1978 to 1981	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);	Professional forester since 1981. 1987. Passed the examinations necessary to be accepted as a member of the Institute of Chartered Foresters. 2004 Promotion to a Fellow of the ICF.	Yes
Training in the practical application of the RSPO criteria, and RSPO certification systems;	Instrumental in the preparation of the CUC certification systems. Fully trained in similar certification programmes such as FSC, PEFC, GOTS, Organic Exchange.	Yes
Successfully completion of an ISO 9000:19011 lead assessors course;	BATALAS ISO 900:2000 lead assessors course. September 2007.	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.	Extensive experience in the Palm Oil industry by conducting pilot projects with 4 different companies throughout Malaysia and Indonesia from August 2006 to August 2007. Developed the CUC assessment checklist and system plans and training new assessors as team members. Conducted a significant number of assessments since 1998. (In excess of 3,000). SmartWood. Soil Association. Indfor: 700 group members including PEFC and FSC FM and COC; Control Union: GOTS, GGL, FSC COC, CRAMER, OE, Recycle standard. RSPO to date: 4 x pre-assessments. 5 x main assessments. (Malaysia, Indonesia and Colombia).	Yes.



2.2.2 Qualifications of assessment team.			
RSPO REQUIREMENT	ASSESSOR	QUALIFICATIONS	Compliance
Fluent in main local languages and English.	Mr Manivannan	Malaysian citizen.	Yes
	Dr Ramadasan	Malaysian citizen.	Yes
Field working experience in the palm oil sector, or a demonstrable equivalent.	David Ogg	Professional forester since 1981. See also above.	Yes
	Mr Manivannan	2 years of plantation management. 7 years with corporate agriculture financing. Degree in agribusiness.	Yes
Good agricultural practices (GAP), integrated pest management (IPM), pesticide and fertilizer use.	David Ogg	Professional forester since 1981. See also above.	Yes
	Mr Manivannan	Global Gap and GMPB2. 7 years assessment experience. Standards include GAP and IPM.	Yes
	Van Dong	Agricola Buen Ano – Mexico. Technical advisor. Global Gap auditor.	Yes
Health and Safety assessing on the farm and in processing facilities. (For example OHSAS 18001 or occupational. Health and safety assurance system).	David Ogg	Professional forester since 1981. See also above.	Yes
	Mr Manivannan	Global Gap and GMPB2. 7 years assessment experience. Standards include GAP and IPM.	Yes
	Van Dong	Global Gap auditor.	Yes
Workers welfare issues and social assessing experience. (For example with SA8000 or related social or ethical accountability codes).	David Ogg	Professional forester since 1981. See also above.	Yes
	Mr Manivannan	Global Gap and GMPB2. 7 years assessment experience. Standards include GAP and IPM.	Yes
	Van Dong	Global Gap auditor.	Yes
	Vijaya	Social. (Tuesday 27 th only).	Yes
Environmental and ecological assessing. (For example experience with organic agriculture, ISO 14001 or environmental management systems).	David Ogg	Biodiversity and environmental forest management.	Yes
	Mr Manivannan	Global Gap standard.	Yes
	Dr Ramadasan	WWF and environmental studies.	Yes
Economic issues.	David Ogg	Managing Director of forest management company for 18 years.	Yes
	Mr Manivannan	7 years with corporate agriculture financing. Degree in agribusiness.	Yes



2.3 Assessment methodology.

2.3.1 General overview.

The assessment was carried out in conformity with the procedures as laid down in the CUC RSPO Procedure Manual and the program manual for the assessor and certifier. During the assessment the qualified CUC assessors used the RSPO standard as endorsed for the country in which the assessment took place and recorded their findings.

Due to the location and proximity of the estates, combined with the common management systems and information derived during the pre-assessment, it was possible to carry out both field and office assessments of all 9 estates within the time frame without compromising the integrity of the assessments in anyway.

All 9 estates and the 6 mills were visited and the assessment team carried out field and office assessments of compliance for all the RSPO principles and criteria. Common systems were identified and specific evidence was recorded for individual estates. Interviews with managers took place in both formal and informal environments and worker interviews were conducted on all estates and in both mills.

The lead assessor designated particular assessment tasks to individual team members or to teams of 2, depending on their area of expertise or skills to ensure full coverage of the principles and criteria.

