

Malaysian Sustainable Palm Oil Certification
MSPO – PART 3 (GENERAL PRINCIPAL FOR OIL PALM PLANTATIONS AND ORGANISED SMALLHOLDERS)

Stage-1 Stage-2 Surveillance Re-Certification

Plantation Management/Owner : United Plantations Bhd
 Plantation Name : Ulu Bernam Complex
 Location : As per in table 1.3.
 Certificate Code : **MUTU-MSPO/015**
 Date of certificate issue : 26/08/2018
 Date of expiry of certificate : 25/08/2023

Assessment	Assessment Date	Mutuagung Lestari Malaysia Auditor	Review by	Approve by
Main/ST-2	10 th – 13 th July 2018	Mahaswaran Maliyapan (Lead Auditor), Ebnu Holdoon Shawal [Auditor], Khairul Anuar [Auditor]	Ganapathy Ramasamy / Peter	Hari Naveen Christopher

Assessment	Approved by MUTUAGUNG LESTARI MALAYSIA SDN BHD on:
Main/ST-2	26/08/18

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Figure 2. Operational Map of Ulu Bernam Estate – United Plantations Berhad

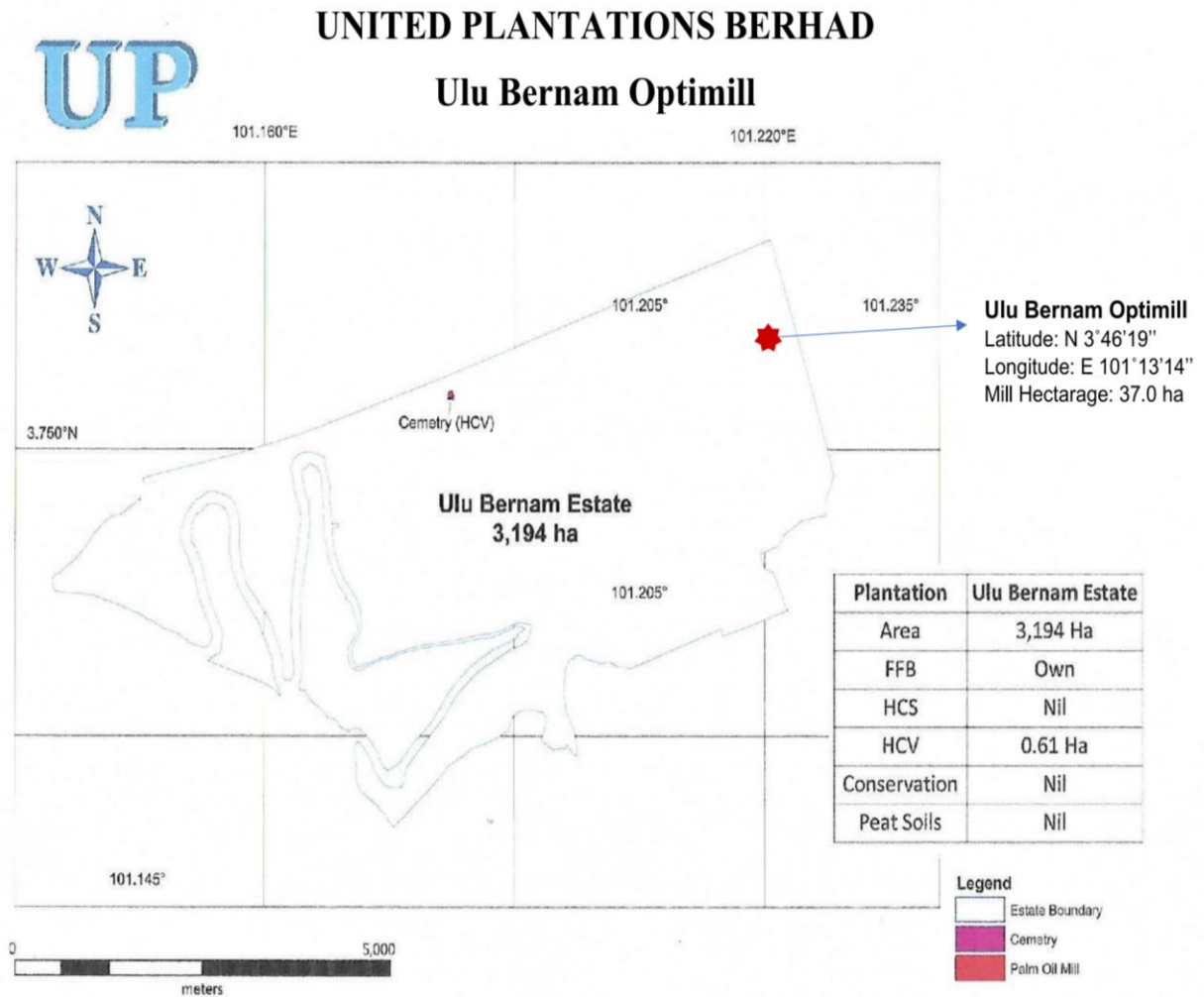


Figure 3. Operational Map of Sungai Chawang Estate - United Plantations Berhad.

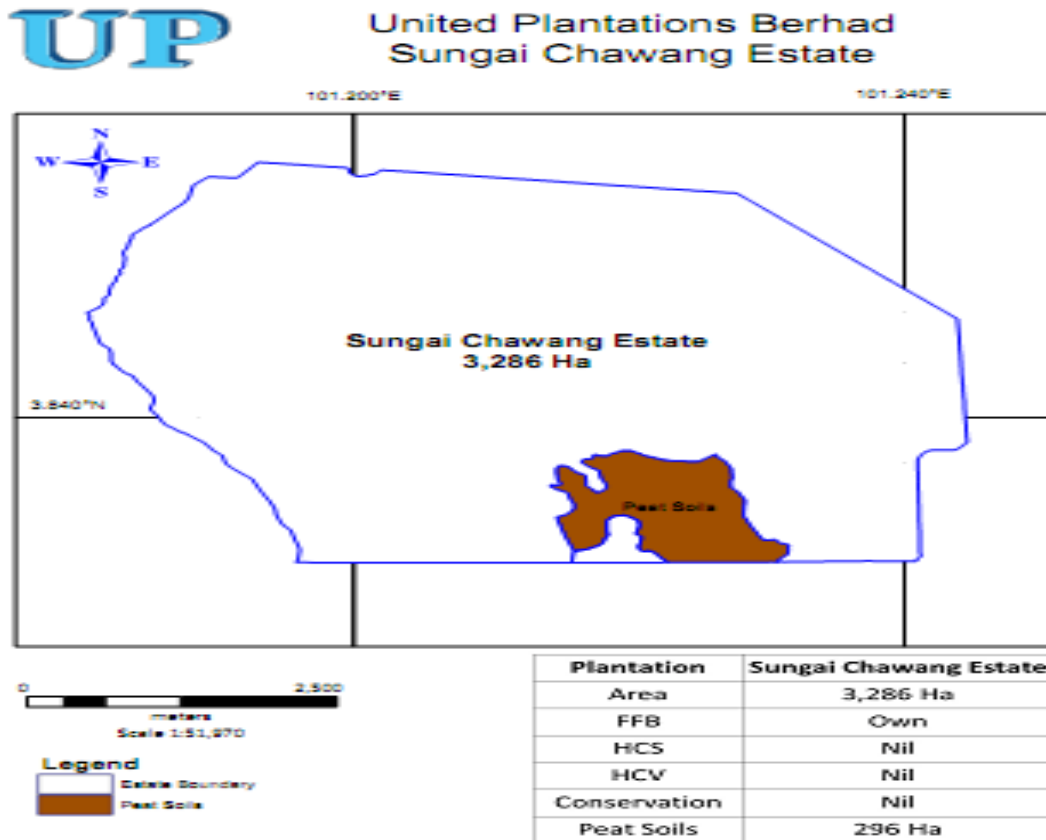
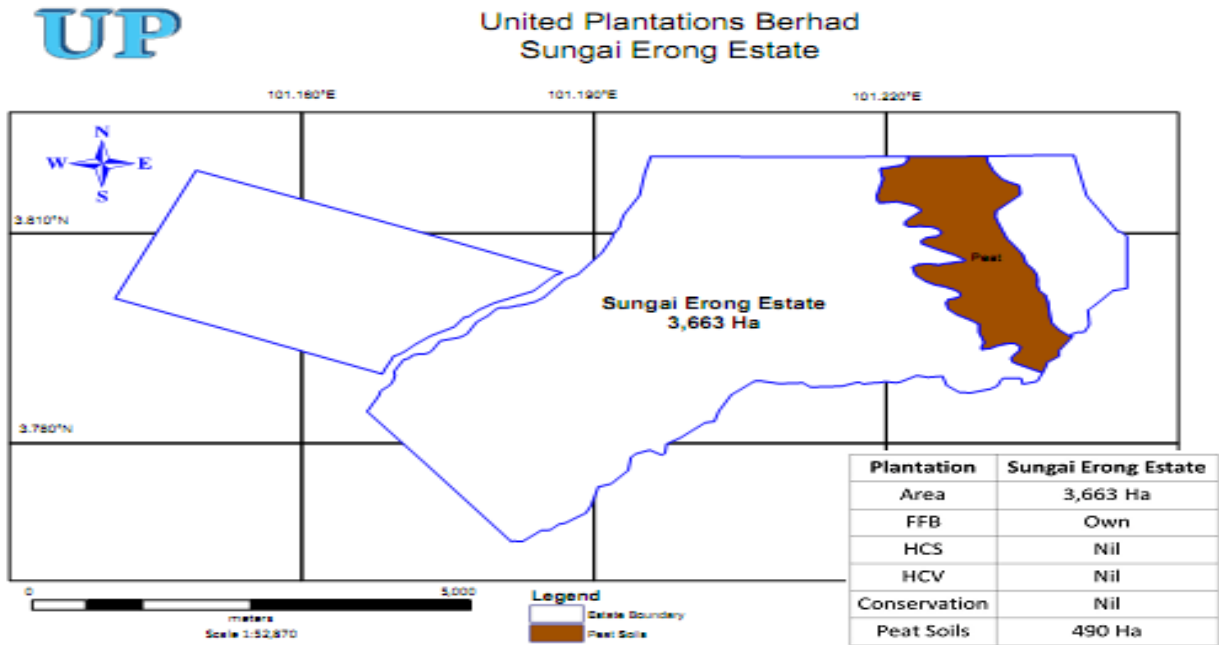


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1.2.5	Fax +6605-6416220																										
1.2.6	E-mail cmm@unitedplantations.com																										
1.2.7	Web page address www.unitedplantations.com																										
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1.4	Other Certifications	
	ISO 9001:2008	-
	ISO 14001: 2004	-
	OHSAS 18001:2007	-
	ISCC	-
	Others	RSPO Certified

