

**MALAYSIAN SUSTAINABLE PALM OIL –
INITIAL ASSESSMENT
Public Summary Report****United Plantations Berhad-Jendarata POM**

Client company Address:

Jendarata Estate, 36009 Teluk Intan.

Certification Unit:

United Plantations Berhad-Jendarata POM

Location of Certification Unit:

Jendarata Estate, 36009 Teluk Intan.**Report prepared by:**
Elzy Ovktafia (Lead Auditor)**Report Number: 8938592****Assessment Conducted by:**
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Section 1: Executive Summary

| 1.1 Organizational Information and Contact Person | | | |
|---|---|-----------|---------------------|
| MPOB License | Jendarata POM: 508108704000 Jendarata Estate: 501550502000 Seri Pelangi Estate: 50227202000 | | |
| Company Name | United Plantations Berhad-Jendarata POM | | |
| Address | Jendarata Estate, 36009 Teluk Intan. | | |
| Group name if applicable: | N/A | | |
| Subsidiary of (if applicable) | N/A | | |
| Contact Person Name | C. Mathews | | |
| Website | http://www.unitedplantations.com | E-mail | mathewsc6@gmail.com |
| Telephone | 05-6436271 | Facsimile | 05-6417100 |

| 1.2 Certification Information | | | |
|---|---|----------------------------|-------------|
| Certificate Number | Mill : MSPO 693201 Estate : MSPO 693204 | | |
| Issue Date | 07/09/2018 | Expiry date | 06/09/2023 |
| Scope of Certification | Mill: Production of Sustainable Palm Oil and Palm Oil Products Estate: Production of Sustainable Oil Palm Fruits | | |
| Stage 1 Date | N/A (The certification unit is RSPO certified) | | |
| Stage 2 / Initial Assessment Visit Date (IAV) | 26-28 June 2018 | | |
| Continuous Assessment Visit Date (CAV) 1 | N/A | | |
| Continuous Assessment Visit Date (CAV) 2 | N/A | | |
| Continuous Assessment Visit Date (CAV) 3 | N/A | | |
| Continuous Assessment Visit Date (CAV) 4 | N/A | | |
| Other Certifications | | | |
| Certificate Number | Standard(s) | Certificate Issued by | Expiry Date |
| RSPO 683611 | RSPO NEXT | BSI dated 30/10/2017 | 28/9/2022 |
| MUTU-RSPO/068 | RSPO P&C | Mutu Agung dated 29/9/2017 | 28/9/2022 |

| 1.3 Location of Certification Unit | | | |
|--|---|----------------------------------|--------------|
| Name of the Certification Unit (Palm Oil Mill/ Estate/ Smallholder/ Independent Smallholder) | Site Address | GPS Reference of the site office | |
| | | Latitude | Longitude |
| Jendarata POM | Jendarata Business Unit, 36009 Teluk Intan Perak, Malaysia | N 3°51'14" | E 100°58'06" |
| Jendarata Estate | Jendarata Business Unit, 36009 Teluk Intan Perak, Malaysia | N 3°54'00" | E 100°58'39" |
| Seri Pelangi Estate | Seri Pelangi Estate Batu 11 ¾ Jalan Bidor 36009 Teluk Intan Perak, Malaysia | N 3°59'37" | E 101°26'53" |

| 1.4 Plantings & Cycle | | | | | |
|----------------------------------|------------------|----------------|----------------|---------------|----------------|
| Estate | Age (Years) - ha | | | | |
| | 0 - 3 | 4 - 10 | 11 - 20 | 21 - 25 | Total area |
| Jendarata | 1558.44 | 1762.12 | 1680.80 | 204.54 | 5205.90 |
| Seri Pelangi | 321.0 | 0 | 487.0 | 529.0 | 1337.00 |
| Total | 1879.44 | 1762.12 | 2167.80 | 733.54 | 6542.90 |

| 1.5 FFB Production (Actual) and Projected (tonnage) | | | |
|--|------------------------------|--|---|
| Producer Group | Projected from last audit | Actual production or last 12 months (01 May 2017 – 31 May 2018) | Projected production for next 12 months (May 2018 - April 2019) |
| Jendarata | - | 116,867.59 | 116,300 |
| Seri Pelangi | - | 39,217.30 | 26,360 |
| Total | - | 156,084.89 | 142,660.00 |

| 1.6 Certified CPO / PK Tonnage | | | |
|---------------------------------------|--------------------------------------|--|-----------------------------------|
| Mill | Estimated (April 2017 – May 2018) | Actual (01 May 2017 – 31 May 2018) | Forecast (May 2018 April 2019) |
| Jendarata POM | CPO (OER: %) | CPO (OER: %) | CPO (OER: %) |
| | - | - | 32,925 mt (23.08%) |
| | PK (KER: %) | PK (KER: %) | PK (KER: %) |
| | - | - | 7,546 mt (5.29%) |

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| 1.7 Certified Area | | | | | |
|---------------------------|---|---------------------|--|----------------------------|-------------------------|
| Estate | Total Planted (Mature + Immature) (ha) | HCV (ha) | Infrastructure & Other (ha) | Total Area (ha) | % of Planted |
| Jendarata | 5205.90 | 3.15 | 1047.77 | 6256.82 | 83.20 |
| Seri Pelangi | 1337.0 | 0 | 78.94 | 1415.94 | 94.42 |
| TOTAL | 6542.90 | 3.15 | 1126.71 | 7672.76 | |

| 1.8 Details of Certification Assessment Scope and Certification Recommendation: |
|--|
| <p>BSI Services Malaysia Sdn Bhd has conducted the Initial Assessment Certification Assessment of United Plantation Berhad-Jendarata POM located in Teluk Intan comprising 1 Mill and 2 Estates and infrastructure.</p> <p>The assessment was conducted onsite to assess the compliance of the certification unit against the MS 2530-3:2013 MSPO Part 3: General principles for oil palm plantations and organized smallholder and MS 2530-4:2013 MSPO Part 4: General principles for palm oil mills.</p> <p>The onsite assessment was conducted on 26-28 June 2018.</p> <p>Based on the assessment result, United Plantation Berhad-Jendarata POM complies with the MS 2530-3:2013 MSPO Part 3: General principles for oil palm plantations and organized smallholder and MS 2530-4:2013 MSPO Part 4: General principles for palm oil mills and recommended for certification.</p> |

Section 2: Assessment Process

Certification Body:

BSI Services Malaysia Sdn Bhd,
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BSI is a leading global provider of management systems assessment and certification, with more than 60,000 certified locations and clients in over 100 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems.

Assessment Methodology, Programme, Site Visits

This on-site assessment was conducted from **26-28 June 2018**. The audit programme is included as Appendix A. The approach to the audit was to treat the **mill or plantations** as a MSP0 Certification Unit. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of staff, workers and their families and external stakeholders, review of documentation and monitoring data. **MS 2530-3:2013 MSP0 Part 3: General principles for oil palm plantations and organized smallholder and MS 2530-4:2013 MSP0 Part 4: General principles for palm oil mill** were used to guide the collection of information to assess compliance. The comments made by external stakeholders were also taken into account in the assessment.

The estates or smallholders sample were determined based on formula $N = 1.0\sqrt{y}$ where y is the number of estates while when applicable, the smallholders sample were determined following the MSP0 Certification Requirement. The sampling of smallholders were based on the formula $(1.0\sqrt{y}) \times (z)$; where 1.0 is the risk factor (may defer to 1.2 and 1.4 depending on risk), where y is total number of group members and where z is the multiplier defined by the risk assessment. The sampled smallholder listed in Appendix C.

Meetings were held with stakeholders to seek their views on the performance of the company with respect to the MSP0 requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and these have been incorporated into the assessment findings.

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

The assessment findings for the initial assessment are detailed in Section 4.2.

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This report is structured to provide a summary of assessment finding as attached in the Section 3. The assessment was based on random samples and therefore nonconformities may exist that have not been identified.

This report was externally reviewed by MSPO approved Peer Reviewer prior to certification decision by BSI.

The comments made by external stakeholders were also taken into account in the assessment where the stakeholder notification was made on 23rd May 2018 through BSI website: <https://www.bsigroup.com/en-MY/RSPO-MSPO-Certification/MSPO-clients-and-reports1/>

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

| 1. Assessment Program | | | | | |
|--|-----------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Name (Mill / Plantation / Group smallholders) | Year 1 (Certification) | Year 2 (ASA 1) | Year 3 (ASA 2) | Year 4 (ASA 3) | Year 5 (ASA 4) |
| Jendarata POM | √ | √ | √ | √ | √ |
| Jendarata Estate | √ | √ | √ | √ | √ |
| Seri Pelangi Estate | √ | √ | √ | √ | √ |

Tentative Date of Next Visit: June 24, 2019 – June 26, 2019

Total No. of Mandays: 6

BSI Assessment Team:

Elzy Ovktafia - Lead Assessor

She graduated from Universiti Putra Malaysia in Diploma of Agriculture, holding the designatory of LISP from the Incorporated Society of Planters and currently in the midst of completing the AISP level (professional certificate and recognition from the Incorporated Society of Planters). She involve in audits and technical reviews works mainly for Sustainability Programme includes RSPO, MSPO and 2nd Party Audit for Social Compliance Programme (URSA, ETI, etc) for 2 years in more than 11 countries. She is a qualified Lead Auditor/Auditor for RSPO P&C, RSPO NEXT, RSPO SCC, ISO 9001:2015 and Social Compliance Audit by Verite. Prior to this, she was the Agronomist in R&D Department for almost 5 years in Oil Palm Plantation where her task involved in all Oil Palm Plantation Operations such as conducting experimental trials on Research & Development with technical paper publications, Crop Forecast, Leaf & Soil Sampling Collection, Fertilizer Recommendation, Pest and Diseases Training, Quality Control as well as special project namely Yield Intensification Project and Food for Palm Project for estates.

Selvasingam T Kandiah-Team Member

He holds a B. Sc (Hons) Agriculture and had worked as a planter with Sime Darby Plantation Sdn Bhd (formerly known as Kumpulan Guthrie Berhad) for more than 10 years including one year in Liberia and 2 years in Estate Department of Kumpulan Guthrie Headquarters. During this assessment, he assessed on the aspects of legal, mill best practices, environmental and workers and stakeholders consultation.

Accompanying Persons: -

Section 3: Assessment Findings

3.1 Details of audit results

This assessment has been assessed using the following RSPO normative requirements. The assessment details are provided in Appendix A.

- MSPO MS 2530-2:2013 – General Principles for Independent Smallholders
- MSPO MS 2530-3:2013 – General Principles for Oil Palm Plantations and Organized Smallholders
- MSPO MS 2530-4:2013 – General Principles for Palm Oil Mills

3.2 Details of Nonconformities and Opportunity for improvement

The nonconformity is listed below.

During the Certification Assessment there were no Major, 5 Minor nonconformities and 2 Opportunities of Improvement raised. The United Plantation Berhad-Jendarata POM Certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted. The implementation of the corrective action plans to address the minor nonconformity will be followed up during the next surveillance assessment.

| Minor Nonconformities: | | |
|-----------------------------|---|------------------------------------|
| Ref | Area/Process | Clause |
| <i>NC ID from eReport</i> | 1652047-201804-N1 | MS 2530:2013 Part-3 Clause 4.4.5.6 |
| Requirements: | All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records. | |
| Statement of Nonconformity: | The employment contract is not sufficiently state the recent condition of contract as per NUPW/MAPA. | |
| Objective Evidence: | Out of 5 sampled worker, it was found 1 worker (Checkroll no: 101710) at Seri Pelangi Estate has been contracted using the previous Labor Register system which only reference to NUPW/MAPA agreement. However, the register does not explicitly state the recent conditions example, holiday entitlement, reasons for dismissal and period of notice. Major NC downgraded to Minor NC. | |
| Corrections: | In addition to labour register card, an employment contract which clearly states on the pay condition and benefits entitlement for local workers has been developed and issued to local workers with effective of 1 st March 2018 and it's an addendum to their labour register cards. New local workers will be issued with an employment contract as per date of joining. | |
| Correction Action Plan: | Internal audit will be conducted vigorously to ensure all local workers have been issued with employment contracts besides labour register card. | |
| Assessment Conclusion: | Will be verified in the next surveillance assessment. | |

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| Minor Nonconformities: | | |
|-----------------------------|--|------------------------------------|
| Ref | Area/Process | Clause |
| <i>NC ID from eReport</i> | 1652047-201804-N2 | MS 2530:2013 Part-3 Clause 4.3.1.1 |
| Requirements: | All operations are in compliance with the applicable local, state, national and ratified international laws and regulations. | |
| Statement of Nonconformity: | Certain legal compliance were not adequately demonstrated. | |
| Objective Evidence: | Certain legal compliance were not adequately demonstrated as below: • At Seri Pelangi Estate, the application to renew the permit to store diesel and petrol was only done on 22/3/2018 i.e. after the permit had expired (2/3/2018). Based on requirement, the application of renewal must be made one month before expiry. Major NC downgraded to Minor NC. | |
| Corrections: | Due to server down on KPDNKK website, application have been submitted successfully on 22 nd March 2018. Payment on the renewal has been paid and Bomba has carried out the inspection. | |
| Correction Action Plan: | The failure on renewal of permit is beyond our control due to upgrading of KPDNKK website (server down). Permit for storage of diesel and petrol - Long term preventive action to ensure the application for renewal of permits are submitted one month before expiry: Internal audits will be carried out vigorously and periodically (every 4 months / 3 audits in a year) to ensure the full compliance of the above. | |
| Assessment Conclusion: | Will be verified in the next surveillance assessment. | |

| Minor Nonconformities: | | |
|-----------------------------|--|------------------------------------|
| Ref | Area/Process | Clause |
| <i>NC ID from eReport</i> | 1652047-201804-N3 | MS 2530:2013 Part-4 Clause 4.3.1.1 |
| Requirements: | All operations are in compliance with the applicable local, state, national and ratified international laws and regulations. | |
| Statement of Nonconformity: | Certain legal compliance were not adequately demonstrated. | |
| Objective Evidence: | Certain legal compliance were not adequately demonstrated as below: 1. At JPOM, the visual records of the CCTV that pointing to chimney No. 7 (boiler 1) for the past 3 months was not able to be retrieved. The oldest record was on 20/5/2018 [ref.: item 30 of DOE's compliance schedule]. 2. It was found that the smoke density meter alarm was only triggered at 53% opacity and the smoke sensor was only able to give reading at maximum 23% opacity [ref.: item 26 of DOE's compliance schedule]. Major NC downgraded to Minor NC. | |
| Corrections: | 1. An external storage device has been installed to the decoder specifically for chimney's CCTV to enable retrieval of visual records for at least 3 months. 2. Jendarata POM management has engaged the equipment supplier to carry out the calibration procedures and to ensure the smoke density meter alarm will trigger at 40%. | |

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| | |
|-------------------------|--|
| Correction Action Plan: | <ol style="list-style-type: none"> 1. Jendarata POM management will conduct regular check on the visual records of CCTV facing chimney. 2. Jendarata POM management will regularly engage with equipment supplier to carry out the calibration procedures. |
| Assessment Conclusion: | Will be verified in the next surveillance assessment. |

| Minor Nonconformities: | | |
|-----------------------------|---|------------------------------------|
| Ref | Area/Process | Clause |
| <i>NC ID from eReport</i> | 1652047-201804-N4 | MS 2530:2013 Part-3 Clause 4.4.4.2 |
| Requirements: | <p>The occupational safety and health plan shall cover the following: Indicator 4.4.4.2 b. The risks of all operations shall be assessed and documented Indicator 4.4.4.2 d. The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC). Indicator 4.4.4.2 g. The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meeting are kept and the concerns of the employees and any remedial actions taken are recorded</p> | |
| Statement of Nonconformity: | The occupational safety and health plan is not effectively implemented. | |
| Objective Evidence: | <p>Jendarata Estate:</p> <ol style="list-style-type: none"> a. The HIRARC document was last reviewed on 03.04.2017 and not reviewed again though 7 accidents had taken place after the review and another on 14.04.2018. b. A worker observed spraying was found wearing a mask without a filter in it. c. Based on the latest OSH meeting minute dated 21.03.2018, some of the unsafe act/dangerous occurrence observed during site visit – Loco No.9: The fan belt was not fully protected. <p>Major NC downgraded to Minor NC.</p> | |
| Corrections: | The review of HIRARC will be discussed in quarterly OSHA meeting and include the statement on review and the scoring remain unchanged. PPEs training will be conducted regularly to ensure all spraying operators are aware on the safe and correct use of PPEs. The fabrication of cover for fan belt to be done and fix for all loco. | |
| Correction Action Plan: | Internal audit will be carried out vigorously to ensure the HIRARC being reviewed and thoroughly check on the PPEs for sprayers. The cover for fan belt will be checked during internal audit. | |
| Assessment Conclusion: | Will be verified in the next surveillance assessment. | |

| Minor Nonconformities: | | |
|-------------------------------|--|------------------------------------|
| Ref | Area/Process | Clause |
| <i>NC ID from eReport</i> | 1652047-201804-N5 | MS 2530:2013 Part-4 Clause 4.4.4.2 |
| Requirements: | The occupational safety and health plan shall cover the following: Indicator 4.4.4.2 g. The management shall conduct regular two-way communication with their employees where issues that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meeting shall be kept and the concerns of employees and any remedial actions taken shall be recorded. | |
| Statement of Nonconformity: | The occupational safety and health plan is not effectively implemented. | |
| Objective Evidence: | Workplace inspection report did not incorporated in the safety health committee meeting minute dated 28/12/17 and 4/4/18. No reports of workplace inspection as to date. Based on the latest meeting minute dated 4/4/18, some of the unsafe act/dangerous occurrence observed during site visit at POM was not captured in the minute pertaining to; Workshop – There was no flash back arrestors and the gauges damaged on the oxygen and acetylene cylinder. Major NC downgraded to Minor NC. | |
| Corrections: | The format of the workplace inspection checklist has been utilized by the management to identify all the unsafe act/condition and dangerous occurrence at workplace. OSHA meeting has been conducted and the documented outcomes of inspection is discussed. | |
| Correction Action Plan: | Training on workplace inspection and vehicle inspection checklist will be conducted to ensure the Engineers, Supervisors for every station fully understand and genuinely fill-in the inspection checklist. | |
| Assessment Conclusion: | Will be verified in the next surveillance assessment. | |

| Opportunity For Improvement | | |
|------------------------------------|--|------------------------------------|
| Ref | Area/Process | Clause |
| <i>NC ID from eReport</i> | 1652047-201804-I1 | MS 2530:2013 Part-3 Clause 4.4.1.1 |
| Requirements: | Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones. | |
| Objective Evidence: | The Social Risk Assessment (SRA), Social Action Plan (SAP) & Review Plan (SRP) 2018, was conducted for Jenderata Estate & Seri Pelangi Estate internally and annually by the Internal Management involving all stakeholders. The latest SIA was conducted in 12th & 21st April 2018. Key areas identified in the SIA was particularly on operation (nursery, replanting, weeding, pruning, guest workers and others). The recommendation from the SIA report was transferred to action plan (Social) 2018. The action plan identified the issues & strategies, action plan, responsible person and time frame. However it is noted that the SRA conducted is insufficiently promote the positive impacts. | |