2.3.2 Assessment agenda.

Date	Location /main sites	Main activities (Detailed for 26 th and summarised thereafter).
26 th May	BOP Club.	<ul style="list-style-type: none"> • Opening meeting. Introduction by team leader. Introduction of team members and assessment agenda. • Over view by GM-HR & ESH. • Presentation of estates RSPO pictorial summary by respective managers. • Presentation of Oil Mills source of FFB by respective managers.
26 th May Morning and Afternoon	Ulu Basir Oil Mill. Ulu Basir estate Changkat Mentri – Grut Forest Reveve. Group hospital. Ulu Bernham nursery. Wetlands creek. Ulu Berhnm Oil Mill. Evening. Kampong Orang Asli	<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. Hospital. Old Folks Home. Bakery. Schools. Creche. 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. • 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.



		<ul style="list-style-type: none"> • 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.
27th May		<ul style="list-style-type: none"> • Open stake holder meeting.
27th May Afternoon.	Follow up visits as a result of the stakeholder meeting. Lima Blas Oil Mill. Lima Blas estate.	<ul style="list-style-type: none"> • Ferry crossing. • Schools. • Tree management. • Road management. • Otherwise as for 26th May,
28th May	Sg. Erong / Sg. Chawang Estate. Document review.	<ul style="list-style-type: none"> • Social amenities. • Zero burn replant. • Water management. • Field operations • Audit of all estates documentation at central location with specific files from individual estates to close out any gaps in the assessment.
29th May	UIEM Oil Mill UIEM estate 3Seri Pelangi Oil Mill Seri Pelagi Estate. .	<ul style="list-style-type: none"> • Mill inspection. • Workshops. • Stores. • POME application. • Document review. • Social amenities. • Tan Sri Bek-Nielsen Wildlife Sancturay. • EFB application. • Water management. • IPM • Forest Tree – plantings for seedlings. • Field operations. • Review of UIEM Business unit documentations.
30th May	Jendarata Oil Mill and Estate.	<ul style="list-style-type: none"> • BRB Boiler. • Biogas plant. • POME. Land application. • Zero burn replant. • LCC and IPM. • Light railway system. • Water management. • Social amenities.
30th May Afternoon	BOP Club	<ul style="list-style-type: none"> • Closing meeting. Chaired by the assessment team leader. Welcome and introduction by the team leader. Presentation of findings by the assessment team. Questions and answers. • Final summary by team leader.
<p>Number of assessors participating: 5 Number of days spent for the assessment on site: 5 Total number of person days used for the assessment on site: 21 (One assessor for one day only)</p>		



2.4 Stakeholder consultation	
2.4.1 Summary of how the stakeholder consultation was organised.	
<p>United Plantations included a list of 180 local stakeholders in their application form to CUC. (A number of stakeholders requested anonymity).</p> <p>All 180 stakeholders and an additional 13 National and International stakeholders as identified by UP and CUC were invited to make written responses to a questionnaire. The questionnaire includes full details of the company to be assessed, the names and addresses of all the mills and supply base, the dates of the assessment and the date time and place of an open stakeholder meeting.</p> <p>Notification was also posted on the CUC and RSPO web sites.</p> <p>12 questions are asked. In summary:</p> <ol style="list-style-type: none"> 1. Do you have any remarks on the RSPO standard? 2. What is your relation with the applicant. 3. Are there any plantation or mill management practices that affect you? 4. Do you consider any management is in conflict with the RSPO principles and criteria? 5. Do you have any suggestions for management? 6. Are you aware of any HCV in the plantations or in adjacent land? 7. Are you aware of any endangered or rare species? 8. Are there any adverse (or positive) effects on local communities? 9. Additional comments. 10. Are you likely to attend the open stakeholder meeting? 11. Do you have any comments about the assessment team and would you like to meet with them? 12. Do you have any comments of the applicants management of any other plantations? <p>112 responses were received which included issues to be investigated during the assessment. The open stakeholder meeting was attended by 150 people and the issues raised in the questionnaires were once again raised and discussed.</p> <p>Subsequently the assessment team discussed those issues with UP management team (See 3.3 below) and made site visits.</p> <p>The vast majority of the responses were positive regarding the work and social ethics of the company.</p>	
2.4.2 List of the National and International stakeholders contacted.	
EPF	Polis
Socso	Labour Department
NUPW. 4 offices.	Emyza bt Sudin
AidEnvironment.	Sawit Watch
Forest Peoples	WWF
PACOS	Sabah Forestry.
MIC	RSPO and CUC web sites.
2.5 Date of next surveillance visit:	August 2009



3. ASSESSMENT FINDINGS.

3.1 Lead assessor's summary and recommendation for certification:

A pre-assessment audit was conducted by David Ogg and Mr Manivannan from March 31st to April 4th 2008 of the Jendarata Business Unit.

