

**MALAYSIAN SUSTAINABLE PALM OIL –
INITIAL ASSESSMENT
Public Summary Report**

United Plantations Berhad
Client company address: Jendarata Estate 36009 Teluk Intan Perak, Malaysia
Certification Unit: United International Enterprise Palm Oil Mill (U.I.E Palm Oil Mill) Location of certification unit: Mail Bag No. 1 34900 Pantai Remis, Perak Darul Ridzuan Malaysia

Report prepared by:
Mohamed Hidhir Zainal Abidin (Lead Auditor)

Report Number: 8938592

Assessment Conducted by:
BSI Services Malaysia Sdn Bhd,
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TABLE of CONTENTS	Page No
Section 1: Executive Summary	3
1.1 Organizational Information and Contact Person	3
1.2 Certification Information.....	3
1.3 Location of Certification Unit.....	4
1.4 Plantings & Cycle.....	4
1.5 FFB Production (Actual) and Projected (tonnage).....	4
1.6 Certified CPO / PK Tonnage	4
1.7 Certified Area	5
1.8 Details of Certification Assessment Scope and Certification Recommendation:.....	5
Section 2: Assessment Process	6
1. Assessment Program.....	7
Section 3: Assessment Findings	8
3.1 Details of audit results.....	8
3.2 Details of Nonconformities and Opportunity for improvement.....	8
3.3 Status of Nonconformities Previously Identified and OFI	9
3.4 Issues Raised by Stakeholders	10
3.5 Summary of the Nonconformities and Status.....	10
3.6 Summary of the findings by Principles and Criteria	11
Section 4: Assessment Conclusion and Recommendation	71
Appendix A: Assessment Plan.....	72
Appendix B: List of Stakeholders Contacted	73
Appendix C: Smallholder Member Details.....	74
Appendix F: Location and Field Map.....	75
Appendix G: List of Abbreviations	77

Section 1: Executive Summary

1.1 Organizational Information and Contact Person

MPOB License	UIE POM : 500124504000 valid until 31/1/19 UIE Estate: 502076202000 valid until 31/7/18		
Company Name	United Plantations Berhad – UIE Palm Oil Mill		
Address	Mail Bag No. 1, 34900 Pantai Remis, Perak Darul Ridzuan, Malaysia		
Group name if applicable:	N/A		
Subsidiary of (if applicable)	N/A		
Contact Person Name	Mr C. Mathews		
Website	http://www.unitedplantations.com	E-mail	cmm@unitedplantations.com
Telephone	+605 6411411	Facsimile	+605 6416220

1.2 Certification Information

Certificate Number	Mill : MSPO 693205 Estate : MSPO 693206		
Issue Date	28/09/2018	Expiry date	27/09/2023
Scope of Certification	Mill: Production of Sustainable Palm Oil and Palm Oil Products Estate: Production of Sustainable Oil Palm Fruits		
Stage 1 Date	N/A (The certification unit is RSPO certified)		
Stage 2 / Initial Assessment Visit Date (IAV)	20 & 21/06/2018		
Continuous Assessment Visit Date (CAV) 1	N/A		
Continuous Assessment Visit Date (CAV) 2	N/A		
Continuous Assessment Visit Date (CAV) 3	N/A		
Continuous Assessment Visit Date (CAV) 4	N/A		
Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
RSPO 665456	RSPO NEXT	BSI Services Malaysia Sdn Bhd	28/09/2022
RSPO 693198	RSPO P&C		28/09/2022

MSPO Public Summary Report
Revision 0 (Aug 2017)

1.3 Location of Certification Unit			
Name of the Certification Unit (Palm Oil Mill/ Estate/ Smallholder/ Independent Smallholder)	Site Address	GPS Reference of the site office	
		Longitude	Latitude
UIE Palm Oil Mill	Bag Mail No. 1 34900 Pantai Remis, Perak, Malaysia	100° 43' 11" E	4° 26' 53" N
UIE Estate (Division 1 & 2)	Bag Mail No. 1 34900 Pantai Remis, Perak, Malaysia	100° 43' 22" E	4° 26' 38" N