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| Opportunity For Improvement | | |
|-----------------------------|--|------------------------------------|
| Ref | Area/Process | Clause |
| <i>NC ID from eReport</i> | 1652047-201804-I2 | MS 2530:2013 Part-4 Clause 4.4.1.1 |
| Requirements: | Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones. | |
| Objective Evidence: | The Social Risk Assessment (SRAOM) and Review Plan-Social Risk Assessment (SRA) 2018 was conducted for Jenderata Mill & Estate internally and annually by the Internal Management involving all stakeholders. The latest SIA was conducted in 24th March 2018. Key areas identified in the SIA was particularly on weighbridge/FFB reception, sterilizers, crane/stripping stations and others. The recommendation from the SIA report was transferred to action plan Social Risk Assessment (SRA) 2018. The action plan identified the issues & strategies, action plan, responsible person and time frame. However it is noted that the SIA conducted is insufficiently promote the positive impacts | |

| Noteworthy Positive Comments | |
|------------------------------|--|
| 1 | Excellent support from the operating units and HRESH |
| 2 | Good document retrieval |
| 3 | Maturity of system implementation – operation and sustainability |
| 4 | Commitment towards CIP (social, biogas and process improvement) |
| 5 | Recycling of waste and domestic waste management |

3.3 Status of Nonconformities Previously Identified and OFI

| Major Nonconformities: | | |
|-----------------------------|------------------------------------|--------|
| Ref | Area/Process | Clause |
| <i>NC ID from eReport</i> | N/A as this is initial assessment. | - |
| Requirements: | | |
| Statement of Nonconformity: | | |
| Objective Evidence: | | |
| Corrections: | | |
| Root cause analysis: | | |
| Corrective Actions: | | |
| Assessment Conclusion: | | |
| Stage II Status: | | |

3.4 Issues Raised by Stakeholders

| IS # | Description |
|------|---|
| 1 | <p>Feedbacks: Guest workers’ (foreign worker) representative (India, Bangladesh, Indonesia, Nepal)</p> <ol style="list-style-type: none"> Jendarata Plantations has provided them sufficient place to stay. In case of any damage to the house, it is fixed at no cost. They are given sufficient work and no discrimination. <p>Management Responses: The documented records for housing repairs are maintained and all repair costs are bear by the Company. All repairs will be done as soon as possible upon requests. The management adhere to the Company’s Human Rights Policy where all employees are treated fairly and protected from any forms of discrimination.</p> <p>Audit Team Findings No further issue.</p> |
| 2 | <p>Feedbacks: NUPW Jendarata Representative</p> <ol style="list-style-type: none"> There is no restriction imposed by the company to workers to join the Union. Company has been supportive and allowing meeting between workers. Jendarata Plantations has given access to the local community to the religious temple located within the plantations. <p>Management Responses: The Management adhere to the Company’s Human Rights Policy where the management shall respect the rights of all personnel to form, join and participate in registered trade unions and to bargain collectively. The local communities besides our employees have free access to any temples within company’s concession.</p> <p>Audit Team Findings: No further issue.</p> |
| 3 | <p>Feedbacks: Shop owners</p> <ol style="list-style-type: none"> Shop rental contract is available with the Jendarata. Running business at risk due to some workers do not pay up after taking grocery at the shop. <p>Management Responses: The business risk lies beyond the control of estate management. The shop owner shall only offer the credit payment system to workers who maintain long-term relationship and regular on-time payment with shop keeper. The management monitors the prices of sundry goods from time to time.</p> <p>Audit Team Findings: No further issue.</p> |
| 4 | <p>Feedbacks: Contract workers Supplier</p> <ol style="list-style-type: none"> Payment from Jendarata is prompt Have been always invited for stakeholder meetings to discuss issues In case of any issues, it is always able to discuss with the estate managers. <p>Contractor Lim Pooi Lian does not understand what is stated in the external stakeholder handbook as it is in Malay. Preferable to have it in Mandarin or at least been explained by the company.</p> <p>Management Responses: All stakeholders including government agencies, NGOs, suppliers, contractors and neighbouring communities are invited for annual stakeholders meeting. They are always welcome to share or highlight their concern to the management. All requests or grievances will be resolved in an open, transparent and consultative manner. Currently the management have stakeholders booklet in English and Bahasa Malaysia and its content are explained to the stakeholders in vernacular languages.</p> |

| | |
|---|---|
| | <p>The management will improve the effectiveness of communication during stakeholders meeting by obtaining an assistance of a Chinese speaking participant to explain the content of stakeholders booklet accordingly.</p> <p>Audit Team Findings: No further issue.</p> |
| 5 | <p>Feedbacks: Farmers at Seri Pelangi Estate</p> <ol style="list-style-type: none"> 1. Jendarata Plantations has rented lands for their planting. 2. There is no any land dispute. <p>Management Responses: The farmers who operate under the rentice are part of stakeholders for Seri Pelangi Estate and management maintain effective communication with the farmers.</p> <p>Audit Team Findings: No further issue.</p> |
| 6 | <p>Feedbacks: Smallholders</p> <ol style="list-style-type: none"> 1. Roads and bridge has been provided to the smallholders within the Jendarata Plantations estates to help the smallholder for accessibility. 2. There is no dispute with Jendarata Plantations <p>Management Responses: Besides providing free road access to the adjoining smallholders, the management also carry out regular road maintenance and ensure the bridge is in good condition all the times.</p> <p>Audit Team Findings: No further issue.</p> |
| 7 | <p>Feedbacks: Local NGOs and NUPW</p> <ol style="list-style-type: none"> 1. Malaysia Natural Society would like to revisit the subject of determining the impacts of the estate and its environment on the safety of the ERT bird species and its global population and/or status subject. If such species are present and/or seen using for various reasons (roosting, nesting, breeding, etc.), a management prescription is required to ensure the safe habitat (for resident species) and passage (for migratory species) within are maintained and managed. 2. NUPW would like to continue to be invited for the annual stakeholder’s meeting to provide their inputs. <p>Management Responses:</p> <ol style="list-style-type: none"> 1. The estate management will re-invite Malaysia Natural Society to identify the impacts of estate and its environment on the status and safety of ERT bird species. 2. The estate management will invite all stakeholders including the representative from NUPW Perak Branch for annual stakeholders meeting so as to discuss all concerns in transparent and consultative manner. <p>Audit Team Findings: No further issue.</p> |

3.5 Summary of the Nonconformities and Status

| CAR Ref. | CLASS | ISSUED | STATUS |
|-------------------|-----------------------------|------------|--------|
| 1652047-201804-N1 | Minor | 28/06/2018 | Open |
| 1652047-201804-N2 | Minor | 28/06/2018 | Open |
| 1652047-201804-N3 | Minor | 28/06/2018 | Open |
| 1652047-201804-N4 | Minor | 28/06/2018 | Open |
| 1652047-201804-N5 | Minor | 28/06/2018 | Open |
| 1652047-201804-I1 | Opportunity for improvement | 28/06/2018 | - |
| 1652047-201804-I2 | Opportunity for improvement | 28/06/2018 | - |

3.6 Summary of the findings by Principles and Criteria

Malaysian Sustainable Palm Oil Part 4: General Principles for Palm Oil Mills.

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|--|--|------------|
| 4.1 Principle 1: Management commitment & responsibility | | | |
| Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy | | | |
| 4.1.1.1 | Policy for the implementation of MSPO shall be established. - Major compliance - | United Plantation Berhad has established MSPO policy committing to implement on sustainability signed by Chief Executive Director, Dato’ Carl Bek-Nielsen, on 29 March 2018 | Yes |
| 4.1.1.2 | The policy shall also emphasize on the commitment to continual improvement with the objective of improving the milling operation. - Major compliance - | The established policy has emphasized on the adherence to the following key principles i. Management Commitment and Responsibility ii. Transparency iii. Compliance to Legal Requirements iv. Social Responsibility, Health, Safety and Employment Condition v. Environment, Natural Resources, Biodiversity and Ecosystem Services. vi. Best Practices vii. Development of New Plantings | Yes |
| Criterion 4.1.2 – Internal Audit | | | |

| Criterion / Indicator | | Assessment Findings | Compliance |
|--|--|---|------------|
| 4.1.2.1 | Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - Major compliance - | Internal audit was planned and conducted as per the documented Internal audit procedure, rev: 0 dated 27.02.2018, rev: 0 dated 27.02.2018. Annual audit schedule for 2018 was scheduled for April. However, the first MSPO internal audit was carried out on 15 th May 2018 and another on 13 th June 2018 by pool of trained internal audit from HRESH Department. | Yes |
| 4.1.2.2 | The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action. - Major compliance - | The Internal audit procedure, established dated 27.02.2018 was used as reference for audit process. Audit results of both audits were documented under internal audit summary. Many NCRs were issued and some sighted were: - Cages & emptied cages (Loose Fruit Cages) record file was not sighted. - HIRARC & SOP Index was not updated as per contents in the file. Closure of NCRs were verified by HRESH Department Team | Yes |
| 4.1.2.3 | Reports shall be made available to the management for their review. - Major compliance - | Meetings were held on the same days after the audits and both reports were then forwarded to the Group Engineer on the same day for review. | Yes |
| Criterion 4.1.3 – Management Review | | | |
| 4.1.3.1 | The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification. - Major compliance - | Based on the established management review meeting procedure, the minimum meeting frequency was once per year. The management review committee consists of CED, GM HRESH, Heads of Up Stream, Down Stream and UIE Businesses, Head of Research, UNITATA Executives and PTSSS Executives. All pertinent elements were discussed at the meetings and were minutes recorded. Among other issues discussed, results of corrective action plan were also presented under agenda; audit results, non-conformities and corrective action together with the improvement plan and timeline for implementation. | Yes |
| Criterion 4.1.4 – Continual Improvement | | | |
| 4.1.4.1 | The action plan for continual improvement shall be based | The environmental issues for improvement outlined by the mill are sampled as follows; | Yes |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|---|--|------------|
| | <p>on a consideration of the main social and environmental impact and opportunities for the company.</p> <p>- Major compliance -</p> | <ol style="list-style-type: none"> 1. Screw press station: spillage of pressed sludge & lubricant oil on floor due to leakage & accumulation of worn metal spares. 2. Bunch press station: spillage of pressed sludge & lubricant oil on floor due to leakage & accumulation of worn metal spares. 3. Clarification station: pollution & contamination (spillage of oil/sludge due to leakage) <p>For social issues, the key areas identified in the Social Impact Assessment particularly on weighbridge/FFB reception, sterilizers, crane/stripping stations and others. The recommendation from the SIA report was transferred to action plan Social Risk Assessment (SRA) 2018. The action plan identified the issues & strategies, action plan, responsible person and time frame.</p> | |
| 4.1.4.2 | <p>The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce.</p> <p>- Major compliance -</p> | <p>System to improve practices in line with new information and techniques was carried out by Group Engineer. The management of the Mill, on receiving these information, was responsible for disseminating this information throughout the workforce.</p> | Yes |
| 4.2 Principle 2: Transparency | | | |
| Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements | | | |
| 4.2.1.1 | <p>The management shall communicate adequate information to other stakeholder on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms.</p> <p>- Major compliance -</p> | <p>United Plantations Berhad had a documented Standard Operation Procedure for both External & Internal Communication. There was also Grievance Redressal procedure which has steps to be followed to solve issues raised by workers/stakeholders.</p> <p>The time frame to provide feedback to the stakeholder is documented to be a maximum of 24 days for internal and 30 days for external complaint. The officer-in-charge for Mill was the Group Engineer Mr P. Rajasegaran. As per appointment letter dated 29.03.2018 he was responsible to commit and implement the</p> | Yes |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|--|--|------------|
| | | sustainability concepts outline in RSPO, RSPO NEXT and MSPO P&Cs. | |
| 4.2.1.2 | <p>The management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p> <p>- Major compliance -</p> | <p>United Plantation Berhad used the group website for disseminating public information. The Sustainability Report and Group Annual report was available in website.</p> <p>Information relating to land titles, safety and health plans, pollution prevention plans, and annual report are available at the mill.</p> <p>In addition to the website, the policies were also displayed at various locations including the main notice boards of the estates, mill offices and muster ground notice boards for employees and visitors to view.</p> <p>Procedure for complaints and grievances were available through UP website and medium used was via suggestion box in office or write in to UP head office.</p> | Yes |
| Criterion 4.2.2 – Transparent method of communication and consultation | | | |
| 4.2.2.1 | <p>Procedures shall be established for consultation and communication with the relevant stakeholders.</p> <p>- Major compliance -</p> | United Plantations Berhad had a documented Standard Operation for consultation and communication for both External & Internal Communication. There is also Grievance Redressal procedure/flow chart which has steps to be followed to solve issues raised by workers. | Yes |
| 4.2.2.2 | <p>The management shall nominate management officials at the operating unit responsible for issues related to <i>indicator 1</i>.</p> <p>- Minor compliance -</p> | The officer-in-charge for Mill was the Group Engineer Mr P. Rajasegaran. As per appointment letter dated 29.03.2018, he was responsible to commit and implement the sustainability concepts outline in RSPO, RSPO NEXT and MSPO P&Cs. | Yes |
| 4.2.2.3 | <p>A list of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders shall be properly maintained.</p> <p>- Major compliance -</p> | Stakeholder's list for Jendarata POM including all the internal and external party such as Committees of NUPW, OSHA, Temple, Mosque, Guest Workers Welfare and School Headmasters, BSN Bank, NGOs and Government Agencies and others as updated on 07.05.2018. | Yes |
| Criterion 4.2.3 – Traceability | | | |
| 4.2.3.1 | The management shall | SOP for traceability dated 17.04.2018 describes the procedure for monitoring and to ensure | Yes |

| Criterion / Indicator | Assessment Findings | Compliance |
|--|--|------------|
| <p>commit itself to implement and maintain the requirements for the traceability and shall establish a standard operation procedure for traceability.</p> <p>- Major compliance -</p> | <p>accuracy of sustainable receipts, dispatches and stock balance to conform to the requirement of RSPO/MSPO standards. These includes both millers and growers traceability records:</p> <ul style="list-style-type: none"> a. Serial Numbered Estate DO Chit with Estate name, Cage Nos and Field Nos. b. Mill WBT summary for the day. c. CPO and PK Dip Stick Readings d. Daily CPO and PK production records e. Mass Flow Meter reading of CPO despatch f. PK despatch records g. Summary report <p>The weighbridge ticket will be issued to the estates at the end of the day on a daily basis. Mass Flow meter readings was for UNITATA.</p> <p>Despatch of CSPK verified was:</p> <ul style="list-style-type: none"> a) Date:26.06.2018 b) Collection Order from Pangkor Oil Mills Sdn Bhd No.: 46440 c) Transporter: KT KOK d) Lorry No.: WT5136 e) Mill Despatch Note No.: P/K 10914 f) Mill Transaction No.: 45110 g) Net Weight: 22940 kg. | |
| <p>4.2.3.2</p> <p>The management shall conduct regular inspections on compliance with the established traceability system.</p> <p>- Major compliance -</p> | <p>Records showed that management conducted regular inspections on compliance with the established traceability system.</p> <p>Daily production report and sales & stock movement were maintained up to date.</p> <p>The person in charge of traceability was the Group Engineer Mr P. Rajasegaran as per appointment letter dated 29.03.2018. He then delegated the responsibility to the Mill Engineer.</p> | <p>Yes</p> |
| <p>4.2.3.3</p> <p>The management shall identified and assign suitable employees to implement and maintain traceability system.</p> <p>- Minor compliance -</p> | <p>The management had identified and assigned the Group Engineer Mr P. Rajasegaran to implement and maintain traceability system. He then delegated the responsibility to the Mill Engineer.</p> | <p>Yes</p> |