During this audit the company's management documents, management systems and SOP's, as applicable to all management units and plantations, were audited against the Malaysian interpretation of the RSPO principles and criteria as available from the RSPO web site at that time.

The implementation of management systems were audited by conducting field, mill and bio-plant inspections; laboratory and nursery visit; worker and staff interviews; inspections of workshops and stores; visits to conservation areas and riparian zone management and inspection of all social amenities including the hospital, shops, bakery, sports facilities, water treatment plant, crèche, graveyards, old folks home, places of worship and housing for both staff and workers.

On the 2nd April a stakeholders meeting was held at 0800 attended by 36 persons. This was followed by an inspection of the kindergarten and two schools as issues had been raised by the headmistresses both before and during the stake holders meeting. (See below for full report).

The audit schedule (see 3.2 above) was prepared by the lead auditor in full consultation with Mr Mathews. It was designed to ensure that all mills and estates included in the scope of the certificates (if awarded) were included in the audit.

Much emphasis has been given to developing their commitment to sustainable palm oil. After the 3rd Roundtable meeting in Singapore, where the test principles and criteria were agreed upon, United Plantations arranged for a compliance audit of the RSPO principles and criteria by ProForest which was conducted in January 2006. Since then they have continued to develop their management systems in accordance with the national interpretation for Malaysia.

The main audit was conducted by assessing compliance against the endorsed National Interpretation for Malaysia.

There is a clear commitment to RSPO by top management and by the staff and workers in the field. This was evident through interviews and through field, plant and laboratory inspections.

United Plantations have prepared individual files for each and every principle and criteria and whilst there is repeated information, this enables anyone to inspect the procedures, policies and records of all operations by going straight to the relevant file. This method is repeated in each and every mill and estate office. Implementation of work is recorded by way of 29 checklists and the files which include minutes of meetings, committees, stakeholders, SOP's, environmental management, social issues, IPM techniques, records and reports covering all operations and the full range of RSPO principles and criteria.

This approach ensures that the company has fully considered all aspects of the RSPO P&C's and during the pre-assessment a detailed study of all the files was carried out at Jendarata business unit. During the main assessment it was confirmed that the information audited at Jendarata is included in all the estate and mill files. A complete audit was conducted at the Up River Business Unit where files for all the estates of the business unit were available for inspection. A sampling was carried out from all estates and mills to ensure that all Principles and Criteria were fully covered.

Site inspections of all business units included field operations and worker interviews; mill inspections and worker interviews; workshop, chemical stores and worker interviews; housing; hospital; clinics and all other social amenities as for the pre-assessment. The audit team also interviewed shop keepers, the ferry crew and householders.



The open stakeholder meeting was attended by 150 persons. Control Union received over 112 replies to the pre-assessment stakeholder letter. Please refer to section 6 below for a full report, analysis and follow up action.

Field operations inspected included:

- Zero burn replant sites.
- Mulching.
- Ground cover.
- Riparian zone management.
- Harvesting.
- Oxen extraction.
- Herbicide application and interview of workers.
- Railway haulage system.
- Chemical stores.
- Chemical mixing stations.
- Fertiliser stores.

Domestic waste disposal.

High Conservation Value areas and other conservation initiatives were inspected and the company is highly commended for their recognition of the importance of creating new bio-diversity areas as well as the enhancement of existing features such as riparian zones and forest habitats.

The team was particularly impressed with the establishment of the "Lagoon Nature Reserve" at UIE business unit. Incorporating a lagoon which is populated with a variety of fish and otters, Geoffrey Cooper (Sr Manager) has consulted with James Kingham and commenced a planting project of rare and endangered Malaysian species. To date 18 diverse tree families, 50 different species and over 2,000 trees have been planted with the intention of not only creating a natural forest system but to also provide a seed bank for future proration of these rare species.