1.4 Plantings & Cycle					
Estate	Age (Years) - ha				
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30
UIE Estate	1951.73	6845.10	37.53	269.95	-

1.5 FFB Production (Actual) and Projected (tonnage)			
Producer Group	Projected from last audit	Actual production or last 12 months (01 June 2017 – 31 May 2018)	Projected production for next 12 months (June 2018 - May 2019)
UIE Estate	Not applicable	185,943.26	226,070.00

1.6 Certified CPO / PK Tonnage			
Mill	Estimated	Actual (01 May 2017 – 31 May 2018)	Forecast (May 2018 April 2019)
UIE POM	CPO (OER: %)	CPO (OER: 21.22 %)	CPO (OER: 20.90%)
	Not applicable	39,454.61	47,240
	PK (KER: %)	PK (KER: 4.09 %)	PK (KER: 5.22%)
	Not applicable	7,606.75	11,800

1.7 Certified Area					
Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
UIE Estate	9,104.31	10.53	1,254.36	10,369.20	87.80

1.8 Details of Certification Assessment Scope and Certification Recommendation:

BSI Services Malaysia Sdn Bhd has conducted the **Initial Assessment** Certification Assessment of **United Plantation Berhad-UIE POM** located in **Pantai Remis, Perak** comprising **1 Mill and 1 Estate** and infrastructure.

The assessment was conducted onsite to assess the compliance of the certification unit against the **MS 2530-3:2013 Part 3: General principles for oil palm plantations and organized smallholder** and **MS 2530-4:2013 Part 4: General principles for palm oil mills**.

The onsite assessment was conducted on **20 & 21/06/2018**.

Based on the assessment result, **United Plantation Berhad - UIEPOM** complies with the **MS 2530-3:2013 Part 3: General principles for oil palm plantations and organized smallholder** and **MS 2530-4:2013 Part 4: General principles for palm oil mills** and recommended for certification.

Section 2: Assessment Process

Certification Body:

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

Assessment Methodology, Programme, Site Visits

This on-site assessment was conducted from **20 & 22/06/2018**. The audit programme is included as Appendix A. The approach to the audit was to treat the *mill or plantations* as a MSPO Certification Unit. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HBVs, declared conservation areas and local communities. Prior to audit conducted, public consultation was made on 23/5/2018 – 23/6/2018; refer to https://www.bsigroup.com/globalassets/localfiles/en-my/mspo/Public%20Notification/2018/mspo-stakeholder-letter_up_uie_english.pdf

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

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

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

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

MSPO Public Summary Report
Revision 0 (Aug 2017)

All the previous nonconformities are remains closed. The assessment findings for the initial assessment are detailed in Section 4.2.

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

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

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

1. Assessment Program					
Name (Mill / Plantation / Group smallholders)	Year 1 (Certification)	Year 2 (ASA 1)	Year 3 (ASA 2)	Year 4 (ASA 3)	Year 5 (ASA 4)
UIE POM	√	√	√	√	√
UIE Estate	√	√	√	√	√

Tentative Date of Next Visit: June 27, 2019 – June 28, 2019

Total No. of Mandays: 4 mandays

BSI Assessment Team:

Mohamed Hidhir Zainal Abidin-Lead Auditor

He holds Bachelor Degree in Chemical Engineering, graduated from National University of Malaysia on 2006. He has 7 years working experience in palm oil industry specifically on palm oil milling for 5 years. He also has the experiences as auditor for several standards including ISO 9001, ISO 14001, OHSAS 18001, MSPO and RSPO in his previous certification body. He completed the ISO 9001 Lead Auditor Course, ISO 14001 Lead Auditor Course and OHSAS 18001 Lead Auditor Course in 2012, Endorsed RSPO P&C Lead Auditor Course in 2013, MSPO Awareness Training in 2014 and Endorsed RSPO SCCS Lead Auditor Course in 2015. He had been involved in RSPO auditing since May 2012 in more than various companies in Malaysia. Recently, he is involved on the aspects of legal, mill best practices, safety and health, environmental and supply chain for palm oil mill during RSPO assessment.

Elzy Ovktafia - Team Member

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

Accompanying Persons: -

Section 3: Assessment Findings

3.1 Details of audit results

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

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

3.2 Details of Nonconformities and Opportunity for improvement

The nonconformity is listed below.