2.0	ASSESSMENT PROCESS
2.1	Certification Body
	Mutuagung Lestari Malaysia Sdn Bhd. B-0926 Empire Soho, Empire Shopping Gallery, Jalan SS 16/1 Subang Jaya, 47500 Petaling Jaya, Selangor, Malaysia Website: www.mutucertification.com Email: hari@mutucertification.com

2.2	Assessment Team
Main / ST-2	<p>Mahaswaran Maliyapan (Lead Auditor) Malaysian. Executive Master in Entrepreneurship Enhancement [Supply Chain Management], Professional Diploma in International Management Practices, Graduate Diploma in Business Administration and Diploma in Mechanical Engineering. Has vast exposure and experience in engineering, quality, 2nd & 3rd party auditing in various industries and owns proven track records of auditing various multinational companies both locally and internationally. Certified Lead Auditor for ISO 9001, 14001, OHSAS 18001, RSPO P&C, RSPO SCCS, RSPO Next and MSPO. Since 2012 trained in agriculture certification programs such as RSPO, MSPO and SCCS and holds role as lead auditor or auditor with several local and overseas certification bodies. He too in Quality Environmental Management System as well the Occupational, Health and Safety auditing.</p> <p>Ebnu Holdoon Shawal (Auditor) Malaysian. Graduated with Bachelor of Civil Engineering from University Tenaga Nasional in Malaysia. He has been completed the ISO 9001: 2008 QMS Lead assessor course for RABQSA – QM 785 (Exemplar Global) certified. He has an experience regarding the safety, health and environmental standard for construction works as an engineer for 1 year. He has gone for various RSPO audit including Felda POM and United Plantation as trainee auditor and have total 42-man days following the auditing activities. During this audit he has been assigned to verify the Transparencies and Environmental aspect.</p> <p>Khairul Anuar bin Abdul Hamid (Auditor) Malaysian. Khairul Anuar is a graduate from University of Alabama at Birmingham with Bachelor of Science in Civil Engineering (environmental) and holds a degree of Associate in Applied Science from the University of New York at Buffalo. A registered Environmental Auditor (EA0079) with the Department of Environment Malaysia. A Certified Erosion Sediment and Storm Water Inspector (CESSWI3309) and also the first batch holder for competency in Environmental Compliance Audit Training from the Natural Resources and Environment Board (NREB) Sarawak. He is also trained in ISO14001 EMS Lead Auditor. 24 years of working experience in various industries and disciplines including a 5 years Lead Estimator role at Honeywell (A Fortune 100 company).</p>
2.3	Assessment Methodology, Assessment Process, and Locations of Assessment
2.3.1	Figure of person days to implement assessment
Main / ST-2	<p>Number of auditors: 3 auditors</p> <p>Number of days for Main/Stage-2 at site: 3 days</p> <p>Number of working days for Main/Stage-2 at site: 9 Working days</p>

2.3.2	Detail process of assessment
Main / ST-2	<p>Mutuagung Lestari Malaysia Sdn. Bhd. [thereafter known as MUTU] has conducted on-site Certification Assessment for Ulu Bernam Complex [Estate] on 10th – 13th July 2018 by 3 auditors as to assess the compliance of the certification unit against the MS 2530-3:2013 Malaysian Sustainable Palm Oil Certification MSPO – Part 3 (General Principal for Oil Palm Plantations and Organized Smallholders). The Audit covered three estates which were sampled out of 5 covered in the audit, the sampled estates were Ulu Bernam Estate, Sungei Erong Estate and Sungei Chawang. The Stage 1 audit not applicable as the client already certified for RSPO and other sustainability programs.</p> <p>This stage 2 assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) interview, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site. Some opportunities for improvement of the results delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase. All information obtained was recorded in Check List of MUTU.</p> <p>The assessment program please find Appendix 2</p>
2.3.3	Locations of Assessment
MAIN / ST-2	Ulu Bernam Complex [Ulu Bernam Estate, Sungei Erong Estate, Sungei Chawang Estate , Changkat Menteri Estate, and Lima Blas Estate]

2.4	Stakeholder Consultation
2.4.1	Summary of stakeholder consultation process
MAIN / ST-2	<p>Consultation of stakeholders for Ulu Bernam Complex – United Plantations Berhad was held by:</p> <ol style="list-style-type: none"> Public announcement at web www.mutucertification.com on 18 June 2018 Public consultation by interview with Gender Committee, contractor, labor union, Shop owner, and worker's representative on 11th July 2018. Consultation with NGO (Suhakam-National Human Rights Society, NUPW –National Union of Plantation Worker, Traffic - the wildlife trade monitoring network, & Malaysian Environmental NGOs – MENGO) via email on June 26th, 2018 <p>Numbers of input from stakeholders were clarified by Ulu Bernam Complex –United Plantations Berhad.</p>
2.5	Determining Next Assessment
	The next visit of ASA 1 will be determined one year after this Main / ST-2.

3.1. Summary of Assessment Report of the MSPO Certification

MUTU has conducted the main / ST-2 assessment of Ulu Bernam Complex. During this assessment, there was zero (0) non-conformities found, however one (1) opportunity for improvement were identified against MS 2530-3:2013. Further explanation of the non-conformities raised are provided in section 3.5. MUTU found that Ulu Bernam Complex complied with the requirements of Malaysian Sustainable Palm Oil Certification MSPO – Part 3 (General Principal for Oil Palm Plantations and Organized Smallholders). Since the audit objectives as mentioned in the audit plan have been achieved and assessment that was resulted with no Major non-conformity, therefore the lead auditor **recommends** Ulu Bernam Complex for compliance with the Malaysian Sustainable Palm Oil Certification MSPO – Part 3 (General Principal for Oil Palm Plantations and Organized Smallholders).

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
4.1 PRINCIPLE 1 MANAGEMENT COMMITMENT AND RESPONSIBILITY		
4.1.1 Malaysian sustainable palm oil (MSPO) policy		
4.1.1.1		
Indicator 1: A policy for the implementation of MSPO shall be established.		
<p>In sampled estates, Sg. Erong Estate, Changkat Mentri Estate, Ulu Bernam Estate, sighted a corporate MSPO Policy seen dated on 29/03/18 was approved Dato' Carl Bek-Nielsen, the CEO of United Plantations Berhad. Sighted the policy has been translated into Bahasa Malaysia, Tamil, Bengali and Hindi. This policy is linked to various Group Sustainability Policies such as commitment towards No Child Labour, No Deforestation, No Forced Labour & Contract Substitution, Meeting the Minimum Wages Standard, etc.</p> <p>The workers and staff in sampled estates are being regularly briefed on Group Sustainability Policies during daily morning muster call and weekly meeting, sampled training records dated for 7/07/18 associated with training evaluation records. Sampled training records in Sg. Erong on policies sighted for Bangladeshi workers [113] dated on 28/06/18, Indian workers [42] on 29/06/18, Indonesian workers [28] dated on 01/07/18 and for local workers dated on 04/07/18.</p>		
	Status:	Ok
4.1.1.2		
Indicator 2: The policy shall also emphasize commitment to continual improvement.		
<p>Among the policies which linked to the continual improvements are, such as "Policy on Replanting" linkage to environmental monitoring plan, "Policy for Riparian" link to training and buffer zones. Generally, the policies regard to OSH were given high priority by having various improvement plans. The 16 policies are incorporated into various training programs such as PPE awareness, awareness on worker's contract agreement, effective spraying techniques and etc.</p>		
	Status:	Ok
4.1.2 Criterion 2: Internal audit:		
4.1.2.1		
Indicator 1: Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.		
<p>In Sg. Erong Estate, seen the annual internal audit dated on 30/05/18 covers requirements needed by the MSPO scheme and estate best practices. There were few weak points found such as CIP not updated, riparian maps not updated, LORR not updated, list of PPE & ERT not available and etc. There were 13 non-conformities raised by 3 auditors [Lee, Jeevan, Ramesh].</p> <p>As at audit date, all the findings were addressed with corrective action. In Changkat Mentri Estate, seen the HRESH team has conducted the audit on 19/06/18 resulted with 42 findings [infrastructure and documentation]. Seen some of the findings are remain open, e.g. action plan for CHRA not updated, SDS for fertilizers expired and etc. In Ulu Bernam Estate, the internal audit for 2017 was done from 05-06/08/17 and for 2018 it was done on 31/05/18. The internal auditors have raised 31 non-conformities. The estate has responded timely of the corrective actions and during audit period sighted no pending issues.</p>		
	Status:	Ok
4.1.2.2		
Indicator 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.		
<p>Internal audit procedure dated on 27/02/18 is adequately identifies the process flow of the annual exercise is from establishing audit schedule → audit team selection → prepare audit plan → conduct audit – reporting of findings. Any non-conformities found during internal audit, shall be issued with a summary of findings and HRESH team to follow-up on the corrective actions.</p>		
	Status:	Ok

4.1.2.3	
Indicator 3: Report shall be made available to the management for their review.	
In Sg. Erong Estate, the findings from internal audit was responded by the estate management during the Management Review Meeting dated on 09/05/18 for the period Jan-Dec 2017. Since the MSPO kick started in 2017, therefore the findings resulted from internal audit was not captured but will be review in next meeting. However, sighted the estate management has conducted immediate review on internal audit findings to address necessary corrective actions. In Changkat Mentri Estate, sighted of the findings from 2017 internal audit was discussed effectively. The estate management has reviewed and responded the internal audit findings 2018 prior to this audit. However, the review output will only be discussing in next management meeting that scheduled in May 2019.	
Status:	Ok
4.1.3 Criterion 3: Management review	
4.1.3.1	
Indicator 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.	
Management review meeting in Sg. Erong Estate was done on 09/05/18 at estate's office chaired by estate manager. The minutes seen included of review on OHS, changes in applicable laws, memo on public announcements, business plan, schedule waste management, the decision on any changes, improvement, etc. In Changkat Mentri Estate, an annual review was done on 02/05/18. The minutes to include on any changes and modification that may affect the establishment, implementation and maintenance of MSPO scheme. In Ulu Bernam Estate, the management review dated on 24/04/18 and sighted the minutes consisted of tracking of laws, business plan, environmental impacts, schedule waste management, external audit findings, continuous improvement and etc.	
Status:	Ok
4.1.4 Criterion 4: Continual improvement	
4.1.4.1	
Indicator 1: The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.	
Sg. Erong estate established CIP for chemical reduction, IPM, yield, social and waste management. Sampled on the reduction in use of pesticide [herbicide & insecticide] in immature area, IPM through planting of beneficial plants [Carambola, Tunera, Antigone and Cassia] and biological control by increasing the installation of barn owl boxes and increase in usage of buffaloes as to minimize the use of infield tractors / wheelbarrows. As in Changkat Mentri Estate, reduction in pesticide use in immature area by uprooting manually of noxious weeds and the use of pre-emergence and alion had further reduce the number of spraying rounds. As for bagworm outbreaks, the estate has increased the planting of beneficial plants.	
In Ulu Bernam Estate, the upgrading and good maintenance of various warship places not only being used by the workers but also by the surrounding communities as well. Aside, hilly areas which were non-mechanizable earlier have been upgraded to mechanizable during replanting activities. Previously the beneficial plants such as Tunera planted in front of each scupper drain. As an improvement the beneficial plants are being planted in a group so that the sprayers will clearly notice and prevents from accidental spraying.	
Status:	Ok
4.1.4.2	
Indicator 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.	
Interview with sampled estate managers, reveals there was no new information and techniques, or new industry standards and technology being introduced. The estate management improves their yield trend by education workers in accordance to SOP on Traceability. Introduction of Joint Crop System in potential fields will improve productivity as well increase the worker's pay.	
Status:	Ok