Social amenities and the relationship with local communities were given high priority during the audit and during the stakeholder open meetings. The audit team were impressed with the facilities and the support of management to the wider community. Water supply to some worker houses and facilities was raised during the stakeholder consultations and interviews and the management are already taking steps to improve where necessary.

During inspections of workshops, it was noted that some electrical connections and cables were in a poor / dangerous condition. Guards were missing on some pulley systems and diesel tank bunding was not always adequate (See non-conformities). A safe working environment does not feature in RSPO criteria but it is the recommendation of the audit team that all electrical connections and guards be inspected and a system for check and repair be implemented. (It is also recommended that a criteria is added to ensure a "safe working environment in mills, workshops, stores and offices).

United Plantations have adopted a "cradle to grave" approach in two important respects.

- Research and continuing improvement of the seed, maximising the yield by sound agricultural practices, ensuring very high recovery rates of CPO in the mill and almost 100% utilisation of all by-products such as kernel shell, fibre and bio gas.
- Taking care of the pregnant workers and their children. Providing housing and wide ranging social benefits such as schools, places of worship and a hospital. Providing an old folks home and finally the setting aside of land for graveyards.

It is therefore the recommendation of the lead assessor that:

- A certificate of compliance is awarded.

Signed:

Name: David Ogg FICFor.

Date: 30th May 2008.



3.2 Summary of the findings by criteria:			
	Findings:	Comments:	Compliance
1.1	<ul style="list-style-type: none"> Records of all requests for information. 	Comprehensive system with evidence of action taken as the result of a request for information.	Yes
1.2	<ul style="list-style-type: none"> Public documents available as required. 	No restriction as to the documents that are publicly available with the exception of confidential commercial information.	Yes
2.1	<ul style="list-style-type: none"> Clear compliance with the law. Good systems in place to track and implement changes. 	All offices have a list of the relevant laws and document checks on licences and permits, statutory returns and other laws confirmed implementation,	Yes
2.2	<ul style="list-style-type: none"> Land titles / country leases for all properties. Mechanism for resolution of conflicts. Boundaries identified. No disputes noted. 	Land titles inspected for all estates and the mills. Boundary stones and markers seen and photographed.	Yes
2.3	<ul style="list-style-type: none"> No customary rights. 	Not applicable.	Yes
3.1	<ul style="list-style-type: none"> Annual budgets. Annual replanting programmes projected to 2013. 	Good financial planning with a 2 year rolling projection.	Yes
4.1	<ul style="list-style-type: none"> Up to date SOP's covering all operations. Implementation of SOP's. 	<p>A total of nine key operations with a number of sub operations make up the SOP. Covers all best practices. Updates are circulated and then included in the file and implemented. management.</p> <p>Mills: SOP's for all both mills are the same. From FFB reception on weighbridge to CPO despatch.</p>	Yes
4.2	<ul style="list-style-type: none"> Well planned and managed fertiliser regimes. Good monitoring of fertiliser inputs. EFB and POME land application. Zero burn policy 	<p>Annual recommendations for fertiliser and EFB applications.</p> <p>The field recommendations are made once a year and are based upon soil type, age group, history. Annual leaf sampling of each field for nutrient analysis. There is a base line for optimal minimum of all nutrients. Yield levels and to some extent the rain fall and pest and diseases are taken into account. All of these parameters are taken into account in preparing the analysis. The total fertiliser use is almost \$3million and so accuracy is imperative to ensure maximum yield with minimum cost of fertiliser input.</p> <p>POME applied for land irrigation.</p> <p>Clear evidence of zero burn policy being implemented.</p>	Yes
4.3	<ul style="list-style-type: none"> Soil maps. No fragile soils. Good ground cover. Froned placement to reduce erosion. Terracing. Road maintenance programmes. No peat. 	<p>Soil maps. No fragile soils and very little steep ground. Erosion management through reduced herbicide use and frond stacking.</p> <p>Low ground pressure tyres by way of twin tyres, leguminous cover crop (Mucuna bracteata) and mowing harvesting paths. This avoids blanket weeding. Maps show where the above actions have taken place with photographs.</p> <p>The earth worm activity is also monitored as a sign of soil fertility.</p> <p>Road maintenance includes some roads are tarmaced.</p>	Yes
4.4	<ul style="list-style-type: none"> Good levels of water usage per tonne of FFB processed. 	Water use averages 1.7 tonnes per tonne FFB with a downward trend.	Yes