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| Criterion / Indicator | | Assessment Findings | Compliance | | | | | | | | | | | | | | | |
|--|---|--|-------------------|--------|-------------|------|--------------|------------|-----------------|----------|------------|------------|------------|------------|----------------|-------------|------------|------------------------------|
| 4.2.3.4 | Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained. - Major compliance - | Records of storage, sales, delivery or transportation of crude palm oil and palm kernel were maintained at the mill. Example of records evidence are as below: a. Daily production Record dated 25.06.2018 sampled: i. FFB Received ii. FFB Processed iii. CPO Produced iv. PK Produced v. OER vi. KER vii. FFA b. Sale and Stock Movement dated 25.06.2018 sampled: i. CPO Despatch – UNITATA ii. PK Despatch – Pankor Oil Mill The mill has generated a daily and monthly CPO/ PK production statement. | Yes | | | | | | | | | | | | | | | |
| 4.3 Principle 3: Compliance to legal requirements | | | | | | | | | | | | | | | | | | |
| Criterion 4.3.1 – Regulatory requirements | | | | | | | | | | | | | | | | | | |
| 4.3.1.1 | All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations. - Major compliance - | Jendarata POM's complied with the applicable local, national and ratified international laws and regulations. Relevant licences and permits such as MPOB license, DOSH requirements and Domestic Trade Ministry for diesel and petrol storage were valid. Some of those are: <table border="1" data-bbox="659 1621 1219 1966"> <thead> <tr> <th>Licence & Permits</th> <th>Sr. No</th> <th>Valid Until</th> </tr> </thead> <tbody> <tr> <td>MPOB</td> <td>508108704000</td> <td>31.03.2019</td> </tr> <tr> <td>Diesel & Petrol</td> <td>A 037424</td> <td>08.11.2018</td> </tr> <tr> <td>Steriliser</td> <td>PMT 116424</td> <td>28.08.2018</td> </tr> <tr> <td>Steam Receiver</td> <td>PK PMT 1983</td> <td>28.08.2018</td> </tr> </tbody> </table> | Licence & Permits | Sr. No | Valid Until | MPOB | 508108704000 | 31.03.2019 | Diesel & Petrol | A 037424 | 08.11.2018 | Steriliser | PMT 116424 | 28.08.2018 | Steam Receiver | PK PMT 1983 | 28.08.2018 | Major NC downgraded to Minor |
| Licence & Permits | Sr. No | Valid Until | | | | | | | | | | | | | | | | |
| MPOB | 508108704000 | 31.03.2019 | | | | | | | | | | | | | | | | |
| Diesel & Petrol | A 037424 | 08.11.2018 | | | | | | | | | | | | | | | | |
| Steriliser | PMT 116424 | 28.08.2018 | | | | | | | | | | | | | | | | |
| Steam Receiver | PK PMT 1983 | 28.08.2018 | | | | | | | | | | | | | | | | |

| Criterion / Indicator | | Assessment Findings | Compliance |
|-----------------------|---|---|------------|
| | | <p>Certain legal compliance were not adequately demonstrated as below:</p> <ul style="list-style-type: none"> • At JPOM, the visual records of the CCTV that pointing to chimney No. 7 (boiler 1) for the past 3 months was not able to be retrieved. The oldest record was on 20/5/2018 [ref.: item 30 of DOE’s compliance schedule]. • It was found that the smoke density meter alarm was only triggered at 53% opacity and the smoke sensor was only able to give reading at maximum 23% opacity [ref.: item 26 of DOE’s compliance schedule]. | |
| 4.3.1.2 | <p>The management shall list all relevant laws related to their operations in a legal requirements register.</p> <p>- Major compliance -</p> | <p>Jendarata Palm Oil mill has Implemented the established documented system for identifying, accessing, tracking and monitoring of compliance with the legal requirements that were applicable to them. A Legal and Other Requirements Register was established and updated on 08.06.2018</p> <p>The LORR had included the following requirements:</p> <ul style="list-style-type: none"> a) Environmental Quality Act 1974 b) Factories and Machinery Act 1967 c) Occupational Safety and Health Act 1994 d) Worker's Minimum Standards of Housing and Amenities Act 1990) e) Minimum Wages Order 2016 | Yes |
| 4.3.1.3 | <p>The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.</p> <p>- Major compliance -</p> | <p>The legal requirements register was updated as and when there were any new amendments or any new regulations coming into force. The latest update was on 08.06.2018 where by 'Guideline for manual handling in workplace' was added.</p> | Yes |
| 4.3.1.4 | <p>The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements.</p> <p>- Minor compliance -</p> | <p>The management had assigned the Group Manager, HRESH Department, Mr. Mathews as the person responsible to monitor compliance and to track update the changes in regulatory requirements</p> | Yes |

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| Criterion / Indicator | | Assessment Findings | Compliance |
|---|---|--|------------|
| Criterion 4.3.2 – Lands use rights | | | |
| 4.3.2.1 | The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users. - Major compliance - | Jenderata Mill is located within Jenderata Estate with the total area of 6256.82 Ha. The land title, Grant number, No 99531/15113 for area of 416.6 Ha, registered to United Plantation Bhd on 26/02/2007 where Jenderata POM is included in this area with estate. The usage of land is for Commodity Crop-Oil Palm. The quit rent for this portion was made on 17.11.2017 to the Land Authority of Perak State amounted RM 41,660.00. | Yes |
| 4.3.2.2 | The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land. - Major compliance - | Refer to 4.3.2.1 The perimeter survey map of the land portion is provided together with the land title and verified by Licensed Land Surveyor, Misron bin Haji Yasin. | Yes |
| 4.3.2.3 | Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance - | The map of the land portion is provided together with the land title. The map has provided the coordinated demarcation for the boundary. During site visit, the boundary stones sighted as per estate's map in both estate, Seri Pelangi and Jenderata Estate together with the buffer zone area. | Yes |
| 4.3.2.4 | Where there are, or haven been disputes, documented proof of legal acquisition of land and fair compensation that have been or are being made to previous owners and occupants; shall made available and that these should have been accepted with free prior informed consent (FPIC). - Minor compliance - | There is no land dispute recorded. This was verified with stakeholders' consultation. In order to deal with future arising land dispute (if applicable), the Standard Operating Procedure for Land Dispute Settlement as per Free Prior & Informed Consent (FPIC) – RSPO Principles is documented the process in handling land dispute settlement. | Yes |
| Criterion 4.3.3 – Customary rights | | | |
| 4.3.3.1 | Where lands are encumbered by customary rights, the company shall demonstrate that these rights are | There is no customary land for the portion of land. | N/A |

| Criterion / Indicator | | Assessment Findings | Compliance |
|--|--|---|------------|
| | understood and are not being threatened or reduced. - Major compliance - | | |
| 4.3.3.2 | Maps of an appropriate scale showing extent of recognized customary rights shall be made available. - Minor compliance - | There is no customary land for the portion of land. | N/A |
| 4.3.3.3 | Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available. - Major compliance - | There is no customary land for the portion of land. | N/A |
| 4.4 Principle 4: Social responsibility, health, safety and employment condition | | | |
| Criterion 4.4.1: Social Impact Assessment (SIA) | | | |
| 4.4.1.1 | Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones. - Minor compliance - | The Social Risk Assessment (SRAOM) and Review Plan-Social Risk Assessment (SRA) 2018 was conducted for Jenderata Mill & Estate internally and annually by the Internal Management involving all stakeholders. The latest SIA was conducted in 24 th March 2018. Key areas identified in the SIA was particularly on weighbridge/FFB reception, sterilizers, crane/stripping stations and others. The recommendation from the SIA report was transferred to action plan Social Risk Assessment (SRA) 2018. The action plan identified the issues & strategies, action plan, responsible person and time frame. However it is noted that the SIA conducted is insufficiently promote the positive impacts | OFI |
| Criterion 4.4.2: Complaints and grievances | | | |
| 4.4.2.1 | A system for dealing with complaints and grievances shall be established and documented. - Major compliance - | United Plantations Berhad had a documented Standard Operation Procedure for both External & Internal Communication. There is also Grievance Redressal procedure/flow chart which has steps to be followed to solve issues raised by workers. | Yes |
| 4.4.2.2 | The system shall be able to resolve dispute in an effective, timely and appropriate | The established system was to resolve dispute in an effective, timely and appropriate manner, which was accepted by all parties. | Yes |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|---|--|------------|
| | <p>manner, which is accepted by all parties.</p> <p>- Major compliance -</p> | <p>The time frame to provide feedback to the complainant/stakeholder is documented to be a maximum of 24 days for internal and 30 days for external complaint</p> <p>Sighted the Registry of Complaints book recording all the feedback and request from stakeholders, together with its completion date.</p> <p>However, at time of visit, there were no complaints other than for maintenance and house repairs made by workers.</p> | |
| 4.4.2.3 | <p>A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints.</p> <p>- Minor compliance -</p> | <p>United Plantation Berhad had established a Complain/Request form which was available at all offices. Suggestion boxes were placed at offices.</p> <p>A Registry of Complaints book is made available in the office. In case complainants wanted anonymity, they could email the complaint directly to the company secretary. This information is available in United Plantation Website and suggestion box in mill office.</p> | Yes |
| 4.4.2.4 | <p>Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time.</p> <p>- Minor compliance -</p> | <p>Interview conducted with workers to confirm their understanding of the complaint and grievance process. During stakeholder's consultation, it was verified that the stakeholders from internal and external also aware on the complaint channel to United Plantations Berhad.</p> <p>At time of visit there were no complaints, only request for maintenance and house repairs were made by workers.</p> <p>External community made aware of complaint system through the stakeholder's consultation which is through website, suggestion box or write a letter to the management</p> | Yes |
| 4.4.2.5 | <p>Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request.</p> <p>- Major compliance -</p> | <p>Seen the complaint recorded since 2011 in Registry of Complaints book and stakeholders request available during audit.</p> | Yes |
| Criterion 4.4.3: Commitment to contribute to local sustainable development | | | |
| 4.4.3.1 | <p>Palm oil miller should contribute to local</p> | <p>Mill management have made contributions to the internal and external stakeholders as an</p> | Yes |

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| Criterion / Indicator | | Assessment Findings | Compliance |
|---|---|---|------------|
| | <p>development in consultation with the local communities. Where the mill is an integral part of plantation, such contribution to local community development may be regarded as a joint effort by the mill and the plantation.</p> <p>- Minor compliance -</p> | <p>output from the stakeholder’s consultation meeting and complaint & request records. As seen in Annual Report 2017 book, for the whole group, United Plantation has the actual amount as below:</p> <ol style="list-style-type: none"> 1. RM 2,400,609 for Hospital & Medicine for Employees, Dependents & Nearby Communities. 2. RM 6,195,586 for Provision of Social Amenities 3. RM 11,879,818 for Employee Housing <p>Records showed that the Mill also provided Industrial Training for the public. Currently it was providing the training for Mr. Ahmad Shazwan from 28.05.2018 to 04.08.2018 and had provided training to Mr. Dineswar a/l Kumaran from 26.06.2017 to 01.09.2017.</p> <p>The mill is currently providing Scholarships at RM200.00/month to 2 dependents of its employees to pursue degree courses. They are:</p> <ol style="list-style-type: none"> 1. Tharani a/p Lohanathan – From 01.03.2018 to 31.10.2020 2. Pavitra a/p Karth Gasu – From 01.02.2018 to 31.01.2022. <p>Also, it is confirmed that during stakeholder’s consultation, United Plantations Berhad has give support through donation and job opportunities to the locals/surrounding communities.</p> | |
| Criterion 4.4.4: Employees safety and health | | | |
| 4.4.4.1 | <p>An occupational safety and health policy and plan which is in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act 139) shall be documented, effectively communicated and implemented.</p> <p>- Major compliance -</p> | <p>An Occupational Safety & Health Policy and Plan had been established and Implemented. The policy was signed by the Chief Executive Director of United Plantation Berhad dated 18.08.2017 and displayed prominently on notice boards in English and Bahasa Malaysia. The Policy was implemented through the OSH activities and trainings.</p> <p>In striving to secure a safe and healthy work environment the company would (summarised):</p> <ol style="list-style-type: none"> a. Devote continuous effort to prevent accidents. | Yes |

| Criterion / Indicator | | Assessment Findings | Compliance |
|-----------------------|--|---|------------------------------------|
| | | <ul style="list-style-type: none"> b. Provide continuous trainings to all categories of employees. c. Equip and train employees to use appropriate PPE. d. Ban the use of Paraquat weedicide. e. Commit to reduce and phase out chemicals that fall under the WHO Class 1A & 1B and Stockholm or Rotterdam Conventions. f. Ensure fire safety plan is implemented. g. Develop a culture of individual responsibility and accountability h. Strive to commit all stakeholders to adhere to this policy. | |
| 4.4.4.2 | <p>The occupational safety and health plan should cover the following:</p> <ul style="list-style-type: none"> a) A safety and health policy, which is communicated and implemented. b) The risk of all operations shall be assessed and documented. c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill: <ul style="list-style-type: none"> i. All employees involved are adequately trained on safe working practices; ii. All precautions attached to products should be properly observed and applied; d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC). | <ul style="list-style-type: none"> a) The safety and health policy, was communicated and implemented through daily tool box meetings/briefings and trainings. The briefing includes among others to prioritise safety, execute work safely, adherence to all safety rules and regulations and to target for zero accident. The policy has been communicated to the staff and workers. On site supervisors and estate assistant managers ensure the implementation of it. b) A Hazard Identification Risk Assessment and Risk Control (HIRARC) document for 24 operations dated 01.05.2018 was made available. Risk assessment was carried on activities such as sterilization press operation, oil clarification process. Kernel plant operation, boiler operation, office, etc. c) Awareness training programme was established and workers involved with chemical handling were trained. Chemicals were arranged and segregated accordingly in the chemical store. The CCDS/SDS for chemicals available at point of use. In addition to specific training courses, safety briefings are given during muster to reinforce awareness, such as correct wearing of PPE. d) During the audit ii was noted that all employees were provided with and were wearing appropriate personal protective equipment (PPE). Records were available of PPE issued to individual workers and | Major NC downgraded to Minor |

| Criterion / Indicator | Assessment Findings | Compliance |
|---|--|------------|
| <p>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust shall have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meeting shall be kept and the concerns of employees and any remedial actions taken shall be recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid shall be present at all mill operations. First Aid equipment should be available at each worksite.</p> | <p>contractors, including signatures to confirm receipt. PPE issued was based on CHRA assessor's recommendation, HIRARC and SOP.</p> <p>e) The management had established Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000. Chemicals were handled as per the requirements in SDS/CSDS, CHRA, HIRARC and SOP.</p> <p>f) The management had identified and assigned the Group Engineer Mr P. Rajasegaran as the person responsible for workers' safety and health. He then delegated the responsibility to the Resident Engineer. Appointment letter for the Group Engineer dated 29.03.2018 and signed by the Chief Executive Director was available. The Mill had established an OSH committee headed by the Chairman (Group Engineer), Vice chairman (Resident Engineer), with 8 each Management and Worker Representatives.</p> <p>g) Records of OSH committee meetings were conducted on 04.04.2018, 28.12.2017, 26.09.2017 and 19.06.2017 to conduct regular two-way communication with their employees were made available. However, concerns of all parties about health, safety and welfare were not discussed at the safety and health committee meetings. Workplace inspection report was not incorporated in the safety health committee meetings minute dated 28/12/17 and 4/4/18. No reports of workplace inspection as to date. Based on the latest meeting minute dated 4/4/18, some of the unsafe act/dangerous occurrence observed during site visit at POM was not captured in the minute pertaining to: Workshop – There was no flash back arrestors and the gauges</p> | |

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| Criterion / Indicator | | Assessment Findings | Compliance |
|---|--|---|------------|
| | <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p> | <p>damaged on the oxygen and acetylene cylinders. A Minor NCR was raised.</p> <p>h) Accident and emergency procedures and flow charts had been established for Flood, Fire, Explosion, Chemical Poisoning and Spillage during transport of pesticide concentrates. It was established during interviews that accident and emergency procedures were clearly understood by all employees.</p> <p>i) The mill had employees trained in First Aid present at all mill operations worksites. First Aid equipment was available at each worksite.</p> <p>j) Records of all accidents were kept and reviewed periodically at OSH meetings. The JKKP 8 sent to DOSH on 25.01.2018 showed that in 2017 there was 1 accident case with a loss 141 workdays. The JKKP 6 for this accident on 10.07.2017 was available.</p> | |
| Criterion 4.4.5: Employment conditions | | | |
| 4.4.5.1 | <p>The management shall establish a policy on good social practice regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and communicated to the employees.</p> <p>- Major compliance -</p> | <p>Jenderata Mill implemented their Human Rights Policy, signed by Dato' Carl Bek-Nielsen on 18.8.17. The management is treated the workers with respect and dignity. The Policy training been conducted to all workers on 28.5.18.</p> | Yes |
| 4.4.5.2 | <p>The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p>- Major compliance -</p> | <p>Migrant workers are recruited with 3 years contract (India, Nepal, Bangladeshi) but Indonesian is for 2 years. Local workers are on a long term employment. No any kind of discrimination was noted. Job opportunities and amenities such as free housing, water and electric supplier (connect to national water and electricity supply) and medical care are given to all employees without discrimination.</p> | Yes |

| Criterion / Indicator | | Assessment Findings | Compliance |
|-----------------------|--|--|------------|
| 4.4.5.3 | <p>Management shall ensure that employees' pay and conditions meet legal or industry minimum standards as per Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p>- Major compliance -</p> | <p>All the workers are under direct employment. The payslip has included basic income, allowance pay, working days, medical leave, and deduction of salary and others as per employment contract. The payroll for the following sampled workers for Nov 2017, Jan 2018 and May 2018 were verified to be consistent with the Minimum Wages Order 2016. Sampled workers seen as below:</p> <ul style="list-style-type: none"> a. Mill worker ID (Bangladeshi): 30187 b. Mill worker ID (Nepalese): 30375 c. Mill worker ID (Indonesian): 30212 d. Mill worker ID (India): 30401 <p>There was no records or complaint observed during the interview with workers. All the sampled workers for direct employment and contract workers were achieved the minimum wage accordance to Minimum Wage Order 2016 which achieved RM 920/ month or RM 35.38/day.</p> | Yes |
| 4.4.5.4 | <p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>- Minor compliance -</p> | <p>There is no contractor workers employed in Jenderata Mill.</p> | Yes |
| 4.4.5.5 | <p>The management shall establish records that provide an accurate overview of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p> | <p>The workers master list was reviewed. The list includes date of birth, date joined, gender and others.</p> | Yes |
| 4.4.5.6 | <p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract shall be</p> | <p>The following contracts has been verified to confirm that workers have binding working agreement with the company:</p> <ul style="list-style-type: none"> a. Mill worker ID (Bangladeshi): 30187 b. Mill worker ID (Nepalese): 30375 | Yes |

| Criterion / Indicator | | Assessment Findings | Compliance |
|-----------------------|--|---|------------|
| | made available for each and every employee indicated in the employment records. - Major compliance - | c. Mill worker ID (Indonesian): 30212 d. Mill worker ID (India): 30401 Interview with the workers confirms that they have a copy of the employment contract and they understood the conditions stated in the contract. | |
| 4.4.5.7 | The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers. - Major compliance - | There is thumb print system & face recognition for UIE POM to records the accurate working hours and overtime and recorded in UIE TMS Master Report. Sighted the overtime and working hours: a. Mill worker ID (Bangladeshi): 30187 b. Mill worker ID (Nepalese): 30375 c. Mill worker ID (Indonesian): 30212 d. Mill worker ID (India): 30401 The terms of employment is as per MAPA/NUPW. | Yes |
| 4.4.5.8 | The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirements applicable. - Major compliance - | There is thumb print system for UIE POM to records the accurate working hours and overtime and recorded in UIE TMS Master Report. In case the worker is on leave or absence, it is recorded in the same system. | Yes |
| 4.4.5.9 | Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements. - Major compliance - | The payslip and the inputs were reviewed to confirm the wages and overtime is in line with legal requirements of Employment Act 1955 and worker's employment contract. | Yes |
| 4.4.5.10 | Other forms of social benefits should be offered by the employer to employees, their families or community such as incentives for good work performance, bonus payment, support of professional development, medical care provisions and improvement of social surroundings. | The company provides free medical benefit to workers dependent at the estates clinics. | Yes |