4.1.4.3	
Indicator 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.	
In all the sampled estates, there is annual training calendar established as part of continuous improvement for OHS, environment and social. Sighted training records for estate workers on various topics that enhance continuous improvement of estate plantation performance. As mentioned in the 4.4.6.	
Status:	Ok
4.2 PRINCIPAL 2: TRANSPARENCY	
4.2.1 Criterion 1: Transparency of information and documents relevant to MSPO requirements:	
4.2.1.1	
Indicator 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.	
The combined stakeholder meeting [Ulu Bernam Estate, Optimill and Sg. Erong Estate] done on 23/04/18 [internal and external], sighted the attendance record [total 70 attended] attached with the minutes of meeting. Various issues were discussed and communicated, such as awareness on PPE usage for contract workers, open burning activities, the introduction on MSPO and safety on road. A log book established for tracking of internal and/or external complaint. Based on the log book for communication and respond, appears no external stakeholder's remarks and for workers seen complaints on house maintenance.	
Status:	Ok
4.2.1.2	
Indicator 2: 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.	
In Sg. Erong Estate, Changkat Mentri Estate, Ulu Bernam Estate, seen the information on the publicly available documents seen specifically addressed in company webpage and annual financial report. This information also been communicated to external stakeholder during annual meeting.	
Status:	Ok
4.2.2 Criterion 2: Transparent method of communication and consultation	
4.2.2.1	
Indicator 1: Procedures shall be established for consultation and communication with the relevant stakeholders.	
There is a Grievance Redressal Procedure in the Annual Financial Report for 2017 and in MSPO folder. This SOP serves as part of communication and consultation in clearing up misunderstanding / conflict / grievances or raising any issues with United Plantations Berhad. This SOP is adopted, in an effective, timely and appropriate manner that is open and transparent to any affected parties. The procedure stated that all grievances are formally recorded at point of receipt and settled as soon as possible but not more than 30 days and grievances acknowledged by letter within 7 working days to stakeholder and estate manager / head of department from the company secretary.	
Status:	Ok
4.2.2.2	
Indicator 2: A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit.	
In Sg. Erong Estate, sighted a letter dated on 29/03/18 from the company CEO who has appointed the estate manager Mr. Siva Subramaniam as window person to communicate and follow up with regards to stakeholder's issues. In Changkat Mentri Estate, Mr. Patrick Kanan, the estate manager been appointed since 29/03/18 and in Ulu Bernam Estate, sighted the appointment letter for Mr. Ridzuan Md. Isa [Asst. Manager] dated on 29/03/18.	
Status:	Ok

4.2.2.3		
Indicator 3: 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>In Sg. Erong Estate, the latest reviewed of immediate stakeholder list dated on 23/04/18 seen consists of government agencies, JKKK and other interested parties. The meeting minutes with stakeholder are effectively documented. The 3 complaints and feedbacks during stakeholder meeting was responded by estate through a management plan. In Changkat Mentri Estate, the stakeholder list dated on 27/04/18. The centralize stakeholder meeting [Ulu Bernam Complex, Lima Blas Estate and Changkat Mentri Estate] dated on 30/04/18 that was attended by both internal and external stakeholders.</p> <p>Sighted the meeting attendance record with attachment of photos. There were 3 issues highlighted and the estate management has input into a management plan. In Ulu Bernam Estate, sighted the stakeholder list been divided into management, internal stakeholders [gender & OHS committee, workers representative [Indonesian, Bangladesh] and external stakeholders that includes of contractors, government agencies and local communities. The stakeholder meeting minutes seen dated on 28/04/18 that associated with a management plan that consist of comments received, the respond of management and suggestion on the action plans.</p>		
	Status:	Ok
4.2.3 Criterion 3: Traceability		
4.2.3.1		
Indicator 1: The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s).		
<p>The sampled estates have implemented SOP for Traceability [SOP on Traceability] Doc No: MSPO Indicator 4.2.3, dated 17/04/18 and SOP on Sustainable Supply Chain and Traceability RSPO SCC dated 08/03/18 as to provide guideline to establish sustainable supply chain and traceability for FFB. Data capturing [bunch counting / grading] is done using conventional way of manual recording. Sampled verified of chits from Mar-July 2018 with no negative findings. The estate is maintaining appointment letter for personals delicated on monitoring traceability.</p>		
	Status:	Ok
4.2.3.2		
Indicator 2: The management shall conduct regular inspections on compliance with the established traceability system.		
<p>In sampled estates, the harvesting field supervisor holds the responsibility on regular inspection, whereby the effectiveness of monitoring seen captured in the internal audit by HRESH. Aside there is also field routine visit by the manager and annually visit by the agronomies and sustainability team members.</p>		
	Status:	Ok
4.2.3.3		
Indicator 3: The management should identify and assign suitable employees to implement and maintain the traceability system.		
<p>Based on the [SOP on Traceability] Doc No: MSPO Indicator 4.2.3, dated 17/04/18, page 2 (point 15.3), it is the responsibility of respective field Mandor to maintain the compliance of traceability processes. The HRESH [Human Resource, Environment, Safety & Health]. A letter dated on 29/03/18 from the UP-CEO, the estate manager has been appointed to implement and maintain the sustainability compliance.</p>		
	Status:	Ok
4.2.3.4		
Indicator 4: Records of sales, delivery or transportation of FFB shall be maintained.		
<p>At the sampled estates, found the FFB are loaded into cages from respective fields to the rail lane. Estate management shall be counter check the invoice generated by the mill weighbridge with field number. Verified the "Despatch Order for May and Jun 2018 and no discrepancies found. As at current time, the estate sending FFB to Ulu Bernam Optimill.</p>		
	Status:	Ok

4.3 PRINCIPLE 3: COMPLIANCE TO LEGAL REQUIREMENTS	
4.3.1 Criterion 1: Regulatory requirements	
4.3.1.1	
Indicator 1: All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.	
In Sg. Erong Estate, seen the list of foreign workers – with permit and passport expiry dates. Other compliance monitoring's are the MPOB License – 502014202000, 31/05/19, license to operate private hospital as required by Akta Kemudahan dan Perkhidmatan Jagaan Kesihatan Swasta 1998 – 130807-00306-01/2016 – valid 23/02/20, Akta Bekalan Elektrik 1990 [400 v / 161.5 kW] dated 22/05/18 – for pump house and executive bungalow and Gun License for estate manager – Siva Subramaniam [No. 839424] dated 22/05/18. In Changkat Mentri Estate, sighted the diesel storage (Store A + B) 33,000 Liters under the Ulu Bernam Complex [TI/SK/120(03) expires on 09/08/18 and permit to purchase Monocrotophos – PK/MONO(GL)/17/235 dated 29/09/17 – 200 Liters. In Ulu Bernam Estate, sighted the clinical waste management – Clinco Waste Management Sdn. Bhd. [agreement CLINCO/PRK/050617/0379 and CHRA – JKPP HIE 127/171-2(1)-2017/005 dated on 17/06/17.	
Status:	Ok
4.3.1.2	
Indicator 2: The management shall list all laws applicable to their operations in a legal requirements register.	
The sampled estates annually check the adequacy of legal compliances and they receive updated legal requirement notifications from Group HR Manager. There are 43 law books available as for reference and cross verified against annual legal compliance monitoring list. Among the legal list maintained are Anti-Corruption Act 1997, Land Acquisition Act 1960, Employees Provident Fund Act 1991, Water Act 1920 and etc. Sampled legal requirement register for Pesticide Act 1974 and EQA 1974, Schedule Waste Regulation 2005.	
Status:	Ok
4.3.1.3	
Indicator 3: The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.	
The Group Manager Human Resources and Environment, Safety and Health manage the set of legal documents and communicate to the estate manager. There were no significant changes addressed in the regulation of OHS and environment. As for the general category, "Laws of Malaysian Act 803, Anti Fake News Act 2018 has been updated and communicated of the changes within all operating units. Personnel in charge on tracking and updating applicable legal documents are stated in the sustainability manual and estate have list of licence and permit includes the expired date and person responsible as system to tracking all permit is up to date.	
Status:	Ok
4.3.1.4	
Indicator 4: The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.	
Any changes in the applicable laws and regulations, the Group Manager Human Resources and OHS and Environment, Mr. Mathews co-ordinates with respective operating units. SOP for legal requirement stated a periodic review and evaluation on the laws & regulations list carried out to ensure that any new/addition as well as changes and amendment are captured and update, through enquiring the laws books publisher and/or communication with law/enforcement officers. There were 7 in 2016, 11 in 2017 and 7 in 2018 notifications of changes been circulated and the changes effectively received and acknowledged by estate manager.	
Status:	Ok