	<ul style="list-style-type: none"> No drainage into protected areas. Water management plans. 	<p>Water supplies to all linesites are being improved.</p> <p>Prawn breeding is carried out by one stakeholder who takes water from the river. He informs the estate and when he is taking water and the estate closes the discharge gates near his farm. In reverse the estate tells the fish farmer when discharge is taking place and this is recorded.</p>	
4.5	<ul style="list-style-type: none"> Documented and implemented IPM system. Monitoring of IPM used. Planting of beneficial plants. Monitoring of pesticide use per ha. 	<p>Integrated pest management and pest and disease control. The concept is to harmonise natural control with where there is a need to intervene with chemical control. The use of pheromones. Beneficial plants. Barn owls. Chipping and pulverizing of felled palm trees. Use of biological control. Chemical control. Manual control. Census. Identification. Treatment. Evaluation and record keeping. Throughout all estates the use of beneficial plants such as Tunera subulata, Cassia cobanensis, Mucuna bracteata, Antigonon spp. are very evident. Replant sites are restructured to allow enough light for these plants. Leguminous cover crops are also well-established to suppress growth of noxious weeds.</p>	Yes
4.6	<ul style="list-style-type: none"> Written justification for all agrochemicals used. All pesticides are officially registered. Well ventilated and secure chemical stores with MSDS leaflets and first aid. Annual medical checkups. No work for breast feeding or pregnant woman. Paraquat is being replaced. Chemical residue testing of CPO. Records of pesticide use. 	<p>The chemical stores are well planned and managed with good ventilation. Pre-mixing takes place in bunded areas with shower facilities. Inspection of records, interviews with the workers and medical staff confirmed that annual check ups take place and pregnant and breast feeding women are assigned other work.</p>	Yes
4.7	<ul style="list-style-type: none"> OSH plans in place and implemented and good records. OSH committees and responsible persons. Documented risk assessments. Accident and emergency procedures. First aiders at all sites. First aid kits at all places of work. Training programmes. Accident records. Worker insurance in place. 	<p>The OSH plans and documents are well thought out and is also displayed in the work places. Interviews with workers confirmed knowledge of the plans and procedures and first aid training records were inspected and also confirmed by interview. Safe working environments observed in mills and places of work.</p>	Yes
4.8:	<ul style="list-style-type: none"> Training plans and records as appropriate for all staff and workers. 	<p>Annual training programme for all workers. Regular assessments take place to ensure all workers are up to date with training. Training records inspected.</p>	Yes
5.1	<ul style="list-style-type: none"> Documented and implemented impact assessments. Environmental improvement plans in place and positive action implemented. 	<p>Plans to mitigate negative impacts are in place for all estate and mill operations / activities.</p> <p>5.1.2: A number of diesel tanks inspected had inadequate drainage systems and / or pumps and pipes outside the bund. The result of this is ineffective containment of leakage.</p>	No (see NC 01/2008)
5.2	<ul style="list-style-type: none"> HCV assessments completed. Management plans are well prepared and are being implemented. HCV's are generally the riparian zones. HCV waterfall jungle reserve is well 	<p>Riparian zones are identified on maps and marked on the ground using coloured poles. Non maintenance regimes and jungle tree planting is taking place.</p> <p>A number of diesel tanks inspected had inadequate drainage systems and / or pumps</p>	Yes