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|-----------------------|--|---|------------|
| | - Minor compliance - | | |
| 4.4.5.11 | <p>In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities.</p> <p>- Major compliance -</p> | <p>The basic amenities and facilities at the quarters provided by the company to its workers includes electricity, water and domestic waste disposal. Electricity and water is provided by government. Usage of electricity and water given with subsidized rate for the workers contract.</p> <p>During the linesite visit, it was observed that the housing are in good conditions. For local workers with family, each will be given a house while for foreign workers for single workers, it will be given shared house of 6 person with 3 bedroom each per house.</p> <p>Linesite inspection record is available</p> | Yes |
| 4.4.5.12 | <p>The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace.</p> <p>- Major compliance -</p> | <p>Gender Policy signed by Dato Carl Bek-Nielsen, dated 24.4.15 mentioned that the company endeavour to prevent sexual harassment and all other forms of violence against women and workers in the workplace or in the course of an employee's work. Awareness training on policy has been conducted on 28/05/2018 to all 85 workers.</p> | Yes |
| 4.4.5.13 | <p>The management shall respect the right of all employees to form and join trade union and allow workers' own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. Employees shall be given freedom to join trade unions relevant to the industry or organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p>- Major compliance -</p> | <p>During the interview with workers, there are no evidence received that there are restriction from the company to allow workers to join trade union. The workers have their freedom to join the NUPW/MAPA union but in Jenderata POM, the workers has form internal worker's union.</p> <p>The latest minutes of meeting of guest workers committee sighted dated 26.05.18 and attended by 8 workers).</p> | Yes |

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| Criterion / Indicator | | Assessment Findings | Compliance |
|---|---|---|------------|
| 4.4.5.14 | Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. - Major compliance - | The Human Rights Policy was established since 23 March 2013 signed by Dato Carl Bek-Nielsen. The Policy covers the commitment to not condone forced labour or child labour who under 16 years old. | Yes |
| Criterion 4.4.6: Training and competency | | | |
| 4.4.6.1 | All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training. - Major compliance - | Records showed that all employees had been appropriately trained. A Formal training program for the year 2018 was available and implemented. Regular assessment of training was conducted to ensure understanding among the employees. The training program included all aspects of RSPO Principles and Criteria, RSPO Supply Chain and MSPO standards. The records included the title of training, name and signature of the attendees, name of the trainer, time and venue. Some of the trainings verified were: <ul style="list-style-type: none"> a) Company Policies - 21.06.2018 b) HIRARC - 28.05.2018 c) Safe usage of PPE - 28.05.2018 d) First Aid - 27.04.2018 e) SOP Operations Biogas plant - 21.02.2018 f) Understanding MSDS(Lab) - 21.02.2018 g) Boiler Operation/maintenance - 05.11.2017 h) Schedule waste management - 28.10.2017 i) Fire Drill - 03.05.2017 | Yes |
| 4.4.6.2 | Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job | Training needs of individual employees had been identified prior to the planning and implementation of the training programmes. This was in order to provide the specific skill and competency required to all employees based on their job description. The training matrix for 2018 was made available. | Yes |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|--|--|------------|
| | description. - Major compliance - | | |
| 4.4.6.3 | A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure. - Minor compliance - | It was evident that from the training matrix for 2017 and 2018 and training records for 2017/2018 that all trainings had been planned and implemented to ensure that all employees are well trained in their job function and responsibility. | Yes |
| 4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services | | | |
| Criterion 4.5.1: Environmental Management Plan | | | |
| 4.5.1.1 | An environmental policy and management plan shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented. - Major compliance - | There is an Environmental & Biodiversity Policy for the mill issued and endorsed in 18 August 2017 by the CEO, Dato Carl Bek-Nielson. Inside the policy among others has stated that the Company is committed to protect the environment and conserving biodiversity through sustainable development. The Environmental Policy training has been conducted on 19/06/2018 to all 102 workers. | Yes |
| 4.5.1.2 | The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations - Major compliance - | Policy is available and objectives stated therein. The environmental impact evaluation covers the screw press station, crane/stripping station, sterilizers, bunch press station and others. | Yes |
| 4.5.1.3 | An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored. - Major compliance - | This plan is available and updated on 24/03/2018. The environmental issues for improvement outlined by the mill are sampled as follows; a) Screw press station: spillage of pressed sludge & lubricant oil on floor due to leakage & accumulation of worn metal spares. b) Bunch press station: spillage of pressed sludge & lubricant oil on floor | Yes |

| Criterion / Indicator | | Assessment Findings | Compliance |
|--|---|---|------------|
| | | <p>due to leakage & accumulation of worn metal spares.</p> <p>c) Clarification station: pollution & contamination (spillage of oil/sludge due to leakage)</p> | |
| 4.5.1.4 | <p>A programme to promote the positive impacts should be included in the continual improvement plan.</p> <p>- Minor compliance -</p> | <p>This is available as per item 4.5.1.3 above. All programme for improvement are shown in the 'By Whom and Targeted Date' column.</p> | Yes |
| 4.5.1.5 | <p>An awareness and training programme shall be established and implemented to ensure that employees understand the policy, objectives and management plans and are working towards achieving objectives.</p> <p>- Major compliance -</p> | <p>A training program is available in the Jenderata Mill Training Program updated on a yearly basis or revised as per the management requirement. Included in this programme are subjects related to environment e.g schedule waste management front line operation, forklift operator safety (FOS), boiler operation and maintenance training and MSPO & RSPO training.</p> <p>The Environmental Policy training has been conducted on 19/06/2018 to all 102 workers.</p> | Yes |
| 4.5.1.6 | <p>The management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed.</p> <p>- Major compliance -</p> | <p>There is Internal Meeting to discuss about environment & social risk conducted on annual basis on 16 March 2018. The meeting is discussing the evaluation criteria and review plan.</p> | Yes |
| Criterion 4.5.2: Efficiency of energy use and use of renewable energy | | | |
| 4.5.2.1 | <p>Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity in the operations over the base period.</p> <p>- Major compliance -</p> | <p>The Mill maintains records of energy usage, which is captured monthly and will reported annually to the head office through excel sheet by Assistant Engineer. The data monitored in Fuel & Lubricants Usage (2018) summary, Fossil Fuel Usage (Petrol & Diesel).</p> <p>Jenderata POM uses electric supply from TNB for turbine efficiency. Seen the trend for the fossil fuel used was decreased over the years since 2011-2018. The baseline established based on 5 years actual average.</p> | Yes |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|---|---|------------|
| 4.5.2.2 | The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations. - Major compliance - | Jenderata POM has maintain the actual records of using Fossil Fuel Usage (Petrol & Diesel). As at May 2018, the total used as below: <ol style="list-style-type: none"> 1. FFB process: 53492.89 MT 2. Petrol: 2542.44 L 3. Diesel: 20,750.00 L | Yes |
| 4.5.2.3 | The use of renewable energy should be applied where possible. - Minor compliance - | The fibre, shell and EFB are used in the boiler for fuel recycled in the process system. | Yes |
| Criterion 4.5.3: Waste management and disposal | | | |
| 4.5.3.1 | All waste products and sources of pollution shall be identified and documented. - Major compliance - | All waste and pollution are identified and documented in the Sustainability Committee Presentation during Sustainability Meeting on 25.04.18. The source of mill pollution generated from the mill is the Isonkinetic Dust, Oxides of Nitrogen and dark smoke are monitored from the stack emission during the entire operations. Report: Isokinetic Stack and Air Emission Monitoring Report prepared by Envosha Sdn Bhd date 23 April 2018, reference no: RT033/2018/031. | Yes |
| 4.5.3.2 | A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measure for: <ol style="list-style-type: none"> a) Identifying and monitoring sources of waste and pollution. b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products. - Major compliance - | All waste and pollution are identified and documented in the Sustainability Committee Presentation during Sustainability Meeting on 25.04.18. The waste generated from the mill operations as shown below; Domestic waste – Close monitoring. Water usage in Mill: Next 5 years target at 1.7 as the maximum control limit. BOD (final discharge of effluent ponds) express in ppm: Fully used for land application since 2016 and maintain the current license. Dust Emissions (express in g/Nm3): by 2019, all boiler must comply to max 0.15g/Nm3. Spent batteries dispatched to Waste Manager: not more than 10 List of spent lubricants dispatched to waste manager: look for high durable oil | Yes |

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| Criterion / Indicator | | Assessment Findings | Compliance |
|---|--|---|------------|
| 4.5.3.3 | <p>The palm oil mill management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environmental Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Waste) Regulations, 2005</p> <p>- Major compliance -</p> | <p>United Plantation Berhad has established SOP for all operation for Jenderata POM.</p> <p>The mill processing system is documented in the Standard Operating Procedure, Issue 1, dated Jan 2008, section 1A. This document provides guidelines and standards in the mill operations. There is 'Safety Operating Procedure for chemical handling' with regards of scheduled waste management.</p> | Yes |
| 4.5.3.4 | <p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse.</p> <p>- Minor compliance -</p> | <p>The domestic waste is managed through estate land fill. This is further verified during linesite visit.</p> | Yes |
| Criterion 4.5.4: Reduction of pollution and emission | | | |
| 4.5.4.1 | <p>An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent.</p> <p>- Major compliance -</p> | <p>All waste and pollution are identified and documented in the Sustainability Committee Presentation during Sustainability Meeting on 25.04.18. Seen the Isokinetic Stack and Air Emission Monitoring Report for twice a year.</p> <p>2nd half of 2017 : Date of monitoring – 25/08/2017 Date of reporting – 25/09/17 Ref# RT001/2017/209 Dust concentration: 0.2691 G/Nm3, NOx: 0.398 g/Nm3, Dark smoke: Not exceeding chart No 1.</p> <p>1st half of 2017 : Date of monitoring – 23/03/2018 Date of reporting – 23/04/18 Ref# RT003/2018/031 Dust concentration: 0.2641 G/Nm3, NOx: 0.420 g/Nm3, Dark smoke: Not exceeding chart No 1.</p> <p>As for POME, it will be utilized in furrow irrigation.</p> | Yes |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|--|--|------------|
| | | In tandem with increase in crop, POME application are fully utilized for land application and less discharge to water course. New pumps were installed to fully utilized POME discharge after Biogas Plant. Continuous Improvement Plan includes increasing the hectarage of the application area abd maintenance of discharge outlets and piping networks. | |
| 4.5.4.2 | An action plan to reduce identified significant pollutants and emissions shall be established and implemented. - Major compliance - | Action plan to reduce identified significant pollutants and emissions available and further verified as per 4.5.4.1. | Yes |
| 4.5.4.3 | Palm oil mill effluent (POME) shall be treated to ensure compliance with standards as stipulated in the relevant Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977. POME discharge limits and method should be in accordance with the respective state and national policies and regulations. - Major compliance - | The POME is treated with an open anaerobic, aerobic and stabilization lagoon. Monthly monitoring on the final discharge is conducted. The effluent at the final discharge is tested to ensure it compliance to the DOE Licence discharge limits. The POME lab analysis is conducted by quarterly basis with Chemvi Laboratory Sdn Bhd. Seen the latest record (Lab report no: LW/0118/0065(4) for January 2018). The record shows the BOD level for final discharge for January 2018 is 554mg/l). The result conforms to the parameter limits for land application. | Yes |
| Criterion 4.5.5: Natural water resources | | | |
| 4.5.5.1 | The management shall establish water management plans to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include: a) Assessment of water usage and sources. b) Monitoring of outgoing water which may have negative impacts into the | The Water Management Plan has been established as per the Sustainability Meeting on 25.4.17 for Water Usage in Mill, and Water consumption Summary 2018. In the event of water crisis occur, mill will use the Lembaga Air Perak (LAP) for back up. Jenderata Mill has maintain the government water bill usage. Sighted the latest bill dated 25.06.18 for Bhg Kejuruteraan Ladang Jenderata from Lembaga Air Perak. Also, for monitoring the water, seen the water analysis as below: | Yes |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|--|--|------------|
| | <p>natural waterways at a frequency that reflects the mill's current activities.</p> <p>c) Ways to optimize water and nutrient usage and reduce wastage (<i>e.g.</i> having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).</p> <p>- Major compliance -</p> | <ol style="list-style-type: none"> 1. Raw water dated 14.05.18, Lab report no: LW/0518/0689, e-Coli and total Coliform are absent 2. Domestic water dated 4.05.18, Lab report no: LW/0518/0655, e-Coli and total Coliform are absent <p>In event of a flood situation:</p> <ul style="list-style-type: none"> • desilting drain on regular basis • deepening and widening drains at mill and line site are • to evacuate residence to higher ground | |
| 4.5.5.2 | <p>Where open discharge of POME into water course is practiced, mills should undertake to gradually phase it out in accordance to the applicable state or national regulations.</p> <p>- Major compliance -</p> | <p>Details of effluent treatment and report as per item 4.5.4.3 above.</p> <p>The effluents are discharged from pond 5 to the land. The compliance requirement is provided in the DOE 'Jadual Pematuhan' licensed to the mill. The final BOD is max 5,000 mg/l for the water discharge.</p> <p>The mill performs regular /scheduled desilting of ponds to sustain the designed capacity to maintain good efficiency of pond treatment.</p> | Yes |
| 4.6 Principle 6: Best Practices | | | |
| Criterion 4.6.1: Mill Management | | | |
| 4.6.1.1 | <p>Standard operating procedures shall be appropriately documented and consistently implemented and monitored.</p> <p>- Major compliance -</p> | <p>United Plantation Berhad has established SOP for all operation for Jenderata POM.</p> <p>The mill processing system is documented in the Standard Operating Procedure, Issue 1, dated Jan 2008, section 1A. This document provides guidelines and standards in the mill operations. The Standard Operating procedure (SOP) described details from the reception, sterilisation, threshing, empty bunch pressing, clarification, effluent treatment/waste management, laboratory, workshop and biogas plant.</p> | Yes |
| 4.6.1.2 | <p>All palm oil mills shall implement best practices.</p> <p>- Major compliance -</p> | <p>The monitoring of the mill process is made through the daily inspection by Engineer. All process parameters are documented and summarized in a daily report.</p> <p>The individual reports for each operation such as biomass boiler, water monitoring record, raw</p> | Yes |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|--|--|------------|
| | | water, softener, softener, feedwater test record and others. | |
| Criterion 4.6.2: Economic and financial viability plan | | | |
| 4.6.2.1 | A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. - Major compliance - | United Plantation Berhad had established a business plan for Jendarata POM. The document is in the form of annual budget and the projection for 3 years prepared as guidance for future planning. Document entitled Long Term Project Development & Maintenance Plan (3 years: 2019-2021) The business plan contains FFB processed, production of CPO & CPK. Component of fixed asset, emolument and labour expenses, administration cost, depreciation, manufacturing cost and others. Inclusive in the business plan is also Capital Expenditure (CAPEX) among others replacement / upgrading of building and machinery, workers amenities for the mill. | Yes |
| Criterion 4.6.3: Transparent and fair price dealing | | | |
| 4.6.3.1 | Pricing mechanisms for the products and other services shall be documented and effectively implemented. - Major compliance - | FFB is only received from its own UP estates and all sustainable CPO produced is consumed by its own is Refinery (UNITATA) as such pricing mechanism did not apply. Sustainable PK was sold to Pangkor Oil Mills Sdn Bhd and the pricing mechanism was handled by UP headquarters. | Yes |
| 4.6.3.2 | All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance - | This requirement was in compliance. All contracts and purchases are documented i.e in the form of purchase orders, invoices, and contracts for the larger transaction. All documents are signed by both vendor and mill. All contracts terms and conditions were made transparent and agreed from both parties. | Yes |
| Criterion 4.6.4: Contractor | | | |
| 4.6.4.1 | In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information. - Major compliance - | Jendarata Palm Oil Mill had informed its contractors regarding the need to follow the MSPO requirements through MSPO trainings. The latest training conducted was on 21.06.18. | Yes |

| Criterion / Indicator | | Assessment Findings | Compliance |
|-----------------------|---|--|------------|
| 4.6.4.2 | The management shall provide evidence of agreed contracts with the contractor. - Major compliance - | Evidence of agreed contracts with the contractors were verified. The contract dated 01.01.2018 for the hiring of vehicles of Sri Ganesh Agency for transport of CPO from Jendarata POM at stipulated rates was verified. The period of validity was from 01.01.2018 to 31.12.2108. However, as at time of visit the use of Sri Ganesh Agency’s vehicles for transport CPO had not been used. | Yes |
| 4.6.4.3 | The management shall accept MSP0 approved auditors to verify the assessments through a physical inspection, if required. - Minor compliance - | The requirement of accepting MSP0 accredited auditors to audit against the contractors was mentioned in the MSP0 Policy signed on 29 March 2018 by Chief Executive Director Dato’ Carl Bek-Nielsen. | Yes |

Malaysian Sustainable Palm Oil Part 3: General principles for Plantations and Organized Smallholders