4.3.2 Criterion 2: Land use rights		
4.3.2.1		
Indicator 1: The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users.		
According to the land title in Sg. Erong Estate, there are 3 land titles accumulated to 3620 Ha [PT0007196 – 2756.71 Ha – freehold], [PT0006873 – 809.40 Ha – Leasehold], [PT0014107 – 53.89 Ha – Leasehold]. Sighted no discrepancy against title area however there is a 2039.29 Ha [from Lot 0007196] land area been divided to Sg. Chawang Estate from the total land area. There are 2 divisions, Div. 01 with 1500.34 Ha and Div. 2 with 2007.27 Ha. In Changkat Mentri Estate, there are 7 land titles accumulated to 2549.31 HA for agriculture purposes. In Ulu Bernam Estate. Seen there are 8 land titles totaling to 3193.88 HA which the land ownership by United Plantations Berhad since 1967. Verified the land status is stated as “Pertanian”.		
	Status:	Ok
4.3.2.2		
Indicator 2: The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land.		
In Sg. Erong Estate, sighted the evidence of quit rent payment for year 2017. Sampled PT0007196 – 4796 HA – Mukim Hutan Melintang – HSD00000461 and PT0014107 – 53.89 HA – Mukim Hutan Melintang – PN00273463. As for Changkat Mentri Estate, sampled on land titles 6862 [1053.764ha], 4718 [96.6694ha] and 5793 [1.2ha]. For Ulu Bernam Estate, sampled PT48995 – 0.10 HA – Freehold / T55013 – 3.55 HA – Freehold / PT55010 – 3.62 HA – Freehold.		
	Status:	Ok
4.3.2.3		
Indicator 3: Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.		
During field visit in Sg. Erong Estate, sighted the estate land area are adjoining to Felda Besout, UP Sg. Chawang Estate and Sime Darby’s Sg. Samak Estate. Visually seen during field visit, trenches along surrounding neighbors serves as boundary. Besides, there are concrete poles [with GPS coordinates] indicating the boundaries. Field visit to Block 22 next to Sg. Chawang Estate [pole 16], Block 34 that next to Felda Besout [pole 14], Block 20 next to riparian area [pole 10] and Block 10 next to Sime Darby Sg. Samak Estate [pole 4] seen the boundary markers are well maintained. In Changkat Mentri Estate, the GPS co-ordination of every boundary well input in the estate map. There is monthly census record of the boundary stones maintained by field staff. Sighted in Ulu Bernam Estate, the original boundary stones were not able identified as it not able to locate after the initial replanting process. There were no natural waterways, government reserved land nor original boundary stone visually seen during field visit, trenches along neighbors as part of boundary marker being maintain.		
	Status:	Ok
4.3.2.4		
Indicator 4: 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).		
In all the sampled estates, seen there is no evidence collected during this audit period for any legal, customary or user rights. The land owned by United Plantations Berhad.		
	Status:	Ok
4.3.3 Criterion 3: Customary rights		
4.3.3.1		
Indicator 1: Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced.		
SOP for Land dispute Settlement as per FPIC [as in Financial report, page 139] is applicable if any arising issues from the local communities neighboring the estate or stakeholders or during land surveying process by authorized agencies.		
	Status:	Ok

4.3.3.2		
Indicator 2: Maps of an appropriate scale showing extent of recognized customary rights shall be made available.		
There are no communities nor individual has any implications for the legal status of their land.		
	Status:	Ok
4.3.3.3		
Indicator 3: Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available.		
There are no communities nor individual has any implications for the legal status of their land.		
	Status:	Ok
4.4 PRINCIPLE 4: SOCIAL RESPONSIBILITY, HEALTH, SAFETY AND EMPLOYMENT CONDITION		
4.4.1 Criterion 1: Social impact assessment (SIA)		
4.4.1.1		
Indicator 1: Social impacts should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones.		
<p>In Sg. Erong Estate, sighted the latest review of plans for internal SIA were done by estate manager with participation from estate staff and assistants on 09/07/18. Aside of the access & use rights, economics live hoods, working condition, subsistence activities, human rights, cultural & religious values, medical & health, education facilities, the assessment also seen effectively covers all the operational activities such as manuring, nursery, weeding, harvesting and foreign workers. Sampled the topics on conflict with stakeholder over boundary and smallholders passing through estate – availability of GPS coordination, adherence to grievance redressal and regular inspections. As for economics livelihood – work condition, contract terms, validity of passport and work safety. The human rights – prohibition of child labor, prohibit discrimination, safe keeping of passport, respect the reproductive rights and job opportunities.</p> <p>As for in Changkat Mentri Estate, the initial Social Impact Assessment which aimed on livelihoods, social wellbeing of the wider community and physical impacts of human populations on social changes was done in 2015. Thereafter, annually the estate with supervision from sustainability team review the action plans which available in a short or long term with monitoring activities. SIA for external stakeholder seen incorporated during the annual engagement, seen the latest meeting dated on 23/04/18. Among the issues discussed were, no open burning, effect of Paraquat usage, the management of social benefits of contractor’s workers and etc. The group level review on SIA was done on 30/04/18 for all operation activities as part of internal stakeholder issues and for external stakeholders, the review done on access roads & use rights, economics live hoods.</p> <p>In Ulu Bernam Estate, seen the estate has established assessment dated 30/04/18 firstly by operation activities such as manuring, nursery, weeding. Secondly the have assessed on the social amenities such as on ferry transportation to local communities an access to Sg. Besar and Sabak Bernam, foreign worker’s passport locker room, ATM facilities, medical facilities and religious and cultural development. Finally, the estate has done a group level review on 09/07/18 to discuss on access & use rights, economics live hoods, working condition and etc.</p>		
	Status:	Ok
4.4.2 Criterion 2: Complaints and grievances		
4.4.2.1		
Indicator 1: A system for dealing with complaints and grievances shall be established and documented.		
The Annual Report 2017 of United Plantations Berhad [which publicly available] consist of latest version of complaints and grievances procedures in page 143. The procedure meant for continuous stakeholder engagement process and a framework for internal and external stakeholders to understand the applicable process for raising any issues.		
	Status:	Ok
4.4.2.2		
Indicator 2: The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.		
Sighted the grievance redressal procedure in page 144 explained in a flow chart, such as if any matter unsettled within 30 days [extremal stakeholder] and 7 days [internal stakeholder] or without any mutual satisfaction, then it be dealt under provision of Malaysian legal appeals and/or under the provision of industrial relations Act 1967 of the employment Act 1955.		
	Status:	Ok

4.4.2.3 Indicator 3: A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint.	
<p>In Sg. Erong Estate, sighted a log book for housing repair request “laporan Kerosakan Rumah”. Workers are able to self-record or request the complaint receiver to write in the log book. As for external stakeholders their complaint may submit and/or write directly in any formal method or may communicate by phone. Seen a log-book used for all complaints, consultation and request either internal or external stakeholders. The log book and letter from various external stakeholder were sampled by audit team and no pending issue noted.</p> <p>Changkat Mentri Estate has established a request and respond file of external stakeholder. There was none in 2017 and a request from Tamil School requesting for grass cutting at their school field and the request was approved by the estate manager on the same day. Verified the content of internal stakeholder log book that divided into social, environment and OHS. Sampled on OHS where the field workers requested emergency contact numbers and eyewash to be provided in the first aid box. As for social issues, seen the workers has requested street lights, removing of fallen palms and request for repatriation of foreign workers.</p> <p>In Ulu Bernam Estate, seen separated the request and respond into 4 main categories, 1st register for request & response of Governmental letters [e.g. SMK Ulu Bernam requested tractor mow their practical field], 2nd request for leave of foreign workers, 3rd on request for repatriation of foreign workers [sighted the list of workers in 2017] and 4th request and respond letter by OHS team.</p>	
Status:	Ok
4.4.2.4 Indicator 4: Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time.	
<p>Confirmed during the interview with local & foreign workers and external stakeholders that they have been aware and understand regarding the complaint and grievance mechanism, including the personal in charge from the estate management to handle the complaint and the timeframe for responding to their request. During the external stakeholder meeting, sufficient briefing on complaint flow made which was verified during stakeholder consultation on 11/07/18, whereby all the attended stakeholders agree the company provides information.</p>	
Status:	Ok
4.4.2.5 Indicator 5: Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request.	
<p>At all the sampled estates, seen the internal and external stakeholders log book for estate are well maintain. At the time of this verification, no negative complaints made by either party in the last 24 months since the request and response from workers are more on household maintenance which the estate management responded timely.</p>	
Status:	Ok
4.4.3 Criterion 3: Commitment to contribute to local sustainable development	
4.4.3.1 Indicator 1: Growers should contribute to local development in consultation with the local communities.	
<p>Sg. Erong Estate is committed and have contributed to local development. The Response and Request letters of contributions detailing the type, purpose and amount of contributions were sighted in the mill and estate offices. There was no evidence of request from nearby communities, however, sighted the estate has contributed monetary fund to schools as to facilitate their annual sports day and transport allocation to transport students.</p> <p>In Changkat Mentri Estate, sighted the annual budget for 2018 and for the social affairs, the company has allocated RM 8160 that includes of donations, basic amenities for workers, religious & cultural expenses and etc.</p> <p>Ulu Bernam Estate has the annual budget [2018] for Engineering Department on the expenditures of ferry & landing craft operation. The ferry operation is partly contributing to local communities as part of their daily transportation crossing the Bernam River. Sighted also the annual expenditure report [page 76] – Social Commitment of Group”.</p>	
Status:	Ok

4.4.4 Criterion 4: Employees safety and health

4.4.4.1 Indicator 1: An occupational safety and health policy and plan shall be documented, effectively communicated and implemented.

United Plantation has formulated Occupational Safety and Health Policy for the whole group, signed by Dato, Carl Bek-Nielson (CEO) on 18th August 2017. This policy was written in English, BM, Tamil, Bangladesh and other related workers origin to make smooth and easy communication and complying to OSHA Act 1994 and Mill and Machinery Act 1967 (Act 139) in Bahasa Melayu declared that the management is committed to pursue compliances towards Legal and other related OSH requirements, providing adequate knowledge through training and experience which aims to maintain good competency for employees, preventing work accident, as well as providing a safe and healthy working environment. OSH plans are properly documented and implemented in all estates, effectively communicated through safety briefing, trainings, daily inspections and morning musters. The organization of OSH committee that held regular meetings also perpetuate the policy among employer and employee alike.

Status:

Ok

4.4.4.2 Indicator 2: The occupational safety and health plan shall cover the following:

- 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:
 - all employees involved shall be adequately trained on safe working practices; and
 - all precautions attached to products shall be properly observed and applied
- d) The management shall provide the appropriate personal protective equipment (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 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.
- 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
- 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 meetings are kept and the concerns of the employees and any remedial actions taken are recorded.
- h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.
- 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
- j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals

The OSH Policy is communicated through meetings, during morning musters and implemented through trainings requirements according to HIRARC which identifies major activities in mill and its supply bases. The Hazard Identification, Risk Assessment, and Risk Control (HIRARC) document is prepared by the appointed personnel and reviewed Annually. Training plan for each units was identified and continuous training programme for each working activities is also identified and planned.

OSHA Meeting Minutes of Meeting were sighted for each estate. HIRARC assessment is being conduct on annual basis. During field visit, based on interviews and field observation, workers from Ulu Bernam, Sungei Erong and Changkat Mentri Estate workers had worn their PPEs according to their SOPs and Training. Sampled sprayers with rubber boots, respirator, apron, rubber gloves and goggles. Aside seen the manuring team – mask, cotton gloves and rubber glove, boots. PPE Record for each individual were also sighted. The OSH committee for each estate were headed by the Manager with appointed secretary and committee members representing the employee and the employer from various relevant units. Their relevant appointment letters were sighted.