	<p>protected.</p> <ul style="list-style-type: none"> Illegal activities are actively discouraged and signs around the estate make it clear that hunting, fishing etc is illegal. 	and pipes outside the bund. The result of this is ineffective containment of leakage.	
5.3	<ul style="list-style-type: none"> Waste products identified. Plans to avoid pollution are in place. EFB and POME are used for fertiliser. 	Scheduled waste is stored in appropriate facilities and disposed off by licensed companies. Land irrigation inspected.	Yes
5.4	<ul style="list-style-type: none"> All energy used in the mills is monitored. 	Monitoring records inspected and found to be in accordance with industry standards.	Yes
5.5	<ul style="list-style-type: none"> No evidence of burning anywhere on any estate. Previous crops chipped and shredded. 	SOP's and evidence on ground.	Yes
5.6	<ul style="list-style-type: none"> Plans in place to mitigate all polluting activities. Pollutants are identified. No peat. 	Management of waste plans. Scheduled waste identified and stored appropriately.	Yes
6.1	<ul style="list-style-type: none"> Documented and implemented social impact assessments prepared in participation with affected parties. 	All social impacts due from estate/mill operations have been identified through extensive consultation with relevant stakeholders and mitigation measures have been determined. These have been incorporated into the appropriate action plans to be executed by designated personnel within a specified timeframe	Yes
6.2	<ul style="list-style-type: none"> Clear and transparent communication with local stakeholders. Extensive lists of stakeholders. Identified lines of communication. 	The stakeholder meeting and interviews confirmed that communications and relationships between the estates and stakeholders is good.	Yes
6.3	<ul style="list-style-type: none"> Complaints and dispute resolution procedures which is used. Procedure is fully available. 	<p>Documented and inspected. Confirmation by interview that the system is accepted and works in a timely manner.</p> <p>6.3.2: The system to resolve disputes is clearly in place and there are records of all meetings. The "grievances and complaints" that have been raised have been resolved in an effective and timely manner as confirmed by interview. However, it is not clear if the issues raised at stakeholder meetings have been acted upon in an effective and timely manner.</p>	No (see NC 02/2008)
6.4	<ul style="list-style-type: none"> No customary lands. 	Not applicable.	Yes
6.5	<ul style="list-style-type: none"> Contracts of pay and conditions in compliance with the law. Housing, water supplies, medical, educational and welfare amenities supplied. Improvement implemented to line site water supplies and to waste water discharge, 	<p>Pay and conditions and contracts were inspected in all offices and discussed during worker interviews. They are understood by all workers. Linesites were inspected and it is noted that water supplies are being improved. Kindergarten, schools, a hospital, old folks home, bakery and nursery crèches are maintained by the estates.</p> <p>6.5.3: The housing provided and the standard varies as there is an on going improvement programme. However, water supply was raised as an issue by stakeholders and during worker interviews. Supplies are not always adequate. (Especially Up River Business Unit). See also stakeholder record in public summary.</p>	No (see NC 03/2008)
6.6	<ul style="list-style-type: none"> Minutes of meetings with trade unions and worker representatives. Published statement recognizing freedom of association. 6 languages. 	Minutes of meeting with worker reps are recorded. Meeting with worker reps is through the various committees (eg: OSH Committee, and Sexual Harassment Committee).	Yes
6.7	<ul style="list-style-type: none"> No child labour. 	Interviews and inspection of records and	Yes



		labour registration cards confirmed no employment of children below the age of 16.	
6.8	<ul style="list-style-type: none"> Publicly available equal opportunities policy. No evidence of discrimination. 	Policy displayed in office and muster grounds. Wage records inspected and rates confirmed as being the same for male and female workers and migrant workers.	Yes
6.9	<ul style="list-style-type: none"> Well displayed and clear policy on sexual harassment. 	Policy publicly displayed in office and at linesite. Worker interviews confirmed that no sexual harassment takes place.	Yes
6.10	<ul style="list-style-type: none"> FFB is supplied by the estates owned by the company. Suppliers of services paid in a timely manner. 	Interviews with suppliers of services confirmed that they are fairly treated and paid promptly. UIEM Mill. The only mill that sources FFB from 3 outside suppliers. The crop is inspected every year and an agreement is made between the two parties including quality, payment terms, delivery times, weight and force majeure etc. When the crop is received the price is based on the extraction rate. The price 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.	Yes
7.1 to 7.7	<ul style="list-style-type: none"> Not applicable as no new planting is planned. 		Yes
8.1	<ul style="list-style-type: none"> Clear evidence of continual improvement in key areas. 	Paraquat is being reduced. SOPs provide for reducing herbicide by inter mowing, small spot sprays around palms and careful calibration of sprayers. POME, EFB etc is all fully utilised and the company is collecting Methane at Jendrarta. This practice is being extended to all mills progressively. Waste products are recycled. On going house improvements. Regular stakeholder meetings.	Yes

3.3 Non conformity register.

This section gives an overview of new or revised non-conformities raised during this assessment and of action taken to close out non-conformities raised during the previous assessments. Major non-conformities raised during a main assessment will prevent CU from making a positive certification decision for the concerned units/products. **The NC number is comprised of 2 parts to include the year in which the NC is raised as well as a sequential number.**

Date:	22nd August
Number settled (See 5.1):	-
Number outstanding (See 5.2):	3

NON CONFORMITY REPORT	
NC number:	01/2008
Client name:	United Plantations Berhad
Client number:	CU809027
Date raised:	30 th May 2008
Major or Minor:	Minor
Raised by:	David Ogg FICFor.
Aspect of standard:	
5.1.2 Environmental improvement plan to mitigate the negative impacts and promote the positive ones, is developed, implemented and monitored.	
Evidence of non-conformity:	



A number of diesel tanks inspected had inadequate drainage systems and / or pumps and pipes outside the bund. The result of this is ineffective containment of leakage.