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|---|--|------------|
| 4.1 Principle 1: Management commitment & responsibility | | | |
| Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy | | | |
| 4.1.1.1 | A policy for the implementation of MSPO shall be established. - Major compliance - | United Plantation Berhad has established a MSPO policy committing to implement on sustainability signed by Chief Executive Director, Dato’ Carl Bek-Nielsen, on 29 March 2018 | Yes |
| 4.1.1.2 | The policy shall also emphasize commitment to continual improvement. - Major compliance - | The established policy has emphasized on the adherence to the following key principles <ul style="list-style-type: none"> i. Management Commitment and Responsibility ii. Transparency iii. Compliance to Legal Requirements iv. Social Responsibility, Health, Safety and Employment Condition v. Environment, Natural Resources, Biodiversity and Ecosystem Services. vi. Best Practices vii. Development of New Plantings | Yes |

| Criterion / Indicator | | Assessment Findings | Compliance |
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| Criterion 4.1.2 – Internal Audit | | | |
| 4.1.2.1 | Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - Major compliance - | Internal audit was planned and conducted as per the documented Internal audit procedure, rev: 0 dated 27.02.2018. Annual audit schedule for 2018 was scheduled for April. However, the first MSPO internal audit on Jendarata Estate was carried out on 15.02 2018 and another on 18.05.2018 by pool of trained internal audit from HRESH Department. On Seri Pelangi Estate the second internal audit was conducted by the same team on 16.05.2018 | Yes |
| 4.1.2.2 | The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action. - Major compliance - | The Internal audit procedure, established dated 27.02.2018 was used as reference for audit process. Audit results on Jendarata Estate and Seri Pelangi were documented under internal audit summary. Many NCRs were issued and some were: - to follow up with JKPP on renewal of PMT 9867 which expired on 26.09.2017. - Peat subsidence readings not updated. Closure of NCRs were verified by HRESH Department Team | Yes |
| 4.1.2.3 | Report shall be made available to the management for their review. - Major compliance - | On both estates meetings were held on the same days after the audits. On Jendarata Estate the audit report was forwarded to the GM for review on 14.06.2018 while on Seri Pelangi Estate it was forwarded to the GM on 31.05.2018. | Yes |
| Criterion 4.1.3 – Management Review | | | |
| 4.1.3.1 | The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification. - Major compliance - | Based on the established management review meeting procedure, the minimum meeting frequency was once per year. The management review committee consists of CED, GM HRESH, Heads of Up Stream, Down Stream and UIE Businesses, Head of Research, UNITATA Executives and PTSSS Executives. All pertinent elements were discussed at the meetings and were minutes recorded. Among other issues discussed, results of corrective action plan were also presented under agenda; audit results, non-conformities and corrective action together with the improvement plan and timeline for implementation. | Yes |

| Criterion / Indicator | Assessment Findings | Compliance |
|--|---|------------|
| Criterion 4.1.4 – Continual Improvement | | |
| <p>4.1.4.1</p> | <p>The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.</p> <p>- Major compliance -</p> <p>Among continual improvement plan sighted: For Jenderata Estate: Estate operation:</p> <ol style="list-style-type: none"> 1. IPM (Barn Owl, beneficial plants 2. Using buffalo for in field collection 3. Using Cantas & C-Kat 4. (mechanized harvesting) <p>Nature Conservation:</p> <ol style="list-style-type: none"> 1. Planted Malaysian Forest and Sentang Park 2. UP-CABI (Centre for Agricultural Biosciences International Collaborative Project on Bagworm Control) <p>Wildlife Conservation”</p> <ol style="list-style-type: none"> 1. Fireflies conservation programme <p>Safety & Health</p> <ol style="list-style-type: none"> 2. Use of new eco-green glove 3. Use of new yarn aprons 4. Use the Anabranch (minimum spillage) for chemical mixing 5. Turbomisor-Pest Applicator <p>Social commitment:</p> <ol style="list-style-type: none"> 1. Benevolent Fund (Long Service Award) 2. Stakeholder Dialogue Session 3. Smallholder’s Field Day 4. Housing development 5. Old Folks Home <p>Sampled for Seri Pelangi estate:</p> <ol style="list-style-type: none"> 1. Feduction in use of Chemical in Immature Oil Palm 2. Reduction in use of chemical in mature palm oil 3. Reduction in use of Monocrotophos 4. IPM Plants | <p>Yes</p> |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|---|---|------------|
| | | 5. Barn Owls 6. Barn Owls Occupancy rate 7. Rodenticide Usage The action plan and target also been monitored and recorded. | |
| 4.1.4.2 | The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology (where applicable) that are available and feasible for adoption. - Major compliance - | System to improve practices in line with new information and techniques was carried out by UP Research Department. The management of the plantation, on receiving these information, was responsible for disseminating this information throughout the workforce. | Yes |
| 4.1.4.3 | An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established. - Major compliance - | Action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) was established in the estates annual budgets and projected business plans. | Yes |
| 4.2 Principle 2: Transparency | | | |
| Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements | | | |
| 4.2.1.1 | The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes. - Major compliance - | United Plantations Berhad had a documented Standard Operation Procedure for both External & Internal Communication. There was also Grievance Redressal procedure which had steps to be followed to solve issues raised by workers/stakeholders. The time frame to provide feedback to the stakeholder is documented to be a maximum of 24 days for internal and 30 days for external complaint. The officer-in-charge for estates was the Group Manager Mr C. Mohan Das. As per appointment letter dated 29.03.2018 he was responsible to commit and implement the sustainability concepts outline in RSPO, RSPO NEXT and MSPO P&Cs. | Yes |
| 4.2.1.2 | Management documents shall be publicly available, | United Plantation Berhad used the group website for disseminating public information. | Yes |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|---|---|------------|
| | <p>except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p> <p>- Major compliance -</p> | <p>The Sustainability Report and Group Annual report was available in website.</p> <p>Information relating to land titles, safety and health plans, pollution prevention plans, and annual report are available at the estates.</p> <p>In addition to the website, the policies were also displayed at various locations including the main notice boards of the estates, mill offices and muster ground notice boards for employees and visitors to view.</p> <p>Procedure for complaints and grievances were available through UP website and medium used was via suggestion box in office or write in to UP head office.</p> | |
| Criterion 4.2.2 – Transparent method of communication and consultation | | | |
| 4.2.2.1 | <p>Procedures shall be established for consultation and communication with the relevant stakeholders.</p> <p>- Major compliance -</p> | <p>The Standard Operation Procedure documented the process for Procedure for both External & Internal Stakeholders. There is also Grievance Redressal procedure which has steps to be followed to solve issues raised by workers.</p> | Yes |
| 4.2.2.2 | <p>A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit.</p> <p>- Minor compliance -</p> | <p>The officer-in-charge for estate is Mr C. Mohan Das (Jenderata Estate) and Mr. Khor Boon Wah (Seri Pelangi Estate) as per appointment letter dated 29.03.2018 whom are responsible to commit and implement the sustainability concepts outline in RSPO, RSPO NEXT and MSPO P&Cs.</p> | Yes |
| 4.2.2.3 | <p>List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained.</p> <p>- Major compliance -</p> | <p>Stakeholder’s list for Jenderata Estate including all the internal and external party such as OSHA committee, Gender Committee, Temple Committee, Statutory Bodies, Penghulu & Ketua Kampung, Local Bankers and others as updated on 07.04.2018.</p> <p>In Seri Pelangi Estate, sighted the updated stakeholders list as at April 2018 in Buku Panduan Pihak Berkepentingan.</p> | Yes |
| Criterion 4.2.3 – Traceability | | | |
| 4.2.3.1 | <p>The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s).</p> | <p>Jenderata POM is receiving FFB mainly from Jenderata & Seri Pelangi Estate and no outside FFB supplier. Jenderata has the SOP on Traceability dated 17.04.2018.</p> | Yes |

| Criterion / Indicator | | Assessment Findings | Compliance |
|-----------------------|--|--|------------|
| | - Major compliance - | The procedure mention the traceability system from FFB harvested to locomotive or lorry until CPO despatched. | |
| 4.2.3.2 | <p>The management shall conduct regular inspections on compliance with the established traceability system.</p> <p>- Major compliance -</p> | <p>SOP for internal audit is available dated 27.02.18.</p> <p>There is an internal audit conducted on 18.05.2018 by HRESH team to inspect the compliance with traceability procedure in estate. There are non-conformity raised:</p> <ol style="list-style-type: none"> 1. Records for linesite repair to be maintained (Status: Done) 2. To cascade the Code of Conduct and Business Ethics (On-going) 3. To follow up with JKPP on the renewal of air compressor permit (PMT 9867) expired on 26.09.17. <p>For Seri Pelangi Estate, the internal audit done on 16.05.2018 attended by 9 people and the results for non-conformity are as below:</p> <ol style="list-style-type: none"> 1. Chemical mixing bay: filter media (charcoal & EFB) not available in the trap. 2. Fossil fuel tank: Faulty control valve (kept open) attach to the commitment area 3. Scheduled waste store: SW 305 and SW 410 due for disposal | Yes |
| 4.2.3.3 | <p>The management should identify and assign suitable employees to implement and maintain the traceability system.</p> <p>- Minor compliance -</p> | The responsible personal for the traceability is the Mr C. Mohan Das and Mr. Khor Boon Wah (Seri Pelangi Estate) as the overall person in charge for MSP0 in estates. | Yes |
| 4.2.3.4 | <p>Records of sales, delivery or transportation of FFB shall be maintained.</p> <p>- Major compliance -</p> | <p>There is no sales of the FFB as Jenderata & Seri Pelangi estate are the only supply base to Jenderata Mill, and belongs to the United Plantation Berhad.</p> <p>Sampled the weighbridge ticket provided the following details:</p> <p>Product: FFB</p> <p>Ticket Number: 0045224</p> | Yes |

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| Criterion / Indicator | | Assessment Findings | Compliance | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|--|-------------------|--------|-------------|------|---------------|------------|-----------------|---------------|------------|----------------|-------------|------------|-----------|-------------|------------|-------------------|--------|-------------|------|-------------|------------|-----------------|---------|-------------|----------------|-------------|------------|--------------|-----------|------------|------------------------------|
| | | Date: 27/06/18 Net weigh: 15470 kg Vehicle no: WYP1491 RK-1 D/O: 3950 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4.3 Principle 3: Compliance to legal requirements | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Criterion 4.3.1 – Regulatory requirements | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4.3.1.1 | All operations are in compliance with the applicable local, state, national and ratified international laws and regulations. - Major compliance - | Both Jendarata Estate and Seri Pelangi Estate complied with the applicable local, national and ratified international laws and regulations. Relevant licences and permits such as MPOB license, DOSH requirements and Domestic Trade Ministry for diesel and petrol storage were valid. Some of those are: <u>Jendarata Estate</u> <table border="1"> <thead> <tr> <th>Licence & Permits</th> <th>Sr. No</th> <th>Valid Until</th> </tr> </thead> <tbody> <tr> <td>MPOB</td> <td>501550-502000</td> <td>31.03.2019</td> </tr> <tr> <td>Diesel & Petrol</td> <td>TI/SK/066(03)</td> <td>08.11.2018</td> </tr> <tr> <td>Air Compressor</td> <td>PK-PMT 9867</td> <td>01.07.2019</td> </tr> <tr> <td>Autoclave</td> <td>PK PMD 1030</td> <td>01.07.2020</td> </tr> </tbody> </table> <u>Seri Pelangi Estate</u> <table border="1"> <thead> <tr> <th>Licence & Permits</th> <th>Sr. No</th> <th>Valid Until</th> </tr> </thead> <tbody> <tr> <td>MPOB</td> <td>50227202000</td> <td>31.10.2018</td> </tr> <tr> <td>Diesel & Petrol</td> <td>A 37071</td> <td>02.03.2018#</td> </tr> <tr> <td>Air Compressor</td> <td>PK-PMT 9858</td> <td>05.06.2019</td> </tr> <tr> <td>Weigh Bridge</td> <td>B 1278527</td> <td>19.01.2019</td> </tr> </tbody> </table> | Licence & Permits | Sr. No | Valid Until | MPOB | 501550-502000 | 31.03.2019 | Diesel & Petrol | TI/SK/066(03) | 08.11.2018 | Air Compressor | PK-PMT 9867 | 01.07.2019 | Autoclave | PK PMD 1030 | 01.07.2020 | Licence & Permits | Sr. No | Valid Until | MPOB | 50227202000 | 31.10.2018 | Diesel & Petrol | A 37071 | 02.03.2018# | Air Compressor | PK-PMT 9858 | 05.06.2019 | Weigh Bridge | B 1278527 | 19.01.2019 | Major NC downgraded to Minor |
| Licence & Permits | Sr. No | Valid Until | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| MPOB | 501550-502000 | 31.03.2019 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Diesel & Petrol | TI/SK/066(03) | 08.11.2018 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Air Compressor | PK-PMT 9867 | 01.07.2019 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Autoclave | PK PMD 1030 | 01.07.2020 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Licence & Permits | Sr. No | Valid Until | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| MPOB | 50227202000 | 31.10.2018 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Diesel & Petrol | A 37071 | 02.03.2018# | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Air Compressor | PK-PMT 9858 | 05.06.2019 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Weigh Bridge | B 1278527 | 19.01.2019 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|---|--|------------|
| | | <p>Sampled foreign workers had valid passports and work permits.</p> <p>Certain legal compliance were not adequately demonstrated as below:</p> <ul style="list-style-type: none"> • At Seri Pelangi Estate, the application to renew the permit to store diesel and petrol was only done on 22/3/2018 i.e. after the permit had expired (2/3/2018). Based on requirement, the application of renewal must be made one month before expiry. | |
| 4.3.1.2 | <p>The management shall list all laws applicable to their operations in a legal requirements register.</p> <p>- Major compliance -</p> | <p>Both Jendarata Estate and Seri Pelangi Estate had implemented the established documented system for identifying, accessing, tracking and monitoring of compliance with the legal requirements that were applicable to them. A Legal and Other Requirements Register (LORR) was established and updated on 08.06.2018</p> <p>The LORR had included the following requirements:</p> <ul style="list-style-type: none"> a) Environmental Quality Act 1974 b) Factories and Machinery Act 1967 c) Occupational Safety and Health Act 1994 d) Worker's Minimum Standards of Housing and Amenities Act 1990) e) Minimum Wages Order 2016 | Yes |
| 4.3.1.3 | <p>The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.</p> <p>- Major compliance -</p> | <p>The legal requirement registers (Both Estates) were updated as and when there were any new amendments or any new regulations coming into force. The latest update was on 08.06.2018 where by 'Anti fake news act 2018' was added.</p> | Yes |
| 4.3.1.4 | <p>The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.</p> <p>- Minor compliance -</p> | <p>The management had assigned the Group Manager, HRESH Department, Mr. Mathews as the person responsible to monitor compliance and to track update the changes in regulatory requirements</p> | Yes |
| Criterion 4.3.2 – Lands use rights | | | |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|---|--|------------|
| 4.3.2.1 | <p>The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users.</p> <p>- Major compliance -</p> | <p>In Jenderata Estate, the total area for all land titles are 6,347.83 Ha for all Division 1, Division 2 cross reference with summary of progress report May 2018-Jenderata Estate Hectarage Statement-2018 for Jenderata estates. There is a balance of 9.15 Ha that been used for the highway purpose.</p> <p>Seen the quit rent receipt dated 17.11.2017 for Geran NO: GRN00124213. Lot 00134 for 20.91 Ha.</p> <p>While for Seri Pelangi Estate, the total area is 1,421.7553 Ha with the sampled evidence of quit rent paid on 29.10.2017 for lot 0006099, area of 403.4 Ha. The difference of 3.7553 Ha is for 2.06 Ha was for the conservation area and previous effluent pond as per Seri Pelangi Estate Map.</p> | Yes |
| 4.3.2.2 | <p>The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land.</p> <p>- Major compliance -</p> | <p>The perimeter survey map of the land portion is provided together with the land title and map is provided with the coordinated demarcation.</p> | Yes |
| 4.3.2.3 | <p>Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.</p> <p>- Major compliance -</p> | <p>The map of the land portion is provided together with the land title. The map has provided the coordinated demarcation for the boundary.</p> | Yes |
| 4.3.2.4 | <p>Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC).</p> <p>- Minor compliance -</p> | <p>There is no land dispute recorded. This was verified with stakeholders' consultation.</p> <p>In order to deal with future arising land dispute (if applicable), the Standard Operating Procedure for Land Dispute Settlement as per Free Prior & Informed Consent (FPIC) – RSPO Principles is documented the process in handling land dispute settlement.</p> | Yes |
| Criterion 4.3.3 – Customary rights | | | |
| 4.3.3.1 | <p>Where lands are encumbered by customary rights, the</p> | <p>There is no customary land for the portion of land.</p> | N/A |

| Criterion / Indicator | | Assessment Findings | Compliance |
|--|---|---|------------|
| | company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance - | | |
| 4.3.3.2 | Maps of an appropriate scale showing extent of recognized customary rights land, if any, should be made available. - Minor compliance - | There is no customary land for the portion of land. | N/A |
| 4.3.3.3 | Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. - Major compliance - | There is no customary land for the portion of land. | N/A |
| 4.4 Principle 4: Social responsibility, health, safety and employment condition | | | |
| Criterion 4.4.1: Social Impact Assessment (SIA) | | | |
| 4.4.1.1 | Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones. - Minor compliance - | The Social Risk Assessment (SRA), Social Action Plan (SAP) & Review Plan (SRP) 2018, was conducted for Jenderata Estate & Seri Pelangi Estate internally and annually by the Internal Management involving all stakeholders. The latest SIA was conducted in 12 th & 21 st April 2018. Key areas identified in the SIA was particularly on operation (nursery, replanting, weeding, pruning, guest workers and others). The recommendation from the SIA report was transferred to action plan (Social) 2018. The action plan identified the issues & strategies, action plan, responsible person and time frame. However it is noted that the SIA conducted is insufficiently promote the positive impacts. | OFI |
| Criterion 4.4.2: Complaints and grievances | | | |
| 4.4.2.1 | A system for dealing with complaints and grievances shall be established and documented. - Major compliance - | The Standard Operation Procedure documented the process for Procedure for both External & Internal Stakeholders. | Yes |
| 4.4.2.2 | The system shall be able to resolve disputes in an effective, timely and | Sighted the Registry Request & Complaints Form recording all the feedback and request from stakeholders, together with its completion date. Also, for external stakeholders, request or | Yes |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|--|---|------------|
| | appropriate manner that is accepted by all parties. - Major compliance - | feedback to be made directly to the main office through verbal and letter. Example: 1. Request to use field, preparation and donation for Kejohanan Olahraga Tahunan – 2018 (Jenderata Estate) 2. Request to repair light and switch sockets in kitchen and bathroom for house BB1 on 24.5.2018 (Seri Pelangi Estate). | |
| 4.4.2.3 | A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint. - Minor compliance - | The Registry of Complaints book/form is made available in the Mill & Estate office. In case the complainant would want to make an anonymity, they can email to the company secretary. This information is available in United Plantation Website and suggestion box in mill office. | Yes |
| 4.4.2.4 | Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time. - Minor compliance - | Interview conducted with workers to confirm their understanding of the complaint and grievance process. During stakeholder's consultation, it was verified that the stakeholders from internal and external also aware on the complaint channel to United Plantations Berhad. There is no critical grievance recorded for the pass one year. The request mainly for donation, housing repairs. External community made aware of complaint system through the stakeholder's consultation which is through website, suggestion box or write a letter to the management. | Yes |
| 4.4.2.5 | Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request. - Major compliance - | Seen the complaint recorded since 2009 (Jenderata Estate) and 2017 *(Seri Pelangi Estate) in Registry Record of Requests, book and stakeholders request available during audit. *2017 only the complaint and request been introduced. | Yes |
| Criterion 4.4.3: Commitment to contribute to local sustainable development | | | |
| 4.4.3.1 | Growers should contribute to local development in consultation with the local communities. - Minor compliance - | Estate management have made contribution to the internal and external stakeholders as an output from the stakeholder's consultation meeting and complaint & request records. As seen in Annual Report 2017 book, for the whole | Yes |