OSHA Committee meeting was held on quarterly basis where they reviewed the OSH Policy, HIRARC, CHRA, Medical Surveillance, Safety Performance, PPE, Training OSH, Safety Barrier, ERT and any related matters. Each of the sampled estate also had Emergency Preparedness & Response team. ERP under UPB chapter V was sighted. Mandores for each activity were responsible for the First Aid Kits which were available at all field activities and properly equipped by the estate clinic and assigned staffs.

CHRA was conducted on 17 July 2018. Assessor name was Ridzwan Hj Hussain, JKPP HIE 127/171-2(1). and will be reviewed every 5 years. CHRA (FORM F) for Action Taken checklist. Annual health surveillance record available and latest done by Dr. Lee Teik Leong, Visiting Medical Officer. UPB MMC NO. 26508. Records for near missed and accident seen documented and discussed on monthly basis, latest done on June 2018.

Status:	Ok
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4.4.5 Criterion 5: Employment conditions

4.4.5.1 Indicator 1: 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.

United Plantation Berhad Human Rights Policy sighted - Signed by the Chief Executive Officer of United Plantation Berhad - Dato' Carl Bek-Nielsen dated 18th August 2017. The policy among others highlights the company's commitment to support human rights. In order to the realization of the policy, UPB is committed to take into consideration the human rights requirements in conducting business, that all personnel are treated fairly. Ensure equal opportunities in process of recruitment, promotion and remuneration. UPB also respect the right to form, join and participate in registered unions and to bargain collectively. To resolve all complaints and grievances through open, transparent and consultative process.

Status:	Ok
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4.4.5.2 Indicator 2: 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.

Under the Human Rights Policy UPB ensure equal opportunities provided to all personnel. The process of recruitment, promotion and remuneration are solely based on individual qualification and performance regardless of religion, race, age, gender, nationality or physical disability. Based on the interview with the foreign and local workers in the plantation, no issues found regarding to the discriminatory and social issues at the estate operation. They are satisfied with the way they are being treated by the management.

Status:	Ok
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4.4.5.3 Indicator 3: 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 and provide some discretionary income based on minimum wage.

Employee's payment record showed that the Mill adhere to the Malaysian Minimum wages scheme of RM 1,000 per month. Payment record showed in check roll summary were all above RM 1000.00 per month. 2 types of worker, there are C-roll and Contractor workers. Based on MAPA circular no 14/2016 on 5 may 2016 about minimum wages order 2016 known that minimum wages in peninsular Malaysia are RM 1000. This circular effective on 1 July 2016. Payslip for guest and local workers were inspected. No payment below the legal minimum wage was observed.

Status:	Ok
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4.4.5.4 Indicator 4: 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.

All employees were paid in accordance to legal minimum wages of RM 1,000.00 per month. Record of payment was made available as proof.

Status:	Ok
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4.4.5.5 Indicator 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.

Employees record of payment for all workers were available including basic pay, overtime, deduction and etc. This record was named Check roll Summary.

Status:	Ok
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4.4.5.6 Indicator 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.		
Sampled contract of employment sighted between Vijayapandi Sakkarai Passport No. L5467633 (India) and United Plantation Bhd. was signed on 25th January 2018. Duration of contract 3 yrs. Basic wages RM38.46/day, RM1,000/month for 26 days, any additional work will be based on piece rate basis. Working hours according to Employment Act of Malaysia 1955 (0630 – 1430 with rest 30minutes between 1130 to 1200. Piece rate after normal working hours, Rest day 1day/week. Public Holiday 13days paid public holiday/annum. Annual/Vacation Leave, Levy, Medical & Workmen compensation Insurance Scheme (FWCS), Deductions, Accommodation, Amenities & Transportation, Sick Leave, Permit Renewal, Air Passage, Repatriation, Termination, Restrictions a& Termination of Service, Extension, Outstanding Wages, Safety at Work, Medical Exam, Tools, Deceased Employee, Grievance Redressal Procedure, Unresolved Dispute, Registration with the High Comm/Embassy Country of Origin at KL, Induction Course, Cert, Time is an Essence, Interpretation, Laws, Succession, ALL These are in the contract in English and In Bangladeshi Signed by both parties Worker, Estate Manager, With Two Witnesses.		
	Status:	Ok
4.4.5.7 Indicator 7: The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.		
Time recording system was implemented via Daily Rated Workers Input Form for every individual. It is transparent for both employee and employer. Pay slips were verified. Documented payment for Basic pay, allowance, normal days overtime, holiday pay, water reimbursement, defray expenses on accommodation and insurance reimbursement.		
	Status:	Ok
4.4.5.8 Indicator 8: 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.		
Sprayers piece rated form was available dated 4/6/2018. Workers basic pay is RM 38.46/day. If workers exceed 1 ha area of coverage, workers will be paid extra on top of the basic wages. Sampled payslip for Guest Worker June 2018 Nasiruddin S/O Abdul Kalam/115957, containing working days, pay rate, allowances and deduction. Total working days was 23 days, overtime 26 hours, off 2 days, Income RM999.58, paid leave of RM88.58 and verified all the deduction that compliance to contract agreement.		
	Status:	Ok
4.4.5.9 Indicator 9: Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.		
Workers salary and overtime payment were following the regulations and agreement. The check roll summary record tabulated the details.		
	Status:	Ok
4.4.5.10 Indicator 10: 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.		
VLP – vacation leave pay will be given if workers did not exceed 10% absenteeism. VLP was paid base on average earning multiply by total leave available.		
	Status:	Ok
4.4.5.11 Indicator 11: In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.		
Living quarters were in the form of 2-rooms house with 2 persons per room. For a family, 1-unit house will be given per family.		
	Status:	Ok

4.4.5.12 Indicator 12: The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace		
Sexual harassment policy was tabulated Gender Policy dated 24/4/2015. Under OSH manual produced by UP, Chapter 11 – subsequent policy under sexual harassment was also covered.		
	Status:	Ok
4.4.5.13 Indicator 13: 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.		
United Plantation Berhad Human Rights Policy sighted - Signed by the Chief Executive Officer of United Plantation Berhad - Dato' Carl Bek-Nielsen dated 18 th August 2017. UPB respect the right to form, join and participate in registered unions and to bargain collectively. Trade Union formed is NUPW. Record of employees joining NUPW was available. Evidence noted in NUPW Insurance Scheme. Sample from Changkat Mentri - Trade Union formed in this estate is NUPW. UBE –Div. 1 has 24 members; Div. 2 has 18 members. Monthly NUPW deduction for employee is RM 8/month while employer is RM3/mo. Record for NUPW Monthly subscription dated 6 July 2018. Div. 1 (employee RM192, employer RM72) Div. 2 (employee RM144, employer RM144) = RM 462.		
	Status:	Ok
4.4.5.14 Indicator 14: Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children and young persons is acceptable on family farms, under adult supervision, and when not interfering with their education. They shall not be exposed to hazardous working conditions.		
United Plantation Berhad Human Rights Policy sighted - Signed by the Chief Executive Officer of United Plantation Berhad - Dato' Carl Bek-Nielsen dated 18 th August 2017. UPB will not tolerate the use of child or forced labour, slavery or human trafficking in any of their plantations and facilities. They are using the definition from United Nations Convention on the Rights of the Child which define 'child' as anyone who is less than 18 years old.		
	Status:	Ok
4.4.6 Criterion 6: Training and competency		
4.4.6.1 Indicator 1: 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.		
Sampled the training program for Ladang Ulu Bernam, OSHA Training Programme for 2018. From Jan to Dec. Completed Training in April: First Aid Training, Guest Workers Welfare Committee Meeting, Field Clinic – Safe Use of Highly Toxic Pesticides, HIRARC Review, Emergency & Fire Drill Training, Field Clinic – Safe Operation On Mechanical Loading. May: Field Clinic - Safe Harvesting Technique, Safe Spraying Technique, Safe Manuring Technique, and Buffalo Assisted Harvesting.		
	Status:	Ok
4.4.6.2 Indicator 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.		
Training needs for employees were identified by estate management true MSPO training needs analysis. The plan has been started in early quarter of 2018. Individual Training Record (Sustainability Reporting 2018) Average Hours of Training Per Year Per Employee, By Gender & Employee Category. Training Sample: Spraying Gang – Title: SOP & HIRARC on Chemical Pre-Mixing & Safe Spraying Operations dated 11/6/18. FIELD 45, 0645Hrs. Mashud Sarker attended the training. (Met Mashud Sarker doing spraying at block 45 12/07/2018). Training needs for employees were identified by estate management via MSPO training needs analysis. The plan has been started in early quarter of 2018.		
	Status:	Ok

<p>4.4.6.3 Indicator 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. Licensed to MSPO.</p>		
<p>Continuous training programme was included in the MSPO Training Needs which was planned for 12 months.</p>		
	Status:	Ok
<p>4.5 PRINCIPLE 5 : ENVIRONMENT, NATURAL RESOURCES, BIODIVERSITY AND ECOSYSTEM SERVICES</p>		
<p>4.5.1 Criterion 1: Environmental management plan</p>		
<p>4.5.1.1 Indicator 1: An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented.</p>		
<p>Sighted the environment and Biodiversity policy dated 18th August 2017 signed by Dato’ Carl Bek Nielsen regarding United Plantations commitment through protection of the environment and conservation of Biodiversity. Based on the document, few objectives had been made such as conducting our operation under the best principles of agriculture that is compatible with the natural environment and full support of integrated pest management techniques and Best Management Practices for existing plantations on peat. Aside continuously working to mitigate water footprint related to our operations, maintaining buffers along natural waterways harvesting waterways, frugal water usage, monitoring of its quality and judicious use of pesticides and weedicides. Sighted the policy had been translated into Malay language , Bangladeshi, Indian and English Language to accommodate the workers that come from different nation into the estate.</p>		
	Status:	Ok
<p>4.5.1.2 Indicator 2: The environmental management plan shall cover the following:</p> <ul style="list-style-type: none"> • An environmental policy and objectives • The aspects and impacts analysis of all operations. 		
<p>Sighted the United Plantations Berhad Operations and Environment Management System that has been a commitment from the company towards environment and sustainable development. The estate had setup the Board environment representation on environment management committee for upriver group consist of Sungei Erong Estate, Changkat Mentri and Ulu Bernam Estate. The aspect impact analysis of all operations had been made into environmental risk assessment that include severity, quantity load and probability of assessment.</p>		
	Status:	Ok
<p>4.5.1.3 Indicator 3: An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored.</p>		
<p>The action plan on environmental improvement plan had been made into action plan that will monitor negative impacts that categorized the criteria into such as items load – replanting / weeding/ spraying, by whom – estate manager and estate divisional head / staffs and mandore / estate manager, targeted dated – ongoing process / upon completion and resources of item – from cover crop / company policy and polybags. Sighted also the water management plan in action plan of environment that include minimize chemical spraying along drain edges and encourage vegetation → by estate divisional heads and staff → targeted date ongoing → resources from spent lubricants – current status.</p>		
	Status:	Ok
<p>4.5.1.4 Indicator 4: A programme to promote the positive impacts should be included in the continual improvement plan.</p>		
<p>Programme to promote positive impact had been included in continual improvement plan as per environmental action plan that consist of all operation of the estate. The plan had been made into review plan of the estate on environment, e.g. : replanting → strict adherence to zero burn policy → ratings Negligible → frequency review yearly / annually → by whom estate manager and estate divisional heads → reviewed on 15th February 2017. Monitoring of action plan on environment had been done throughout the year 2018 on the several basis such as strict adherence to zero burn policy → emphasize on felling and shredding rather than burning of trunks and quick establishment of LCC → LCC upon completion of mulching. Sighted the environmental action plan e.g. lawn mowing in harvesting avenues and road edges to avoid additional usage of chemicals and timely spraying to avoid over application on the overgrown.</p>		
	Status:	Ok