Auditors signature:

Date: 30th May 2008.

Proposed corrective action / improvement action.

Inspect ALL diesel tanks and ensure that they comply with environmental standards.

Timeline for conformance: Time of next annual surveillance.

Review of corrective /improvement action:


Auditors signature:

Date:

NON CONFORMITY REPORT	
NC number:	02/2008
Client name:	United Plantations Berhad
Client number:	CU809027
Date raised:	30 th May 2008
Major or Minor:	Minor
Raised by:	David Ogg FICFor.
Aspect of standard:	
6.3.2 The system resolves disputes in an effective, timely and appropriate manner.	
Evidence of non-conformity:	
The system to resolve disputes is clearly in place and there are records of all meetings. The "grievances and complaints" that have been raised have been resolved in an effective and timely manner as confirmed by interview. However, it is not clear if the issues raised at stakeholder meetings have been acted upon in an effective and timely manner.	
Auditors signature:	
Date: 30 th May 2008.	
Proposed corrective action / improvement action.	
Records need to be maintained of action taken.	
Timeline for conformance: Time of next annual surveillance.	
Review of corrective /improvement action:	
Auditors signature:	
Date:	

NON CONFORMITY REPORT	
NC number:	03/2008
Client name:	United Plantations Berhad
Client number:	CU809027
Date raised:	30 th May 2008
Major or Minor:	Minor
Raised by:	David Ogg FICFor.
Aspect of standard:	
6.5.3 Growers and millers provide adequate housing, water supplies, medical, educational and welfare amenities in accordance with Workers' Minimum Standard of Housing and Amenities Act	



1990 (Act 446) or above, where no such public facilities are available or accessible not applicable to smallholders).
<p>Evidence of non-conformity: The housing provided and the standard varies as there is an on going improvement programme. However, water supply was raised as an issue by stakeholders and during worker interviews. Supplies are not always adequate. (Especially Up River Business Unit). See also stakeholder record in public summary.</p> <p>Auditors signature: </p> <p>Date: 30th May 2008.</p>
<p>Proposed corrective action / improvement action. Immediate action to ensure adequate water supplies.</p>
<p>Timeline for conformance: Time of next annual surveillance.</p>
<p>Review of corrective /improvement action:</p> <p>Auditors signature: Date:</p>

3.4 Issues raised during stakeholder consultation and company responses. (The subjects raised and responses by the company will be reviewed at the first annual surveillance assessment).		
Subject raised	Company response and proposed action to be taken.	Assessment team findings
Ferry is not safe. Times are wrong, x 2. Should be 24 hours x 4 (Or a bridge)	The ferry is supplied free of charge. A bridge is prohibitively expensive. 24 hours is not justified.	Ferry visited and found to be in good order. No further action.
No delivery room. X 3	The number of babies being born does not justify a delivery room. Local hospital.	Explanation accepted.
Prayer room in place of work.	Consideration being given. Will be reviewed.	Explanation accepted.
Table of permits presented by UP needs careful review so as to ascertain legality. - Has the Notary Act been adjusted? Are the previous owners of PT SSS and PT MPP still shareholders (5%)? - What permits were acquired by the previous owners, and what is their validity after the take over (not all permits obtained by the previous owner remain valid after acquisition)? - Was the order in which permits obtained correct? (E.g. how come Location Permits and IUPs be issued when the AMDAL's are still in process?; how come land was cleared 'earlier' and a nursery was established without an IUP? Does UP hint that the previous owners did so (illegally)? - Was there any expansion of areas to which previously issued permits do not apply (which may require new AMDAL's to be made)? - On what basis does UP claim (ownership of) Runtuh II (there is not even an Informasi Lahan - so no stakeholder could figure out where this estate is and what it comprises)? - Are AMDAL's made for CPO mills as well? - The UP Annual Report 2006 suggests that the land is (all?) degraded grassland. It's hard to believe that this goes for the full 38,400 ha. Is the land status according to national maps clear? Are IPKs obtained for non-HCVF forest removals? - Have Forestland Release letters been issued by the Ministry of Forestry if (part of) the land is still considered land under the auspices of the MoF	These issues were fully investigated during the audit and the management explained that they had stopped planting PTSSS2 until issues were sorted. They took this action without knowledge of the issues being raised by the stakeholder. There are two plantations. PTSSS 1 (Pt Surya Sawit Sejati) and PTSSS 2 (Pt Sawit Seberang Seberang). Operations were stopped in Pt Sawit Seberang Seberang 2 at the end of February 2008 because the IUP was not forthcoming. Since then efforts have been made to try and obtain the IUP but to date it has not been issued. Political and local conditions are holding up the process. Pt SSS1 is going ahead as planned. A letter confirming the above has been prepared by the Company.	See centre column.
Sound proof in mill.	Sound proofing has been built around the gen set.	Mill inspected and sound proofing noted. Further plans to