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|---|--|---|------------|
| | | <p>group, United Plantation has the actual amount as below:</p> <ul style="list-style-type: none"> 4. RM 2,400,609 for Hospital & Medicine for Employees, Dependents & Nearby Communities. 5. RM 6,195,586 for Provision of Social Amenities 6. RM 11,879,818 for Employee Housing <p>Example: Request to use field, preparation and donation for Kejohanan Olahraga Tahunan – 2018.</p> <p>Also, it is confirmed that during stakeholder’s consultation, United Plantations Berhad has give support through donation and job opportunities to the locals/surrounding communities.</p> | |
| Criterion 4.4.4: Employees safety and health | | | |
| 4.4.4.1 | <p>An occupational safety and health policy and plan shall be documented, effectively communicated and implemented.</p> <p>- Major compliance -</p> | <p>An Occupational Safety & Health Policy and Plan had been established and Implemented. The policy was signed by the Chief Executive Director of United Plantation Berhad dated 18.08.2017 and displayed prominently on notice boards in English and Bahasa Malaysia. The Policy was implemented through the OSH activities and trainings.</p> <p>In striving to secure a safe and healthy work environment the company would (summarised):</p> <ul style="list-style-type: none"> i. Devote continuous effort to prevent accidents. <ul style="list-style-type: none"> a. Provide continuous trainings to all categories of employees. b. Equip and train employees to use appropriate PPE. c. Ban the use of Paraquat weedicide. d. Commit to reduce and phase out chemicals that fall under the WHO Class 1A & 1B and Stockholm or Rotterdam Conventions. e. Ensure fire safety plan is implemented. | Yes |

| Criterion / Indicator | Assessment Findings | Compliance |
|--|--|---|
| | <ul style="list-style-type: none"> f. Develop a culture of individual responsibility and accountability g. Strive to commit all stakeholders to adhere to this policy. | |
| <p>4.4.4.2</p> <p>The occupational safety and health plan shall cover the following:</p> <ul style="list-style-type: none"> a) A safety and health policy, which is communicated and implemented. b) The risks of all operations shall be assessed and documented. c) An awareness and training programme which includes the following requirements for employees exposed to pesticides: <ul style="list-style-type: none"> i. all employees involved shall be adequately trained on safe working practices ii. all precautions attached to products shall be properly observed and applied d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC). e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and | <p>a) The safety and health policy, was communicated and implemented through daily tool box meetings/briefings and trainings. The briefing includes among others to prioritise safety, execute work safely, adherence to all safety rules and regulations and to target for zero accident. The policy has been communicated to the staff and workers. On site supervisors and estate assistant managers ensure the implementation of it.</p> <p>b) A Hazard Identification Risk Assessment and Risk Control (HIRARC) document for 55 operations dated 03.04.2017 on Jendarata Estate was made available. Risk assessment was carried on activities such as Field maintenance and up keep, manuring, domestic waste, security, workshop, etc. However, the HIRARC document was last reviewed only on 03.04.2017 and not reviewed again though 7 accidents had taken place after the review and another on 14.04.2018 a minor NCR was issued.</p> <p>c) Awareness training programme was established and workers involved with chemical handling were trained. Chemicals were arranged and segregated accordingly in the chemical store. The CCDS/SDS for chemicals available at point of use. In addition to specific training courses, safety briefings are given during muster to reinforce awareness, such as correct wearing of PPE.</p> <p>d) Records were available of PPE issued to individual workers and contractors, including signatures to confirm receipt. PPE issued was based on CHRA assessor’s recommendation, HIRARC and SOP. However, during the audit on Jendarata Estate a worker observed spraying was found wearing a mask without a filter in it. A nonconformance was issued under the same NCR under 4.4.4.2 b.</p> | <p>Major NC downgraded to Minor</p> |

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|--|---|------------|
| <p>Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meeting are kept and the concerns of the employees and any remedial actions taken are recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p> | <p>e) The management had established Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>Chemicals were handled as per the requirements in SDS/CSDS, CHRA, HIRARC and SOP.</p> <p>f) The management had identified and assigned the Group Manager Mr C. Mohan Das as the person responsible for workers' safety and health. Appointment letter for the Group Manager dated 29.03.2018 and signed by the Chief Executive Director was available.</p> <p>Both Estates had established an OSH committee. On Jendarata Estate it was headed by the Chairman (Group Manager), Vice chairman (Senior Assistant), Secretary (HA) with 7 Management and 10 Worker & Contractor Representatives.</p> <p>On Seri Pelangi Estate, the OSH committee was headed by the Chairman (Manager), Vice chairman (Assistant) with 5 Management and 5 Worker & Contractor Representatives</p> <p>g) Records of OSH committee meetings were conducted to conduct regular two-way communication with their employees were made available. On Jendarata Estate minutes of meetings held on 20.06.2018, 21.03.2018, 21.12.2017 and 20.09.2017. On Seri Pelangi Estate the latest were held on 29.03.2018 and 19.12.2017.</p> <p>However, on Jendarata Estate based on the meeting minutes dated 21.03.2018, some of the unsafe act/dangerous occurrence was not discussed as observed during site visit – Loco No.9: The fan belt was not fully protected.</p> <p>A nonconformance was issued in the same NCR as 4.4.4.2.b.</p> <p>h) Accident and emergency procedures and flow charts had been established on both</p> | |

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|---|--|--|------------|
| | | <p>estates for Flood, Fire, Explosion, Chemical Spillage, Snake Bite (Seri Pelangi Estate) and Accidents. It was established during interviews that accident and emergency procedures were clearly understood by all employees. Both estate had established Emergency Response committee/teams and organisational charts for 2018 were available.</p> <p>i) Both estates had employees trained in First Aid present at all operation worksites. First Aid equipment was available at each worksite.</p> <p>j) Records of all accidents were kept and reviewed periodically at OSH meetings. On Jendarata Estate the JKPP 8 sent to DOSH on 10.01.2018 showed that in 2017 there were 7 accident cases with a loss of 98 workdays. While on Seri Pelangi Estate the JKPP 8 showed 1 accident case with a loss of 62 workdays.</p> | |
| Criterion 4.4.5: Employment conditions | | | |
| 4.4.5.1 | <p>The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees.</p> <p>- Major compliance -</p> | <p>Jendereta Estate implemented Human Rights Policy, signed by Dato' Carl Bek-Nielsen on 18.8.17. The management is treated the workers with respect and dignity. Awareness training on human rights policy has been conducted on 15/05/2018 through stakeholders meeting attended by 58 people for Jenderata Estate and 07.06.18 for Seri Pelangi Estate.</p> | Yes |
| 4.4.5.2 | <p>The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p>- Major compliance -</p> | <p>Migrant workers are recruited with 3 years contract for foreigners except 2 years for Indonesian. Local workers are on a long term employment. No any kind of discrimination was noted between contract and checkroll workers. Job opportunities and amenities such as free housing, water, electric supplier and medical care are given to all employees without discrimination.</p> | Yes |
| 4.4.5.3 | <p>Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs</p> | <p>In Jenderata Estate, workers are divided into checkroll and contract workers. The payslip has included basic income, allowance pay, working days, medical leave, and deduction of salary and others as per employment contract. The payroll for the following sampled workers for Nov 2017, Jan 2018 and May 2018 were verified</p> | Yes |

| Criterion / Indicator | Assessment Findings | Compliance |
|--|--|------------|
| <p>and provide some discretionary income based on minimum wage.</p> <p>- Major compliance -</p> | <p>to be consistent with the Minimum Wages Order 2016.</p> <p>Sampled checkroll workers seen as below:</p> <ul style="list-style-type: none"> e. Estate worker ID (Malaysian): 100175 f. Estate worker ID (Malaysian): 101239 g. Estate worker ID (Nepalese): 101648 h. Estate worker ID (India): 102063 <p>For Seri Pelangi Estate:</p> <ul style="list-style-type: none"> a. Estate worker ID (Bangladeshi): 104250 b. Estate worker ID (Malaysian): 101710 c. Estate worker ID (Nepalese): 105967 <p>There was no records or complaint observed during the interview with workers. All the sampled workers for direct employment and contract workers were achieved the minimum wage accordance to Minimum Wage Order 2016 which achieved RM 1000/month.</p> <p>For contract workers, there is a letter request for salary deduction on TNB, water, Mosque/Temple fund and deposit to JTK on 18.06.2018 and the status is still in process. There is exception for levy deduction in 2018.</p> <p>There is the safe keeping passport agreement sighted signed by both employees and employer available during the audit.</p> | |
| <p>4.4.5.4</p> <p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>- Minor compliance -</p> | <p>There are contractor workers in Jenderata Estate. Sampled the below workers for contractor: Subramaniam A/L Naganaidu::</p> <ul style="list-style-type: none"> 1. Passport No: BF0455656 (Loose Fruit collector). Working permit is in progress for renewal as the letter dated 23.06.18 with the receive confirmation from Immigration department on 26.6.18. 2. Passport No: L4475415 (Harvester) 3. Passport No: A8672958 (Loose Fruit collector) <p>For Seri Pelangi Estate:</p> <ul style="list-style-type: none"> 1. Passport No: (Indonesia): AT535318 2. Passport No: (Indonesia): AT647373 | <p>Yes</p> |

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| | | All employment contract are still valid during the time of audit and pay slip for Nov 2017, Jan 2018 and May 2018 sighted are having more than RM1000/month. | |
| 4.4.5.5 | The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment. - Major compliance - | The workers master list for checkroll and contract workers were reviewed. The list includes nationality, date of passport expiry, date of expiry, date of expiry of work permit, and others. The records are kept in Labour Registry Card for locals and checkroll workers while for contract worker in contractor file. | Yes |
| 4.4.5.6 | All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records. - Major compliance - | The following contracts has been verified to confirm that workers have binding working agreement with the company: a. Estate worker ID (Malaysian): 100175 b. Estate worker ID (Malaysian): 101239 c. Estate worker ID (Nepalese): 101648 d. Estate worker ID (India): 102063 For Seri Pelangi Estate: a. Estate worker ID (Bangladeshi): 104250 b. Estate worker ID (Malaysian): 101710 c. Estate worker ID (Nepalese): 105967 Interview with the workers confirms that they have a copy of the employment contract and they understood the conditions stated in the contract. Out of 5 sampled worker, it was found 1 worker (Checkroll no: 101710) at Seri Pelangi Estate has been contracted using the previous Labor Register system which only reference to NUPM/MAPA agreement. However, the register does not explicitly state the recent conditions example, holiday entitlement, reasons for dismissal and period of notice. | Major downgraded to Minor |
| 4.4.5.7 | The management shall establish a time recording system that makes working | Jenderata Estate is using the daily checkroll system to records the accurate working hours and overtime and recorded in Month To-date Workers Earnings Report. No overtime for | Yes |

| Criterion / Indicator | Assessment Findings | Compliance |
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| <p>hours and overtime transparent for both employees and employer.</p> <p>- Major compliance -</p> | <p>contract workers as the workers are paid by piece rated.</p> <p>Sighted the overtime and working hours:</p> <ul style="list-style-type: none"> a. Estate worker ID (Malaysian): 100175 b. Estate worker ID (Malaysian): 101239 c. Estate worker ID (Nepalese): 101648 d. Estate worker ID (India): 102063 <p>For Seri Pelangi Estate:</p> <ul style="list-style-type: none"> a. Estate worker ID (Bangladeshi): 104250 b. Estate worker ID (Malaysian): 101710 c. Estate worker ID (Nepalese): 105967 | |
| <p>4.4.5.8</p> <p>The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement.</p> <p>- Major compliance -</p> | <p>Jenderata Estate is using the daily checkroll system to records the accurate working hours and overtime and recorded in Month To-date Workers Earnings Report (Jenderata Estate) and Task Sheet (Seri Pelangi Estate) to records the accurate working hours and overtime.</p> <p>In case the worker is on leave or absence, it is recorded in the same system.</p> | <p>Yes</p> |
| <p>4.4.5.9</p> <p>Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.</p> <p>- Major compliance -</p> | <p>The payslip and the inputs were reviewed to confirm the wages and overtime is in line with legal requirements of Employment Act 1955 and worker's employment contract.</p> | <p>Yes</p> |
| <p>4.4.5.10</p> <p>Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional development, medical care and health provisions.</p> <p>- Minor compliance -</p> | <p>The company provides free medical benefit, free child care centre, free old folks home and free pre-school/play school to workers.</p> | <p>Yes</p> |
| <p>4.4.5.11</p> <p>In cases where on-site living quarters are provided, these quarters shall be habitable and</p> | <p>The basic amenities and facilities at the quarters provided by the company to it workers includes electricity, water and domestic waste disposal.</p> | <p>Yes</p> |

| Criterion / Indicator | | Assessment Findings | Compliance |
|-----------------------|---|---|------------|
| | <p>have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.</p> <p>- Major compliance -</p> | <p>Electricity is provided by government. Usage of electricity given with subsidize rate for the workers contract.</p> <p>During the linesite visit, it was observed that the housing are in good conditions. For local workers with family, each will be given a house while for foreign workers for single workers, it will be given shared house of 6 person with 3 bedroom each per house.</p> <p>The linesite inspection was done by HA with Visiting Doctor as per Lines Sanitation Division IB book kept in Hospital.</p> | |
| 4.4.5.12 | <p>The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace.</p> <p>- Major compliance -</p> | <p>Gender Policy signed by Dato Carl Bek-Nielsen, dated 24.4.15 mentioned that the company endeavour to prevent sexual harassment and all other forms of violence against women and workers in the workplace or in the course of an employee's work.</p> | Yes |
| 4.4.5.13 | <p>The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p>- Major compliance -</p> | <p>During the interview with workers, there are no evidence received that there are restriction from the company to allow workers to join trade union. The workers have their freedom to join the NUPW/MAPA union but in Jenderata Estate, the workers has form internal worker's union.</p> <p>The latest minutes of meeting of guest workers committee conducted once in 2 months and sighted the latest minute of meeting dated 20.06.18 and attended by 12 workers). The matters discussed are regarding the information and thanking the management for the action taken on the request from employees, eg: water pressure in barrack and approval for 2 buses for Raya prayer to the mosque and 3 cows.</p> <p>For Seri Pelangi Estate, the meeting minutes sighted dated 27.04.18 attended by 6 workers. Among the issue discussed are:</p> <ol style="list-style-type: none"> Pay slip and registration Accomodation Cleanliness Safety | Yes |
| 4.4.5.14 | <p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work</p> | <p>The Human Rights Policy was established since 23 March 2013 signed by Dato Carl Bek-Nielsen. The Policy covers the commitment to not condone forced labour or child labour who under 16 years old.</p> | Yes |

| Criterion / Indicator | | Assessment Findings | Compliance |
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| | <p>by children is acceptable on family farms, under adult supervision, and when not interfering with their education programmes. Children shall not expose to hazardous working conditions.</p> <p>- Major compliance -</p> | | |
| Criterion 4.4.6: Training and competency | | | |
| 4.4.6.1 | <p>All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.</p> <p>- Major compliance -</p> | <p>Records showed that all employees had been appropriately trained. A Formal training program for the year 2018 was available and implemented. Regular assessment of training was conducted to ensure understanding among the employees. The training program included all aspects of RSPO Principles and Criteria, RSPO Supply Chain and MSPO standards.</p> <p>The records included the title of training, name and signature of the attendees, name of the trainer, time and venue.</p> <p>Some of the trainings verified were:</p> <p>Jendarata Estate:</p> <ul style="list-style-type: none"> Company Policies - 12.06.2018 Manuring - 18.05.2018 P & D Spraying - 19.04.2018 Chemical Store Management - 23.03.2018 Furrow Irrigation - 15.03.2018 Domestic & Schedule Waste - 02.032018 IPM - 07.02.2018 <p>Seri Pelangi Estate:</p> <ul style="list-style-type: none"> Chemical Mixing - 21.06.2018 Spraying - 21.06.2018 Company Policies - 12.06.2018 | Yes |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|---|---|------------|
| | | Fire Drill - 21.04.2018 First aid - 18.04.2018 | |
| 4.4.6.2 | Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description. - Major compliance - | Training needs of individual employees had been identified prior to the planning and implementation of the training programmes. This was in order to provide the specific skill and competency required to all employees based on their job description. The training matrix for 2018 was made available. | Yes |
| 4.4.6.3 | A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure. - Minor compliance - | It was evident that from the training matrix for 2017 and 2018 and training records for 2017/2018 that all trainings had been planned and implemented to ensure that all employees are well trained in their job function and responsibility. | Yes |
| 4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services | | | |
| Criterion 4.5.1: Environmental Management Plan | | | |
| 4.5.1.1 | An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented. - Major compliance - | There is an Environmental & Biodiversity Policy for the mill issued and endorsed in 18 August 2017 by the CEO, Dato Carl Bek-Nielson. Inside the policy among others has stated that the Company is committed to protect the environment and conserving biodiversity through sustainable development. The Environmental Policy training has been conducted on 12/06/2018 (Jenderata Estate) and 07.06.18 (Seri Pelangi Estate) to all workers. | Yes |
| 4.5.1.2 | The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations. | Policy is available and objectives stated therein. There is Environment Impact Assessment (EIA) 2018 covers operation like nursery, replanting, weeding (upkeep mature & immature oil palm), pruning and others as well as the monitoring system of action plan. | Yes |