4.5.1.5 Indicator 5: 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.		
Awareness and training program had been established in Ladang Sungei Erong dated 16 th May 2018 in Meeting room Sungei Erong attended by Manager of LSE, Assistant Manager LSE, Wakil NUPW LSE, AJK ISHA LSE, AJK Gender LSE, Temple representative, mosque representative, worker’s representative, and harvesting contractors, there is a training related t latest United Plantations Berhad MSPO training on the latest Policies dated 7 th July 2018. Sighted the meetings had been done according to the group of workers including Harvesting group (42 workers) Manuring Gang (22 workers) spraying gang (15 workers) and General Workers (7 peoples). Sighted the briefing on company policies on environment that has been done on 25 th June 2018 at 0645 pm at tractor pool of Ulu Bernam Estate. Sighted the attendance list for approved by Mr. Indrapriyan assistant manager of Ulu Bernam Estate.		
	Status:	
4.5.1.6 Indicator 6: Management shall organize regular meetings with employees where their concerns about environmental quality are discussed.		
The meeting regarding regular meetings and employees involving the stakeholders regarding quality of environment had been done on 23 rd April 2018. sighted the stakeholder list invited by the estate including of the manager of Sungei Samak Estate – Sime Darby Plantation neighboring estate, village leader of Tanjung Medan and etc. The minutes meeting prepared including the review of the environment risk assessment and social risk assessment of Upriver Group of United Plantations Berhad.		
	Status:	Ok
4.5.2 Criterion 2: Efficiency of energy use and use of renewable energy		
4.5.2.1 Indicator 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.		
Sighted the diesel consumption for year 2018 for Sungei Erong (fossil fuel). Sighted the downwards trend usage for the diesel from the year 2013 – 2017 per liters MT FFB from 2.30, 2.50, 2.12, 2.94 and 1.45 liters. Based on the management plan of the estate, the decrease reason is increase in numbers of buffaloes used foe in field collection thus reduction in diesel usage. Sighted also downwards trend from 2013 – 2017 from 0.21 to 0.15 with reduce doe to decreasing usage of mechanical harvesting machines in tall palm fields.		
	Status:	Ok
4.5.2.2 Indicator 2: The oil palm premises shall estimate the direct usage of nonrenewable 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.		
Ulu Bernam Estate had recorded the usage of non-renewable energy including fossil fuel and lubricants for year 2018.Sighted the oil palm premises that has been recorded by Ulu Bernam Estate for year 2018.		
	Status:	Ok
4.5.2.3 Indicator 3: The use of renewable energy should be applied where possible.		
The records of renewable energy use per ton of palm product at Ulu Bernam Optimill on May 2018 had been recorded as FFB processed = 79,622.61MT, CPO produced = 16,505.00 MT, fiber produced @185 of FFB Produced = 14,332.07 MT and shell produced @6.0 % of FFB Produced = 4,777.36 MT.		
	Status:	Ok

4.5.3 Criterion 3: Waste management and disposal															
4.5.3.1 Indicator 1: All waste products and sources of pollution shall be identified and documented.															
Sighted the identification of waste products and sources of pollution that had been recorded by Ladang Sungai Erong, Ladang Ulu Bernam and Changkat Mentri as per details on waste management – continuous Improvement plan 2017:															
<table border="1"> <thead> <tr> <th>Sources pollution</th> <th>Type of waste</th> </tr> </thead> <tbody> <tr> <td>Field estate</td> <td>Shredded material of palm mulching</td> </tr> <tr> <td>Fertilizer</td> <td>50 Kg Fertilizer bags</td> </tr> <tr> <td>Pesticides and Herbicide drums</td> <td>Chemical container</td> </tr> <tr> <td>Tractors from the workshop</td> <td>Spent lubricant</td> </tr> <tr> <td>hospital</td> <td>Hospital syringes and swabs</td> </tr> <tr> <td>Household / line site area</td> <td>Domestic waste</td> </tr> </tbody> </table>	Sources pollution	Type of waste	Field estate	Shredded material of palm mulching	Fertilizer	50 Kg Fertilizer bags	Pesticides and Herbicide drums	Chemical container	Tractors from the workshop	Spent lubricant	hospital	Hospital syringes and swabs	Household / line site area	Domestic waste	
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Tractors from the workshop	Spent lubricant														
hospital	Hospital syringes and swabs														
Household / line site area	Domestic waste														
Status:	Ok														
4.5.3.2 Indicator 2: A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:															
<ul style="list-style-type: none"> a) Identifying and monitoring sources of waste and pollution. b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products. 															
Sighted the waste management plan that avoid/ reduce pollution that has been developed by the estate including shredded material are windrowed and use as palm mulch, reused for loose fruit collection / stitched for FFB Mat, recycling container and reused as premix containers, spent black oil were used for painting the rail joint and wooden material, tractor battery recycle and service monitor the battery periodical for longer period, syringe an swabs to disposed on Pantai Medivest and Clinco waste management and landfill area to segregate recyclable items. Sighted the continuous improvement plan includes the idea of using biodegradable fertilizer bags and consultation with fertilizer manufacture for more 500Kg packing as the bags are recycled 8 times.															
Status:	Ok														
4.5.3.3 Indicator 3: The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.															
The management had developed a standard operation procedure for waste management system, e.g. SW 102 → waste of lead acid batteries in a whole or crushed form, SW 305 → waste of spent lubricant oil, SW 109 → bulbs fluorescent, SW 409 → Chemical contaminate items and SW 410 → Bags plastic , paper and filter contained. Waste material are kept in a labelled storage area for not more than 180 days and not more than 20 MT for each storage → chemical waste disposed to a verified waste disposal manager under licensed of DOE. Chemical container should be washed tripled rinsed and punctured bottom to ensure no chemical left in the container. In Ulu Bernam estate the latest consignment note observed on the premises for Scheduled waste dated 10 th July 2018 that include waste code SW 410 – Rags and Filters dispatched to KENEP Waste management Sdn Bhd amounted 0.1 MT.															
Status:	Ok														
4.5.3.4 Indicator 4: 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.															
Sighted the management had allocated the tripled rinsed area for container storage before dispatched to recycle item in the workshop of Ladang Sungai Erong. The disposal of tripled rinsed container had been dispatched to Enviro Green Plus for Ladang Sungai Chawang dated 29th June 2018 amounted 900kgs. as per company procedure tripled rinsed and punctured, the items are not considered as scheduled waste and dispatched as a recycling item. In Ulu Bernam Estate, the tripled rinsed and recycled containers dated 4th July 2018 disposed to Enviro Green Plas enterprises collected amount 730 Kgs punctured and tripled rinsed. In Changkat Mentri estate, sighted the latest inventory for tripled rinsed at Changkat Mentri Store are dated 25th June 2018 with 42 pieces of tripled rinsed and punctured containers. The sales of empty chemical container been recorded dated 26th May 2018 amounted RM 270.83 approved by Manager of Changkat Mentri Estate to Enviro Green Plas enterprises.															
Status:	Ok														

4.5.3.5 Indicator 5: Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.		
Disposal of domestic waste on rubbish collection scheduled had been established by the estate. Sighted the day and collection area on rubbish collection for Shop Lot, Clinic Crèche, Block A, Block F consist of 155 units approved by Siva Subramaniam, manager of Ladang Sungei Erong. Ulu Bernam estate – composting pit located at Field 57 C, opened the dumping pit section B on 10 th July 2018. The recycling of the domestic waste had been done by BRG enterprise and segregation sighted at the composting pit categorized into empty plastic cans, aluminum tin, boxes and papers. Sighted the last consignment note on 3 rd July 2018 issued and verified by Assistant manager of the estate.		
	Status:	Ok
4.5.4 Criterion 4: Reduction of pollution and emission		
4.5.4.1 Indicator 1: An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent.		
Sighted the assessment of all polluting activities on pesticide rate / ton (CPO, PK and CPO + PKO) for 2017, the CPO production was 17,731.34 MT, pesticide a.i / CPO (kg ton ⁰⁰ – 0.49 / 2.265, pesticide a.i =0.449 kg and etc. Sighted the improvement plan by the estate to reduce the pollution such as all empty pesticide container were triple rinsed and dispatched to certified waste manager and only circle sprayed and rentice mowed, reduction of tractor especially old units and increase of buffalo and cart for loading purpose replacing loading tractor and etc.		
	Status:	Ok
4.5.4.2 Indicator 2: An action plan to reduce identified significant pollutants and emissions shall be established and implemented.		
Based On the document verification at Ulu Bernam Estate, sighted the action plan to reduce pollution as per documentation, increase mowing fields, IPM Barn owl box – pheromone traps beneficial plant, use buffaloes for loading, EFB Mulching, serve monitor periodically for a larger life and etc.		
	Status:	Ok
4.5.5 Criterion 5: Natural water resources		
4.5.5.1 Indicator 1: 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:		
<ul style="list-style-type: none"> a) Assessment of water usage and sources of supply. b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate’s current activities. 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.). 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 e) Where natural vation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented. f) Where bore well is being use for water supply, the level of the ground water table should be measured at least annually. 		
Sighted the schematic diagram of river water treatment at the ULU Bernam Optimill. From Ulu Bernam Water catchment Bernam River → Pump into Water Reservoir → Mix Soda and Alum Polymer In premix tank → water settling ponds (3 settling Tank) -> Concrete Settling tank → filter house → Into overhead storage tank → Mill and domestic usage. Planning for water management such as constructing/distilling should be done systematically, desilting works should preferably be planned for the dries months and determine the drains to be constructed/desilted. The frequency of desilting may vary depending on existing conditions and terrain. The company have water management SOP issued in 10 December 2007 its explained to establish and maintain a practical and efficient network of drains for the purpose of both drainage and irrigation → Management/ Assistant.		
	Status:	Ok