		extend to other mills.
Dust.	Dusty areas where the furnaces are stoked. Will review and try to improve ventilation.	To be reviewed at next audit.
Regular check ups for workers exposed to dust.	This is already done.	Explanation accepted.
Give more emphasis to workers as to the importance of education for their children in their community.	The management has agreed to look into this, and will inform the parents accordingly.	A meeting was held on 2/4/08, with this person who happens to the head mistress of the Div 1, Tamil school. Her concern is that, school children are wandering around after the school hours until their parents get back home at about 3.30pm – 4.0 pm. She asked for the estate management to guide the parents accordingly.
More welfare programmes.	Doing a great deal already.	Explanation accepted.
Water should be given free to the school.	This will be considered.	Explanation accepted.
Need a library for students. Playground. New drummer hall.	Doing a great deal already.	Explanation accepted.
Social aspect of education. Scholarship contributions should be expended from universities to other vocational school applicants/private colleges. High achievers should be rewarded.	Scholarships are given,	Evidence seen.
Old trees behind the kindergarten and temple needs to be cared for.	Tree surgery to take place.	Trees inspected and it was a greed that a crown reduction should take place.
Standard of living is all right but not economical sense.	Her concern is that school children are not able to pay RM5.00 for sports activities and raised the subject of workers income.	A meeting was held on 2/4/08, with this person who happens to the head mistress of the Div 1, Tamil school. We have been made to understand by the management that the average salary is RM850.00, which the audit team feel is reasonable taking into consideration that all basic facilities are provided.
Cattle encroachment by En Yoakob.	Management will investigate.	Explanation accepted.
Education welfare and infrastructure of current school.	Claim that the school is not in good physical condition and that the government are not supporting it due to the status of the land which is owned by the Estate. The estate management feels that they have done the necessary and have requested the HM to write to the Education Ministry for any assistance needed, since there is fund allocated for Tamil schools. The HM further mentioned that the Education Ministry representative have informed that, if the land is given to the government, the ministry will treat this school with government aid. The management told the HM to immediately request the ministry to write in officially on their request to follow up	Meeting was held on 2/4/08, with this person who happens to the head mistress of the Div 1, Tamil school. Upon visiting the school, the audit team found that the school is in good condition with all basic facilities. We further found out that almost 40% of the students are not from the estate but from surrounding areas, whose parents do not work in the estate.
Social and spiritual issues. Rare and endangered species.	Not clear. Will arrange a meeting.	A meeting was held on 2/4/08, with this person who happens to be working at Upriver Estate. No issues here and very positive comment from Mr. Victor Dass
A sample of the many positive comments:		
An inspiration in management.		
Provision of electricity and water.		
Financial support. Employment for the disabled. Fertiliser.		
Motivation talks. Promotion of oil palm planting benefits.		
Job opportunities. Housing. Standard of life has improved. Schools provided.		
UIE has a reserve jungle.		
CMR wildlife sanctuary.		




3.5 Formal sign off of assessment findings.

3.5.1 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.

Comments:

We confirm and agree with the contents

Name:	C.Mathews
Position:	Group Manager Human Resources And Environment,Safety & Health
Signature:	
Date:	30 th May 2008