| Criterion / Indicator | | Assessment Findings | Compliance |
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| | - Major compliance - | | |
| 4.5.1.3 | <p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored.</p> <p>- Major compliance -</p> | <p>This plan is available and updated on 12/04/2018. The environmental issues for improvement outlined by the Jenderata Estatel are sampled as follows;</p> <ol style="list-style-type: none"> 1. Pruning: Judicious pruning done to remove only surplus and damaged fronds. 2. Circle sanitation: Use spiked rakes which do not penetrate into the soil <p>For Seri Pelangi Estate:</p> <p>The action plan is reviewed latest on 21st April 2018. Among the issues discussed are as below:</p> <ol style="list-style-type: none"> a. Replanting: Control adjoining waterways along this replant (status: done) b. Pruning: Judicious pruning done to remove only surplus and damaged fronds. | Yes |
| 4.5.1.4 | <p>A programme to promote the positive impacts should be included in the continual improvement plan.</p> <p>- Minor compliance -</p> | <p>This is available as per item 4.5.1.3 above. All programme for improvement are shown in the 'By Whom and Targeted Date' column.</p> | Yes |
| 4.5.1.5 | <p>An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives.</p> <p>- Major compliance -</p> | <p>The training related to environment is conducted through the Environmental Policy training has been conducted on 12/06/2018 (Jenderata Estate) and 07.06.18 (Seri Pelangi Estate) to all workers.</p> <p>Included in this programme are subjects related to environment e.g Biodiversity and Environment Policy, MSPO policy and others.</p> | Yes |
| 4.5.1.6 | <p>Management shall organize regular meetings with employees where their concerns about environmental quality are discussed.</p> <p>- Major compliance -</p> | <p>There is Stakeholder Meeting to discuss about environment & social risk conducted on annual basis on 12 April 2018 (Jenderata Estate) and 21 April 2018 (Seri Pelangi Estate). There is minutes of meeting 'Penilaian Impak Alam Sekitar & Faktor Keselamatan Sosial Ladang Jenderata' is explaining the HCV and environmental issue from the chairman, Mr.</p> | Yes |

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| | | Vigneswaran (Field Manager) while in Seri Pelangi Estate, the meeting has been held on 21 April 2018. | |
| Criterion 4.5.2: Efficiency of energy use and use of renewable energy | | | |
| 4.5.2.1 | Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period. - Major compliance - | Monthly record on energy consumption for both renewable and non-renewable sources were kept and documented It was monitored to optimise use of renewable energy. Data was compiled for comparison and control for future improvement. Consumption of electricity is also recorded from KWH meters. Total Diesel utilisation was also recorded and monitored. Both Electricity and Diesel used were ratio vs FFB produced and graphs tabulated to monitor trend of performance. | Yes |
| 4.5.2.2 | The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations. - Major compliance - | The estates estimated the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. The estimates were in the annual budgets. | Yes |
| 4.5.2.3 | The use of renewable energy should be applied where possible. - Minor compliance - | At time of visit, the estates had not used any form of renewable energy. | Yes |
| Criterion 4.5.3: Waste management and disposal | | | |
| 4.5.3.1 | All waste products and sources of pollution shall be identified and documented. - Major compliance - | The Estates had identified all waste products and sources of pollution and documented in the document "Types of Waste Products and Method of Disposal." The tiles in the document were: Types of Waste | Yes |

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| | | Source Method of Disposal, Waste Mangers Action to reduce Waste Action Plan and Remarks The wastes identified were: Chemical Containers Fertiiser Bags Used Poly Bags EFB Hospital Syringes, Swabs and Blades Domestic Waste Spent Lubricants Used Filters Batteries Scrap Metal | |
| 4.5.3.2 | <p>A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:</p> <p>a) Identifying and monitoring sources of waste and pollution</p> <p>b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products</p> <p>- Major compliance -</p> | <p>The Estates had developed Waste Management Plans and Pollution Prevention Plan. Both management plans were used to guide the estates to monitor the sources of pollution and waste. The document was intended to provide sources of pollution, pollution type, location, control measure, program, its action plan and person in charge. In addition, the plans were also to promote awareness among the employees on recyclable items and its Importance.</p> | Yes |
| 4.5.3.3 | <p>The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment</p> | <p>The procedures for handling used chemicals classified under Environnment Quality Regulations (Scheduled Waste) Regulation 2005 were available and implemented on both Estates.</p> | Yes |

| Criterion / Indicator | | Assessment Findings | Compliance |
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| | <p>Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.</p> <p>- Major compliance -</p> | <p>On Jendarata Estate the latest disposal of Spent Oil (SW305) and Spent Filters (SW410) was to Primochem Sdn Bhd on 06.06.2018. and Seri Pelangi Estate SW 305 was disposed to the company on the same day. The 6th schedule consignment notes were verified.</p> <p>Visit to the scheduled waste store on Jendarata Estate confirmed that all scheduled waste was labelled in accordance to regulations.</p> <p>On Jendarata Estate recycle items were collected and the latest disposal of 293kg was to Everlantan Trading Sdn Bhd via DO No. 54022.</p> | |
| 4.5.3.4 | <p>Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.</p> <p>- Major compliance -</p> | <p>On both estates empty pesticide containers were triple rinsed, punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. On Jendarata Estate they were disposed to Envirogreen Plas Enterprise.</p> | Yes |
| 4.5.3.5 | <p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.</p> <p>- Minor compliance -</p> | <p>On both estates domestic waste was disposed as such to minimize the risk of contamination of the environment and watercourses. Domestic waste was collected daily, recyclable items removed, and disposed into landfills.</p> | Yes |
| Criterion 4.5.4: Reduction of pollution and emission | | | |
| 4.5.4.1 | <p>An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent.</p> <p>- Major compliance -</p> | <p>All waste are identified and documented in the Sustainability Management Review 2017 on 25.01.18 discussing on schedule waste management: e-SWIS have been registered and monthly online submission.</p> <p>Seen the evidence of: <u>Jendarata Estate:</u> Consignment Note for Scheduled Waste,</p> | Yes |

| Criterion / Indicator | | Assessment Findings | Compliance |
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| | | <p>No: 2018061312C13T87 Waste generator: Jenderata Group Hospital Waste Packaging: 55 Gal Drum Type of waste: Liquid Waste component: Spent Lubricant Oil Waste code: SW305-Spent lubricating oil Quantity: 1.000 MT Contractor: Primochem Sdn Bhd</p> <p><u>Seri Pelangi Estate:</u> Consignment Note for Scheduled Waste, No: 20180606150I2U95 Waste generator: Seri Pelangi Estate Waste Packaging: 55 Gal Drum Steel Type of waste: Liquid Waste component: Hidrocarbon Waste code: SW305-Spent lubricating oil Quantity: 0.5000 MT Contractor: Primochem Sdn Bhd</p> <p>The Types of Waste Products and Method of Disposal mentioning all types of waste, source and methods of disposal. Among the wastes are Chemical containers, spent lubricant, used fertilizer bags, tractors batteries, hospital syringes/swabs and domestic waste.</p> | |
| 4.5.4.2 | <p>An action plan to reduce identified significant pollutants and emissions shall be established and implemented.</p> <p>- Major compliance -</p> | <p>There is an action plan for liquid POME production (m3), POME land application (Ha), EFB and Zero Burn Replanting since 2013 to 2018 and it showed the trends.</p> | Yes |
| Criterion 4.5.5: Natural water resources | | | |
| 4.5.5.1 | <p>The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <p>a. Assessment of water usage and sources of supply.</p> <p>b. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency</p> | <p>The Water Management Plan for the estates has been established. On Jendarata Estate the focus was more on water management in the Peat and Acid Sulphate Soil areas. Water level were maintained between 50 to 60 cm in the drains using water gates, flap-gate, wooden weirs, sandbag weirs and water level markers.</p> <p>During rainy seasons water was permitted to drain out and during dry season to flow in(Irrigation).</p> <p>Water courses and wetlands are protected including maintaining and restoring appropriate riparian buffer zones. The guidelines are detailed in the SOP No 12: Protection of River</p> | Yes |

| Criterion / Indicator | | Assessment Findings | Compliance | | | | | | | | | | | | |
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| | <p>that reflects the estate's current activities.</p> <p>c. Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).</p> <p>d. Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate.</p> <p>e. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.</p> <p>f. Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.</p> <p>- Major compliance -</p> | <p>Reserves (Riparian & Buffer Zone). The buffer zones established are as following:</p> <table border="1"> <thead> <tr> <th>River width (meter)</th> <th>Minimum width for river reserves (m) for peninsular Malaysia and Sarawak</th> </tr> </thead> <tbody> <tr> <td>1-5</td> <td>5</td> </tr> <tr> <td>5-10</td> <td>10</td> </tr> <tr> <td>10-20</td> <td>20</td> </tr> <tr> <td>20-40</td> <td>40</td> </tr> <tr> <td>>40</td> <td>50</td> </tr> </tbody> </table> <p>Estate monitors the water quality through water sampling:</p> <p>Water entering Sungai Bernam, Sungai Perak and waters in Jendarata (Bengang) Canal were analysed periodically for BOD, COD, TSS, DO, Ammoniacal Nitrogen and Escherichia coli by BP Food Environmental Testing. Test results of samples analysed on 09.12.2017 were verified.</p> | River width (meter) | Minimum width for river reserves (m) for peninsular Malaysia and Sarawak | 1-5 | 5 | 5-10 | 10 | 10-20 | 20 | 20-40 | 40 | >40 | 50 | |
| River width (meter) | Minimum width for river reserves (m) for peninsular Malaysia and Sarawak | | | | | | | | | | | | | | |
| 1-5 | 5 | | | | | | | | | | | | | | |
| 5-10 | 10 | | | | | | | | | | | | | | |
| 10-20 | 20 | | | | | | | | | | | | | | |
| 20-40 | 40 | | | | | | | | | | | | | | |
| >40 | 50 | | | | | | | | | | | | | | |
| 4.5.5.2 | <p>No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.</p> <p>- Minor compliance -</p> | <p>At time of visit no bunds, weirs and dams were observed across main rivers or waterways passing through both estates.</p> | Yes | | | | | | | | | | | | |
| 4.5.5.3 | <p>Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles).</p> <p>- Minor compliance -</p> | <p>During the site visit it was observed that water harvesting was practised during the dry season while during the wet season weirs and gates were opened to drain excess water</p> <p>All fields in Jendarata Estate were in flat terrain with high water table where conservation terraces and moisture pit are not required.</p> | Yes | | | | | | | | | | | | |
| <p>Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value</p> | | | | | | | | | | | | | | | |

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| 4.5.6.1 | <p>Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:</p> <p>a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.</p> <p>b) Conservation status (e.g. The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities.</p> <p>- Major compliance -</p> | <p>Jenderata Estate has the Environment and Biodiversity Policy signed by Dato' Carl Bek-Nielsen on 18.8.17. The high biodiversity is included in the HCV assessment report dated January 14th 2008 by Wild Asia.</p> <p>128 Birds, 11 mammals, 6 reptiles and 20 dragonflies were identified based on the latest HCV report. Within the bird fauna, a total of 4 globally endangered species were recorded such as Malaysian Blue Flycatcher, Long-tailed Parakeet, Rhinoceros Hornbills and Black Hornbills.</p> <p>The established management plan has been incorporated the Self-Assessment-List of HCVs Identified (HCV Monitoring) updated annually.</p> | Yes |
| 4.5.6.2 | <p>If rare, threatened or endangered species or high biodiversity value, are present, appropriate measures for management planning and operations should include:</p> <p>a) Ensuring that any legal requirements relating to the protection of the species are met.</p> <p>b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts.</p> <p>- Major compliance -</p> | <p>There is no RTE recorded. Evidence to continuously prevent and discourage illegal or hunting, fishing or collecting activities were maintained and implemented. Signage as well as routine patrolling activities were utilised as part of creating awareness among employees and maintain HCVs by awareness program on 04.05.2018 (Jenderata Estate) and 06.06.18 (Seri Pelangi Estate) to internal and external party.</p> <p>There is wildlife sighting book kept for the monitor the RTE species (if any) presence. So far only monkeys, otter, otter, fire flies and monitor lizard found. In Seri Pelangi Estate, the Wildlife Sighting Book recorded that the presence of Python and cobra were sighted.</p> | Yes |
| 4.5.6.3 | <p>A management plan to comply with Indicator 1 shall be</p> | <p>All operating units have developed Management Plan for the HCV and conservation area to protect from any encroachment. Habitat</p> | Yes |

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| | <p>established and effectively implemented, if required.</p> <p>- Major compliance -</p> | <p>protection includes prevention of disturbance by workers through awareness campaigns and regular patrols of the area. The estates have installed signboards at prominent areas to prohibit hunting, disturbance of protected areas and the lighting of fires.</p> <p>Conducted during linesite area and interview of residents confirmed workers were aware of the company policy that prohibits hunting and collecting activities. Monitoring is carried out by the security and staff in charge for the respective area.</p> | |
| Criterion 4.5.7: Zero burning practices | | | |
| 4.5.7.1 | <p>Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice.</p> <p>- Major compliance -</p> | <p>Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting was not practised by United Plantation Berhad. United Plantation Berhad had a policy of zero burning stated in their Environment and Biodiversity Policy and in the SOP Manual Item 2.2.1.</p> <p>Both estates had complied with the policy of zero burning as evident in the 2018 replants visited.</p> | Yes |
| 4.5.7.2 | <p>A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop.</p> <p>- Major compliance -</p> | <p>Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting was not practised by United Plantation Berhad. United Plantation Berhad had a policy of zero burning state in their Environment and Biodiversity Policy and in the SOP Manual Item 2.2.1. Furthermore, there was no requirement for burning.</p> | Yes |
| 4.5.7.3 | <p>Where controlled burning is allowed, it shall be carried out as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws.</p> <p>- Major compliance -</p> | <p>Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting was not practised by United Plantation Berhad. United Plantation Berhad had a policy of zero burning state in their Environment and Biodiversity Policy and in the SOP Manual Item 2.2.1. Furthermore, there was no requirement for burning</p> | Yes |
| 4.5.7.4 | <p>Previous crops should be felled or mowed down, chipped and shredded,</p> | <p>As observed in the 2018 replants, all previous oil palms were felled, chipped, shredded, windrowed and left to decompose.</p> | Yes |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|--|---|------------|
| | windrowed or pulverized or ploughed and mulched. - Minor compliance - | | |
| 4.6 Principle 6: Best Practices | | | |
| Criterion 4.6.1: Site Management | | | |
| 4.6.1.1 | Standard operating procedures shall be appropriately documented and consistently implemented and monitored. - Major compliance - | <p>In United Plantation Berhad, SOPs for plantation were documented in:</p> <ul style="list-style-type: none"> - Field Management Manual 2008 - Field Management (Supplement) Manual 2008 - Standard working Procedure (S.O.P) 2007 with an added SOP on Traceability in April 2018 - OSH Manual <p>The SOP manual confirmed that all activities in the estates from seedlings in nursery to planting in the fields have been included in the Manual along with other requirements. The document specifies the following sections:</p> <ol style="list-style-type: none"> 1. Nursery Operations 2. Replanting 3. Upkeep Mature/Immature Oil Palm 4. Water Management 5. Roads 6. Boundaries 7. Oil Palm Pest Management 8. Manuring Immature and Mature Oil Palm 9. Harvesting & Collection 10. Oil Mill RSPO Supply Chain Module 11. Recruitment of Guest Workers 12. Protection of River Reserves (Riparian & Buffer Zones) 13. Internal Audit 14. Safe Deposit Lockers For Guest Workers' Passports 15. Traceability <p>Standard operating procedures shall be appropriately documented and consistently implemented and monitored.</p> <p>On both Jendarata Estate and Seri Pelangi Estate SOPs were consistently implemented and monitored by on-site visits, inspections and</p> | Yes |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|--|---|------------|
| | | discussions with relevant personnel and by conducting audits such as Internal Audits, RSPO Audits and visits by GMs, CED and Agronomists and by Periodic reporting – monthly Production Statement, Labour Statement, FFB Grading and others. | |
| 4.6.1.2 | Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals. - Major compliance - | The terrain on Jendarata Estate was 100% flat while on Seri Pelangi Estate it was flat-undulating (0 to 6°) based on the Topographic Map provided. Planting of cover crop and maintenance of soft grasses in interlines to prevent soil erosion was observed during the visit. | Yes |
| 4.6.1.3 | A visual identification or reference system shall be established for each field. - Major compliance - | All fields were marked and identified. Information like field no, year planting and total hectare is shown in all markers. Stone boundary markers were placed at field boundaries were observed. | Yes |
| Criterion 4.6.2: Economic and financial viability plan | | | |
| 4.6.2.1 | A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. - Major compliance - | Both estates had documented annual business plan (budgets) for 2018 and projections up to 2021 The business plans were prepared as guidance for future planning. The budget contains monthly budget per operating units including FFB, CPO and PK. Component of operating expenditure includes Administration, harvesting & collection, field upkeep, transportation, road and bridges, labour overhead, EVIT (running accounts for engines, vehicles, implements & tractors. Inclusive in the business plan is also Capital Expenditure (CAPEX) includes building-general, tractors and agricultural implement, office equipment and others as per the annual budget for 2018 for estate was sighted and verified. | Yes |