4.5.5.2 Indicator 2: No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.		
Based on the field observation at Ulu Bernam Estate, Sungai Erong Estate and Changkat Mentri Estate, sighted no construction of bunds, weirs, and waterways pass through the estate. The river that has been sidelined of the estate is Bernam river that the water had been extracted for processing and domestic water consumption		
	Status:	Ok
4.5.5.3 Indicator 3: 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).		
Sighted the water harvesting practices that had been implemented in the estate that there is water harvesting method by using the water gate (4 Nos) and Flap gates (11 nos). as per field verification, the river nearby water tide been controlled by the Watergate and flap gates. In Sungai Erong Estates, seen the estate established water management & irrigation Ladang Sungai Erong Maps example: Watergate (7 unit), Precast weirs (23 unit), sandbag weirs (75 unit), water pump (4 unit), river reserves and others.		
	Status:	Ok
4.5.6 Criterion 6: Status of rare, threatened, or endangered species and high biodiversity value area		
4.5.6.1 Indicator 1: 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:		
<ul style="list-style-type: none"> a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities. 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. 		
The initial complex level HCV assessment was done by Wild Asia between 01 – 06/01/2008. The report's mentioned the methodology applied as well the extend of coverage that includes the presence of protected areas, the conservation status (e.g. IUCN status), legal protection, population status and habitat requirements of rare, threatened, or endangered (RTE) species that could be significantly affected by the grower or miller. The assessment not found any HCV habitats, such as rare and threatened ecosystems, however there are Self-Created Conservation within estate perimeter. In Changkat Mentri Estate, the HCV management plan (Self-assessment) for period 2018 with details of riparian reserves: Good, archeology SME: Good → 4 Tombstones, grut wildlife sanctuary: Fair → 11.3 ha virgin jungle and Margaret Hill: Very good → wild flows, various species of birds, wild boars & any eaters.		
	Status:	Ok
4.5.6.2 Indicator 2: If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include:		
<ul style="list-style-type: none"> a) Ensuring that any legal requirements relating to the protection of the species are met. b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities and developing responsible measures to resolve human-wildlife conflicts. 		
Sighted in United Plantations Berhad the Ulu Bernam Sighting book that classified into date, time, location, observation and remark of the estate as at 11 June 2018 – time 1030 am – field no 6 – Wild boar, 2 nd June 2018 – 2.00 pm – field 37 – snake and 30 th June 2018 – 0830 am – nursery – monkeys in big group. The record had been kept at the office of estate and involving the workers, staff, management and mandore based on the awareness off wildlife and RTE in thee estate. Sighted the internal memorandum to estates director of UP Berhad regarding delivery of Jungle trees for Optimill (1 st Consignment) Optimill Tree reserve covering 511 Units, 39 Species and 15 family groups. As Part of HCV and green environment practices of the estate and mill, the tree planting activities will be made inside the mill (Ulu Bernam OPTIMILL) and managed and assisted by Ulu Bernam estates.		
	Status:	Ok

4.5.6.3 Indicator 3: A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.		
The management unit had a list of HCV identified inside the estate on conservation and RTE identified on 2018 such as archaeological site – nil, Malaysian Jungle Trees – in the list of Jungle tree species. (1.75 ha), endangered threatened species – good. Sighted the HCV management plan of the estate that divide into the potential impact on HCV, cause / sources likely contribution to stress and point to consider on HCV Management.		
	Status:	Ok
4.5.7 Criterion 7: Zero burning practices		
4.5.7.1 Indicator 1: 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.		
United plantations Berhad had practices zero burning. The replanting techniques deals with oil pal that have reached the end of their economic life which are mechanically felled, windrowed, shredded and left to decompose or pulverized in situ. Compared to the conventional clean clearing and burning system, no burning is carried out. besides eliminating atmospheric pollution, the zero burning techniques replenishes soil organic matter (90 to 100 MT per hectare) improves the physical properties of the soil, enhances its fertility through the recycling of nutrients resulting in reduce the use of chemical fertilizers. No replanting sighted at the estate of Sungai Erong. Last replanting on 2014.		
	Status:	Ok
4.5.7.2 Indicator 2: 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.		
United Plantations had practices zero burning techniques. Under special circumstance (heavy infestations of pests or disease) an application for open burning under section Perintah Kualiti Alam Sekeliling 1974 2000 Perintah 3 syarat Pematuhan Pembakaran Terbuka, could be made through the department of Agriculture to Department of Environment.		
	Status:	Ok
4.5.7.3 Indicator 3: 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.		
No controlled burning sighted and allowed and prescribe by the Environmental Quality Open burning 2003.		
	Status:	Ok
4.5.7.4 Indicator 4: Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.		
Based on the field observation at Field 56 of Ulu Bernam Estate, sighted no evidence of open burning or the replanting using burning method. the company had practices based on the record of replanting techniques of:		
<ul style="list-style-type: none"> i) Felling and shredding checklist – palms shredded into thin slices not more than 3” thick and 2.5 ft long and stacked evenly over harvester’s path. ii) Excavating root boles and primary root mass checklist – Root ball excavated, Pit 5X5 X 3 dug, Pit closed with fresh soil, root mass broken and placed on harvester’s path iii) Cambering – UP checklist system: camber sloping gently and smoothly, center camber not more than 0.255M higher than drain edges, camber compacted sub terrain timber, removed and stacked along scupper drain iv) Planting and replanting checklist: lignin points, holing one day earlier, planting Hole sprayed with termiticide, planting material root pruned in advance well-watered and placed at a side of Hole v) Application of fertilizer at planting hole vi) Seedlings removed from bags and planted to correct depth (1.2 cm below ground level) , empty plastic bags collected and buried in rubbish pit, weeding well consolidated with rammer and base evenly levelled off, mounding for low and land areas, crop used for removal of water from planting hole, and top dressing with fertilizer (starter mix after completion of planting) for peat area. 		
	Status:	Ok

4.6 PRINCIPLE 6: BEST PRACTICES		
4.6.1 Criterion 1: Site management		
4.6.1.1 Indicator 1: Standard operating procedures shall be appropriately documented and consistently implemented and monitored.		
Standards operating procedure had been documented for Ulu Bernam Estate, Sungei Chawang estate and Changkat Mentri and being distributed to all unit's operation which includes all the practices in the estates such as nursery operations, replanting, supplying palm and etc. Sighted based on the documentation of SOP, the section had been divided into objective, standards, planning, procedures , environment , safety and health , social and continuous improvement.		
	Status:	Ok
4.6.1.2 Indicator 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.		
Field 56 of the estate has less than 25 sloping line and no terracing had been done. The land is undulating and soil conservation had been implemented during replanting activities.		
	Status:	Ok
4.6.1.3 Indicator 3: A visual identification or reference system shall be established for each field		
Based on the field verification of visual identification at Field 57 a, there is visual identification for reference related to zero burning on replanting process. Sighted the replanting contract and method of chipping , felling and mulching for the estate of Ulu Bernam , Changkat Mentri and Sungai Erong.		
	Status :	Ok
4.6.2 Criterion 2: Economic and financial viability plan		
4.6.2.1 Indicator 1: A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.		
Sighted based on the documentation at Ulu Bernam Estate, sighted the projected cost for the next 3 years (2019 - 2021) that include all the operation such as weeding, manuring, pest and disease, pruning, roads paths and bridges and etc. Sighted the total upkeep operation for the 3 years amounted: 6.7 Mil, 6.9 Mil and 7.3 mil. Total for harvesting sighted amounted 4.7 mil, 4.8 mil and 4,9 Mil that comprise of cutting and collection, main line transport, gantry collection and etc. Sighted the circular of annual budget 2017 to all the managers and group manager of UP Bhd and being disseminated to Ulu Bernam Estate.		
	Status:	Ok
4.6.2.2 Indicator 2: 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.		
Long term replanting plan had been developed by the estate from replanting program 2018 from year ROP 2021 and ROP 2022 on field 29 and 57 respectively. Sighted the last replanting on 2018 on field 41 (52.60) ha, 42 (53.0 Ha), 46 (64.80 ha) 47 (53.80), field 48 (53.0 ha, field 50 47.30 ha and field 56, 70.50 ha totaling up 395.0 ha.		
	Status:	Ok
4.6.2.3 Indicator 3: The business or management plan may contain:		
<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 		
Sighted the budget for the Ulu Bernam Estate on 2018 annual budget 2018 including details of income and expenditure, hectarage statement – division one fields , division two field , immature oil palms (2018 and 2017 replanting, analysis of planting area, crop statement, capital expenditure – replanting 2016, 2017 , 2018 and etc.		
	Status:	Ok

4.6.2.4 Indicator 4: The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented.		
United Plantations had a budget been made every year. (latest budget on year 2018). Sighted the budget for all operations of the estate and mill and the budget had been tracked monthly into UP Berhad Estates account for the month of May 2018. Based on the records available, the summary of Palm Oil and Palm Kernel expenditure May 2018 which comprise of Palm Oil – [Upkeep, Harvesting , manufacturing , General Charges], palm kernel – [manufacturing , general charges , total expenditure on palm oil and palm kernel without depreciation] and etc.		
	Status:	Ok
4.6.3 Criterion 3: Transparent and fair price dealing		
4.6.3.1 Indicator 1: Pricing mechanisms for the products and other services shall be documented and effectively implemented.		
UPB Estate did not involve any small-holder’s products, nonetheless they do have contracts with supply of services such as contract for Felling, Shredding and Stacking at Changkat Mentri Estate, contract for Cutting & Collection at Sg Erong and etc.		
	Status:	Ok
4.6.3.2 Indicator 2: All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner		
The right and obligation each party and the payment mechanism was clearly describing in this document. There was also observed payment record to contractor, such as invoice, contract form (description of work, quantity, price per unit, GST and total payment), work completion certificate and payment advice (payment receipt). Payment has been made in timely manner. Sample: Certificate of payment to contractor Chin Lang Contractor Sdn Bhd. for work carried out between 01/05/2018 – 31/05/2018) Certificate of Payment No. 09180071 printed 31/05/2018 certified/recommended for payment by 08/06/2018 with the sum of RM105,752.31.		
	Status	Ok
4.6.4 Criterion 4: Contractor		
4.6.4.1 Indicator 1: Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information.		
All contractors were given RSPO & MSPO awareness training. One carried out on 27 th June 2018 at Tan Sri Bek-Nielsen Hall, Ulu Bernam Complex.		
	Status:	Ok
4.6.4.2 Indicator 2: The management shall provide evidence of agreed contracts with the contractor.		
Memorandum of Agreement No:21625/18 Dated 1st January 2018 for Harvesting – Cutting & Collection. Rate of pay RM36.75 per 1,000kg, clean, fresh bunches, free from excessive stalk, delivered into estate rail transport cages (including Levy RM0.75) with contractor - We Tiew Kuang.(590720-08-5067).		
	Status:	Ok
4.6.4.3 Indicator 3: The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required.		
The estate was audited by MUTU MSPO auditors with full cooperation from the management units. Sighted audit plan which have been accepted by the Sustainability Manager. All the auditors are MSPO qualified auditors. As agreed, the respective operating units will accept the MUTU MSPO Auditors to verify through a physical inspection if required for audit purposed		
	Status:	Ok
4.6.4.4 Indicator 4: 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.		
Assessment of contractor’s performance was done via contractor’s payment records. For this sampling: Harvesting – Cutting & Collection. UPB Ladang Ulu Bernam Daily record. Details of Estate Code, Ledger Group, Acc No., Account Name, Field No., Activity Code, Description (Cont. Harvest), Man-day, Ripe, Unit Done (Tons) RM/Ton, Amount (RM), Penalty and Grand Total on daily basis are recorded.		
	Status:	Ok

4.7 PRINCIPLE 7: DEVELOPMENT OF NEW PLANTINGS		
4.7.1 Criterion 1: High biodiversity value		
4.7.1.1		
Indicator 1: 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.		
No new planting sighted for this operating unit.		
	Status:	NA
4.7.1.2		
Indicator 2: 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.		
No new planting sighted for this operating unit.		
	Status:	NA
4.7.2 Criterion 2: Peat land		
4.7.2.1		
Indicator 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.		
No new planting sighted for this operating unit.		
	Status:	NA
4.7.3 Criterion 3: Social and Environmental Impact Assessment (SEIA)		
4.7.3.1		
Indicator 1: A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations.		
No new planting sighted for this operating unit.		
	Status:	NA
4.7.3.2		
Indicator 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.		
No new planting sighted for this operating unit.		
	Status:	NA
4.7.3.3		
Indicator 3: The results of the SEIA shall be incorporated into an appropriate management plan and operational procedures developed, implemented, monitored, and reviewed.		
No new planting sighted for this operating unit.		
	Status:	NA
4.7.3.4		
Indicator 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.		
No new planting sighted for this operating unit.		
	Status:	NA
4.7.4 Criterion 4: Soil and topographic information		
4.7.4.1		
Indicator 1: Information on soil types shall be adequate to establish the long-term suitability of the land for oil palm cultivation.		
No new planting sighted for this operating unit.		
	Status:	NA

4.7.4.2		
Indicator 2: Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation systems, roads and other infrastructure.		
No new planting sighted for this operating unit.		
	Status:	NA
4.7.5 Criterion 5: Planting on steep terrain, marginal and fragile soils		
4.7.5.1		
Indicator 1: Extensive planting on steep terrain, marginal and fragile soils shall be avoided unless permitted by local, state and national laws.		
No new planting sighted for this operating unit.		
	Status:	NA
4.7.5.2		
Indicator 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.		
No new planting sighted for this operating unit.		
	Status:	NA
4.7.5.3		
Indicator 3: Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion.		
No new planting sighted for this operating unit.		
	Status:	NA
4.7.6 Criterion 6: Customary land		
4.7.6.1		
Indicator 1: No new plantings are established on recognised customary land without the 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.		
No new planting sighted for this operating unit.		
	Status:	NA
4.7.6.2		
Indicator 2: Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites.		
No new planting sighted for this operating unit.		
	Status:	NA
4.7.6.3		
Indicator 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.		
No new planting sighted for this operating unit.		
	Status:	NA
4.7.6.4		
Indicator 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.		
No new planting sighted for this operating unit.		
	Status:	NA
4.7.6.5		
Indicator 5: Identification and assessment of legal and recognised customary rights shall be documented.		
No new planting sighted for this operating unit.		
	Status:	NA

4.7.6.6		
Indicator 6: A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented.		
No new planting sighted for this operating unit.		
	Status:	NA
4.7.6.7		
Indicator 7: The process and outcome of any compensation claims shall be documented and made publicly available.		
No new planting sighted for this operating unit.		
	Status:	NA
4.7.6.8		
Indicator 8: Communities that have lost access and rights to land for plantation expansion should be given opportunities to benefit from the plantation development.		
No new planting sighted for this operating unit.		
	Status:	NA

3.2 Identification of findings, Corrective actions, observations, opportunity for improvement and noteworthy positive components.

3.2.1 Noteworthy Positive Components at Stage-2

No	Description
1	Good initiative from the management to increase the number of jungle trees planting in Ulu Bernam OPTIMILL
2	Good commitment from the UP management to implement passport locker house for the workers in Ulu Bernam Estate

3.2.2 Identification of Non-conformity at Stage-2 –

No non-conformities were raised.

3.2.3 Opportunity for Improvement (OFI)

No	Ref Std.	Descriptions
1	4.3.1.1	1). Ulu Bernam - MPOB license – 501547502000 expires on 31/03/19 for 3164.65 HA which not correspond correctly with hectarage statement of 3055.68 HA. [variance of 111.24 HA] 2). Changkat Mentri - MPOB license – 501897102000 expires on 31/10/18 for 2411 HA not tally against hectarage statement of 2363.50 HA [variance of 47.5 HA] 3). To follow up the SPAN License progress from the authorities for Ulu Bernam Estate, Sungai Erong Estate and Changkat Mentri Estate

3.3 Summary of Arising Issues from Public, Management, and Auditor Response

Public Issues (Institution/ NGO/Community)	Auditor Responses
Wednesday, July 11th 2018.	
Gender Committee United Plantations.	
<p>The organization of gender committee consist of Ulu Bernam Optimill, Sungei Erong Estate, Changkat Mentri Estate, Ulu Bernam Estate and Lima Blas Estate. The policy of gender and The grievance Redressal procedure has been socialized to the members. They have been know regarding the procedure. During Surveillance audit there is no complaint from workers and there isn't case regarding sexual harassment.</p>	<p>This has been in accordance with criterion 6.9.</p>
Labour Union United Plantations.	
<p>There is guest workers' welfare committee has been establishing and valid from January 1st, 2018. The members consist of Bangladesh workers, Indian workers, and Indonesian workers.</p> <p>Labor union policy has been socialized to the workers include in Human Rights Policy. The united plantation respects the rights of all personnel to form, join & participate in registered trade unions.</p> <p>There isn't complaint from workers regarding wages, facilities of workers, worker's welfare, insurance and others. They have been satisfied with the company.</p>	<p>This has been in accordance with criterion 6.6.</p>
Workers of Ulu Bernam Estate and Workers of Sungei Erong Estate. (1 Bangladesh worker, 1 Indonesian worker)	
<p>Based interview with Bangladesh worker, he has been working for 10 years in the Sungei Erong Estate and he felt satisfied working in united plantations. The company give them proper facilities such as adequate housing, subsidize of electricity and water supply. There is shop for groceries shopping and the basic amenities has been provided by UP.</p> <p>The Indonesian workers is feel the same, he has been satisfied with the UP Management. The company has provided the facilities such as hospital, shop lot, and sport infrastructure.</p>	<p>This has been in accordance with criterion 6.5.</p>
Representative from Erong Village.	
<p>The community has complained regarding steam sound in Bernam Optimill is too noise.</p>	<p>The unit management always conducted maintenance of machines in Mill Operational and has been done planting woody plants in Mill area.</p>

Summary of findings and Recommendation

MAJOR	MINOR	O F I
0	0	1

Recommendation of Certification:

Due to no Major Non- Conformity finding was found in this assessment, therefore Ulu Bernam Complex [estates] is **RECOMMENDED** for MSPO Part 3 certification.

4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY

4.1 Formal Sign-off of Assessment Findings

Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.

Signed on behalf of:

Company Name
Management Representative

Mutuagung Lestari
Lead Auditor



C. Mathews
24/07/2018



Mahaswaran Maliyapan
24/07/2018

Appendix 1. Glossary

MSPO	:	Malaysian Sustainable Palm Oil
MPOB	:	Malaysia Palm Oil Board
ARM	:	Agriculture Reference Manual
BOD	:	Biological Oxygen Demand
BTS (FFB)	:	Buah Tandan Segar (Fresh Fruit Bunch)
CePPOME	:	Certified Environmental Professional in the Treatment of POME
CEMS	:	Continuous Emission Monitoring System
CPO	:	Crude Palm Oil
CHRA	:	Chemical Hazard Risk Assessment
CLC	:	Child Learning Centre
CSA	:	Conservation Site Area
CSR	:	Corporate Social Responsibility
COBC	:	Code of Business Conduct
COD	:	Chemical Oxygen Demand
DOE	:	Department of Environmental
EFB	:	Empty Fruit Bunch
EMS	:	Environment Management System
EPSM	:	Environmental Protection Society Malaysia
EQMS	:	Environment Quality Management System
FY	:	Financial Year
FPIC	:	Free Prior and Informed Consent
GHG	:	Green House Gases
HCV	:	High Conservation Value
HIRAC	:	Hazard Identification and Risk Assessment Control (HIRAC)
HSE	:	Health Safety and Environment
HQ	:	Head Quarter
IUCN	:	International Union for Conservation of Nature
KER	:	Kernel Extraction Rate
KKS (POM)	:	Kilang Kelapa Sawit (Palm Oil Mill)
LC	:	Land Clearing
LCC	:	Legium Cover Crop
LOTO	:	Log Out and Take Out
LTA	:	Lost Time Accident
MPOB	:	Malaysian Palm Oil Board
MSDS	:	Material Safety Data Sheet
NCR	:	Non-Conformance Report
NPP	:	New Planting Procedure
NWSDM	:	National Council of Welfare & Social Development Malaysia
NUPW	:	National Union Plantation Workers
OPI	:	Opportunity for Improvement
OHS	:	Occupational Health and Safety
OHSA	:	Occupational Health and Safety Assessment
OER	:	Oil extraction Rate

PANAP	:	Pesticide Action Network Asia and the Pacific
PK	:	Palm Kernel
PPE	:	Personal Protective Equipment
POME	:	Palm Oil Mill Effluent
POM	:	Palm Oil Mill
PSQM	:	Plantation Services Quality Management
PSS	:	Pictorial Safety Standard
RSPO	:	Round Table on Sustainable on Palm Oil
RTE	:	Rare, Threatened, or Endangered
SIA	:	Social Impact Assessment
SOP	:	Standard Operating Procedure
SOM	:	Standard Operation Manual
SPMS	:	Sustainable Plantation Management System
SOCISO	:	Social Security Organization
SW	:	Schedule Waste
TQEM	:	Total Quality Environmental Management
WTP	:	Water Treatment Plan