| Criterion / Indicator | | Assessment Findings | Compliance | | | | | | | | | | | | | | | | | | |
|-----------------------|---|---|------------|------------------|---------------------|------|--------|-------|------|--------|-------|------|--------|---|------|--------|---|------|--------|---|-----|
| 4.6.2.2 | <p>Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years.</p> <p>- Major compliance -</p> | <p>United Plantation Berhad had a long range replanting program projected for 10 years. The program for each estate was reviewed annually and the replanting program for 5 years in Hectares is as follows:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Jendarata Estate</th> <th>Seri Pelangi Estate</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>364.80</td> <td>321.0</td> </tr> <tr> <td>2019</td> <td>299.90</td> <td>212.0</td> </tr> <tr> <td>2020</td> <td>282.80</td> <td>0</td> </tr> <tr> <td>2021</td> <td>298.74</td> <td>0</td> </tr> <tr> <td>2022</td> <td>248.16</td> <td>0</td> </tr> </tbody> </table> | Year | Jendarata Estate | Seri Pelangi Estate | 2018 | 364.80 | 321.0 | 2019 | 299.90 | 212.0 | 2020 | 282.80 | 0 | 2021 | 298.74 | 0 | 2022 | 248.16 | 0 | Yes |
| Year | Jendarata Estate | Seri Pelangi Estate | | | | | | | | | | | | | | | | | | | |
| 2018 | 364.80 | 321.0 | | | | | | | | | | | | | | | | | | | |
| 2019 | 299.90 | 212.0 | | | | | | | | | | | | | | | | | | | |
| 2020 | 282.80 | 0 | | | | | | | | | | | | | | | | | | | |
| 2021 | 298.74 | 0 | | | | | | | | | | | | | | | | | | | |
| 2022 | 248.16 | 0 | | | | | | | | | | | | | | | | | | | |
| 4.6.2.3 | <p>The business or management plan may contain:</p> <ul style="list-style-type: none"> a) Attention to quality of planting materials and FFB b) Crop projection: site yield potential, age profile, FFB yield trends c) Cost of production: cost per tonne of FFB d) Price forecast e) Financial indicators: cost benefit, discounted cash flow, return on investment <p>- Major compliance -</p> | <p>This requirement i.e crop material, crop projection, yield, production cost are available. It is provided in the business management plan as shown in item 4.6.2.1 above.</p> | Yes | | | | | | | | | | | | | | | | | | |
| 4.6.2.4 | <p>The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented.</p> <p>- Major compliance -</p> | <p>The estates performance is recorded in the monthly progress report. Details on the actual vs budget i.e crop production, fixed and direct cost are shown therein. The management also provides variance report on the performance and reviewed on a monthly basis. The progress report contains the updated actual usage as todate. Example seen is the Progress Report May 2018.</p> <p>The Sustainability Management Review meeting involving the Managers and Assistant sits monthly with the Estate Director for the performance review. Sighted the meeting held on 25.01.2018.</p> | Yes | | | | | | | | | | | | | | | | | | |

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| Criterion / Indicator | | Assessment Findings | Compliance |
|--|--|--|------------|
| Criterion 4.6.3: Transparent and fair price dealing | | | |
| 4.6.3.1 | <p>Pricing mechanisms for the products and other services shall be documented and effectively implemented.</p> <p>- Major compliance -</p> | <p>FFB supplier mainly from Jenderata and Seri Pelangi Estate, which are own estate. For contractor, sighted contract for for Chin Lang Contractors Sdn Bhd, Sales contract no: 05/65803 dated 01.1.2018.</p> | Yes |
| 4.6.3.2 | <p>All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.</p> <p>- Major compliance -</p> | <p>This requirement is in compliance. All contracts and purchases are documented i.e in the form of purchase orders, invoices, and contracts for the larger transaction. All documents are signed by both vendor the Memorandum of Agreement for Chin Lang Contractors Sdn Bhd, Sales contract no: 05/65803 dated 01.1.2018.</p> <p>All contracts terms and conditions were made transparent and agreed from both parties.</p> <p>For Seri Pelangi Estate, Chin Siong Wai (Contractor) with Sales contract dated 25.02.18 signed by both estate & contractor.</p> | Yes |
| Criterion 4.6.4: Contractor | | | |
| 4.6.4.1 | <p>Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information.</p> <p>- Major compliance -</p> | <p>Jenderata Estate had informed its contractors regarding the need to follow the MSPO requirements through MSPO Contractor training on 15.05.18. The training was attended by 8 contractors, which are N.Subramaniam Rao, Chin Lang Contractor, Pang Excavator and others while for Seri Pelangi Estate, the training for contractor, namely 'Polisi Skim Pensijilan MSPO' was conducted on 06.06.18 to the contractor workers.</p> | Yes |
| 4.6.4.2 | <p>The management shall provide evidence of agreed contracts with the contractor.</p> <p>- Major compliance -</p> | <p>Evidence of agreed contracts with the contractors were verified. Addendum contract terms and conditions for Chin Lang Contractors Sdn Bhd, Sales contract no: 05/65803 dated 01.1.2018 and UP was made available for verification.</p> <p>Seen also the certificate of payment to Chin Lang Contractor Sdn Bhd on 31 May 2018, no CP: 05180258 with cheque no: 142916.</p> <p>For Seri Pelangi Estate, Chin Siong Wai (Contractor) with Sales contract dated 25.02.18 signed by both estate & contractor. Seen the certificate of payment to Chin Sion Wai on 31 May 2018, no CP: 17180052.</p> | Yes |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|---|---|------------|
| 4.6.4.3 | <p>The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required.</p> <p>- Minor compliance -</p> | <p>The requirement of accepting MSPO accredited auditors to audit against the contractors are being mentioned in the MSPO Policy signed on 29 March 2018 by Dato Carl Bek-Nielson.</p> | Yes |
| 4.6.4.4 | <p>The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted.</p> <p>- Major compliance -</p> | <p>All works performed at the estates are checked and verified by the estates personnel before payment been made to the contractors. Example for Chin Lang Contractors Sdn Bhd, Sales contract no: 05/65803 dated 01.1.2018., the progress works are recorded in the 'Listing of Work Done by Contractors for the month of June 2018' by estate personnel.</p> <p>For Seri Pelangi Estate, the task sheet record is used to monitor the task given.</p> | Yes |
| 4.7 Principle 7: Development of new planting (if there is any new planting after January 2015) | | | |
| Criterion 4.7.1: High biodiversity value | | | |
| 4.7.1.1 | <p>Oil palm shall not be planted on land with high biodiversity value unless it is carried out in compliance with the National and/or State Biodiversity Legislation.</p> <p>- Major compliance -</p> | <p>No new planting at Jenderata POM and supply bases.</p> | N/A |
| 4.7.1.2 | <p>No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as required under Peninsular Malaysia's National Physical Plan (NPP) and the Sabah Forest Management Unit under the Sabah Forest Management License Agreement. For Sabah and Sarawak, new planting or replanting of an area 500ha or more requires an EIA. For areas below 500ha but above 100ha, a Proposal for Mitigation Measures (PMM) is required.</p> <p>- Major compliance -</p> | <p>No new planting at Jenderata POM and supply bases.</p> | N/A |
| Criterion 4.7.2: Peat Land | | | |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|--|--|------------|
| 4.7.2.1 | New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice. - Major compliance - | No new planting at Jenderata POM and supply bases. | N/A |
| Criterion 4.7.3: Social and Environmental Impact Assessment (SEIA) | | | |
| 4.7.3.1 | A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations. - Major compliance - | No new planting at Jenderata POM and supply bases. | N/A |
| 4.7.3.2 | SEIAs shall include previous land use or history and involve independent consultation as per national and state regulations, via participatory methodology which includes external stakeholders. - Major compliance - | No new planting at Jenderata POM and supply bases. | N/A |
| 4.7.3.3 | The results of the SEIA shall be incorporated into an appropriate management plan and operational procedures developed, implemented, monitored and reviewed. - Major compliance - | No new planting at Jenderata POM and supply bases. | N/A |
| 4.7.3.4 | Where the development includes smallholder schemes of above 500ha in total or small estates, the impacts and implications of how each scheme or small estate is to be managed should be documented and a plan to manage the impacts developed, implemented, monitored and reviewed. - Minor compliance - | No new planting at Jenderata POM and supply bases. | N/A |



| Criterion / Indicator | | Assessment Findings | Compliance |
|---|---|---|------------|
| Criterion 4.7.4: Soil and topographic information | | | |
| 4.7.4.1 | Information on soil types shall be adequate to establish the long-term suitability of the land for oil palm cultivation. - Major compliance - | No new planting at Jenderata POM and supply bases. | N/A |
| 4.7.4.2 | Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation systems, roads and other infrastructure. - Major compliance - | No new planting at Jenderata POM and supply bases.. | N/A |
| Criterion 4.7.5: Planting on steep terrain, marginal and fragile soils | | | |
| 4.7.5.1 | Extensive planting on steep terrain, marginal and fragile soils shall be avoided unless permitted by local, state and national laws. - Major compliance - | No new planting at Jenderata POM and supply bases. | N/A |
| 4.7.5.2 | Where planting on fragile and marginal soils is proposed, plans shall be developed and implemented to protect them and to minimize adverse impacts (e.g. hydrological) or significantly increased risks (e.g. fire risk) in areas outside the plantation. - Major compliance - | No new planting at Jenderata POM and supply bases. | N/A |
| 4.7.5.3 | Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion. - Major compliance - | No new planting at Jenderata POM and supply bases. | N/A |
| Criterion 4.7.6: Customary land | | | |
| 4.7.6.1 | No new plantings are established on recognised customary land without the | No new planting at Jenderata POM and supply bases. | N/A |

| Criterion / Indicator | | Assessment Findings | Compliance |
|-----------------------|---|--|------------|
| | owners' free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions. - Major compliance - | | |
| 4.7.6.2 | Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites. - Minor compliance - | No new planting at Jenderata POM and supply bases. | N/A |
| 4.7.6.3 | Where recognized customary or legally owned lands have been taken-over, the documentary proof of the transfer of rights and of payment or provision of agreed compensation shall be made available. - Major compliance - | No new planting at Jenderata POM and supply bases. | N/A |
| 4.7.6.4 | The owner of recognised customary land shall be compensated for any agreed land acquisitions and relinquishment of rights, subject to their free prior informed consent and negotiated agreement. - Major compliance - | No new planting at Jenderata POM and supply bases. | N/A |
| 4.7.6.5 | Identification and assessment of legal and recognised customary rights shall be documented. - Major compliance - | No new planting at Jenderata POM and supply bases. | N/A |
| 4.7.6.6 | A system for identifying people entitled to compensation and for calculating and distributing | No new planting at Jenderata POM and supply bases. | N/A |

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| Criterion / Indicator | | Assessment Findings | Compliance |
|-----------------------|---|--|------------|
| | <p>fair compensation shall be established and implemented.</p> <p>- Major compliance -</p> | | |
| 4.7.6.7 | <p>The process and outcome of any compensation claims shall be documented and made publicly available.</p> <p>- Major compliance -</p> | No new planting at Jenderata POM and supply bases. | N/A |
| 4.7.6.8 | <p>Communities that have lost access and rights to land for plantation expansion should be given opportunities to benefit from the plantation development.</p> <p>- Minor compliance -</p> | No new planting at Jenderata POM and supply bases. | N/A |

Section 4: Assessment Conclusion and Recommendation

| Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings | |
|---|--|
| Based on the findings during the assessment United Plantations Berhad-Jendarata POM Certification Unit complies with the MS 2530-3:2013 and MS 2530-4:2013 . It is recommended that the certification of United Plantations Berhad-Jendarata POM Certification Unit is approved. | |
| Acknowledgement of Assessment Findings | Report Prepared by |
| Name: Cheriachangel Mathews | Name: Elzy Ovktafia Chairul |
| Company name: United Plantations Berhad | Company name: BSI Services Malaysia Sdn. Bhd. |
| Title: Group Manager, Human Resources and Environment, Safety & Health | Title: Client Manager |
| Signature:  Date: 06.08.2018 | Signature:  Date: 06.08.2018 |

Appendix A: Assessment Plan

| Date | Time | Subjects | (EO) | (SK) |
|-------------------------|---------------|---|------|------|
| Tuesday, 26/06/2018 | 08:30 – 09:00 | Opening Meeting (Jenderata Palm Oil Mill) <ul style="list-style-type: none"> • Presentation by UP team • Presentation by BSI Lead Auditor -introduction of team member and assessment agenda • Confirmation of assessment scope and finalizing audit scope | √ | √ |
| | 09:00 – 11:00 | Jenderata Palm Oil Mill Field Assessment: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment. Laboratory, weighbridge and palm product storage area, staff, workers and contractor interview, housing and facility inspection, clinic, etc. | - | √ |
| | 09:00 – 11:00 | Stakeholder consultation for Jenderata POM, Jenderata Estate and Seri Pelangi Estate | √ | - |
| | 11:00 – 12:30 | Document Review (MS2530 Part 4), P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement, P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services, P6 : Best practices | √ | √ |
| | 12:30 – 13:30 | Lunch / Break | √ | √ |
| | 13:30 – 16:30 | Continue with Document review and site verification if deemed necessary. | √ | √ |
| | 16:30 – 17:00 | Interim closing meeting | √ | √ |
| Wednesday 27/06/2018 | 07:30 – 08:30 | Travel to Jenderata Estate | √ | √ |
| | 08:30- 11:00 | Jenderata Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc. | √ | √ |
| | 11:00 – 12:30 | Document review (MS:2530 Part 3), P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement, P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6 : Best practices, P7: Development of New Planting | √ | √ |
| | 12:30 – 13:30 | Lunch / Break | √ | √ |
| | 13:30 – 16:30 | Continue with Document review and site verification if deemed necessary. | √ | √ |
| | 16:30 – 17:00 | Interim closing meeting | √ | √ |
| Thursday 28/06/2018 | 07:30 – 08:30 | Travel to Seri Pelangi Estate | √ | √ |

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| Date | Time | Subjects | (EO) | (SK) |
|------|---------------|--|------|------|
| | 08:30-11:00 | Seri Pelangi Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc. | √ | √ |
| | 11:00 – 12:30 | Document review (MS:2530 Part 3), P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement, P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6 : Best practices, P7: Development of New Planting | √ | √ |
| | 12:30 – 13:30 | Lunch / Break | √ | √ |
| | 13:30 – 15:30 | Continue with Document review and site verification if deemed necessary. | √ | √ |
| | 15:30 – 16:30 | Preparation for closing meeting | √ | √ |
| | 16:30 – 17:30 | Closing meeting | √ | √ |

Appendix B: List of Stakeholders Contacted

bsi. Attendance Sheet

RSPO / MSP0 - Stakeholder Attendance / Consultation List

| | | | |
|---------------|--|------------------|--|
| Team Leader: | | Date: | |
| Member(s): | | Report (SMD) No: | |
| Organization: | | Standard(s): | |

| No. | Name (Nama) | Designation (Jawatan/wakil) | Signature (Tandatangan) |
|-----|--------------------------|-----------------------------|-------------------------|
| 1 | MD. ZOHRI | | |
| 2 | Yori Johannes Henuk | mandar | |
| 3 | ISTAK B OTHMAN (farmer) | C. SERAI PELANGI | |
| 4 | Elong @ Munsamy (farmer) | C. Sen pelangi | |
| 5 | T. Muly | Terduduk II | |
| 6 | Mosed Rata | Roll Worker rep | |
| 7 | R. Kanna Mondor | India (worker rep) | |
| 8 | S. Pathmaratham | mandor (worker rep) | |
| 9 | N. SUBRAMANIAM | Kontraktor KSAI | |
| 10 | Netra Bahadur Karki | watch man (worker rep) | |
| 11 | MAN Behare | WORKER (worker rep) | |
| 12 | V. Kanna | Terduduk I supplier | |
| 13 | SURIANI MANAFE | G. Community, Guest workers | |
| 14 | KOH KER WEE | Contractor We | |
| 15 | LIM POO LAN | contractor Alptfarmam | |
| 16 | G. Arputharam | Jenderakul list. | |
| 17 | P. Penanayaji | Small holder Kg. Matiana | |
| 18 | R. Sukumaran | Contractor | |
| 19 | Sumin (Subramaniam Loo) | loose Prod. | |
| | | | |
| | | | |
| | | | |

Headcount: _____

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Appendix C: Smallholder Member Details

| No | Name of smallholder | Year Planted | Land Area (ha) | Forecast FFB (Mt/ha/year) |
|--------------|---|--------------|----------------|---------------------------|
| 1 | Not applicable as no smallholder's scheme involved in the scope of certification. | | | |
| 2 | | | | |
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| 23 | | | | |
| TOTAL | | | | |

Appendix F: Location and Field Map



Appendix G: List of Abbreviations

| | |
|------|--|
| BOD | Biochemical Oxygen Demand |
| CB | Certification Bodies |
| CHRA | Chemical Health Risk Assessment |
| COD | Chemical Oxygen Demand |
| CPO | Crude Palm Oil |
| EFB | Empty Fruit Bunch |
| EHS | Environmental, Health and Safety |
| EIA | Environmental Impact Assessment |
| EMS | Environmental Management System |
| FFB | Fresh Fruit Bunch |
| FPIC | Free, Prior, Informed and Consent |
| GAP | Good Agricultural Practice |
| GHG | Greenhouse Gas |
| GMP | Good Manufacturing Practice |
| GPS | Global Positioning System |
| HCV | High Conservation Value |
| IPM | Integrated Pest Management |
| ISCC | International Sustainable Carbon Certification |
| LD50 | Lethal Dose for 50 sample |
| MSPO | Malaysian Sustainable Palm Oil |
| MSDS | Material Safety Data Sheet |
| MT | Metric Tonnes |
| OER | Oil Extraction Rate |
| OSH | Occupational Safety and Health |
| PK | Palm Kernel |
| PKO | Palm Kernel Oil |
| POM | Palm Oil Mill |
| POME | Palm Oil Mill Effluent |
| PPE | Personal Protective Equipment |
| RTE | Rare, Threatened or Endangered species |
| SEIA | Social & Environmental Impact Assessment |
| SIA | Social Impact Assessment |
| SOP | Standard Operating Procedure |