During the Initial Certification Assessment there was 1 (one) Major nonconformity raised. The United Plantation Berhad - UIE POM Certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted. The implementation of the corrective action plans to address the minor nonconformity will be followed up during the next surveillance assessment. The implementation of the Corrective Actions for the Major Nonconformity(ies) has been verified for its effectiveness and closed accordingly.

Major Nonconformities:		
Ref	Area/Process	Clause
1648218-201804-M1	UIE POM and supply base (part 4 and part 3)	MS 2530:2013 Part-4 Clause 4.3.1.1
Requirements:	All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.	
Statement of Nonconformity:	Compliance to the EMPLOYMENT ACT 1955 is not effectively implemented.	
Objective Evidence:	UIE POM 2 female employees with ID: 415066 and 404125 have worked for night shift (after 10 pm) as per pay slip for Dec'17, Feb'18 and May'18 but there is no approval from Jabatan Tenaga Kerja as per Act 265 EMPLOYMENT ACT 1955, PART VIII, EMPLOYMENT OF WOMEN, Prohibition of night work: 34. (1) Except in accordance with regulations made under this Act or any exemption granted under the proviso to this subsection no employer shall require any female employee to work in any industrial or agricultural undertaking between the hours of ten o'clock in the evening and five o'clock in the morning nor commence work for the day without having had a period of eleven consecutive hours free from such work: Provided that the Director General may, on application made to him in any particular case, exempt in writing any female employee or class of female employees from any restriction in this subsection, subject to any conditions he may impose.	

MSP0 Public Summary Report
Revision 0 (Aug 2017)

Corrections:	<p>i) Management will develop a comprehensive LRR for all applicable laws with a column to indicate for person in-charge and to ensure that the fine lines in the laws are complied.</p> <p>ii) Application has been made and submitted to Labour Department on 23rd June 2018 and awaiting their formal approval.</p>
Correction Action Plan:	<p>i) A training session will be conducted for the respective person in-charge of the various LRR.</p> <p>ii) Management have identified all business units under United Plantations Berhad which employed female workers who work in between 10pm to 5am. Besides UIE POM, Ulu Bernam Optimill and Bernam River Ulu Group Hospital (BRUGH) also employed female workers who serve between 10pm to 5am. Therefore, the application has been submitted to ensure all of our business units comply with the above regulations.</p>
Assessment Conclusion:	<p>Major NC evidence verification:</p> <p>i) Training records on PIC of LRR. PIC were interviewed and able to demonstrate the understanding of the legal requirements in their LRR which includes the basis of status of compliance evaluated – sampled EQA & Employment Act.</p> <p>ii) Approval letter for working at night from Labour Department, Putrajaya dated 15/7/2018</p> <p>Evidence reviewed was found to be sufficient and effective to close the major NC. Thus, the NCR is closed on 3/8/18. Continuous implementation will be further verified in the next audit.</p>

Noteworthy Positive Comments	
1	GHG reduction and maxing the use of renewable energy – methane capture and biogas engine operation under Feed in Tariff (FIT) [reduction of GWP from 21 (CH ₄) to 1 (CO ₂)]
2	Alternative for reduction of fossil fuel consumption - 2000++ Ha using buffalo infield collection (BIC)
3	
4	
5	

3.3 Status of Nonconformities Previously Identified and OFI

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

3.4 Issues Raised by Stakeholders

IS #	Description
1	Issues: Contractors – They have signed on the agreement prior to work and understood the terms and conditions. They informed that the payment was made promptly and have good relationship with the managements.
	Management Responses: The management will continue to maintain good relationship with the contractors and ensure the payment will be made promptly.
	Audit Team Findings: No other issue.
2	Issues: Local Communities (Kg. Sg. Batu & Kg. 40 Rantai) – They have good relationship with the management and boundaries were clearly demarcated with trenches and boundary stones. Therefore, no land encroachment by the management has been reported.
	Management Responses: The management will ensure that no land encroachment by the company to the neighbouring villages’ land.
	Audit Team Findings: No other issue.
3	Issues: Gender Committee Representatives – They informed that no discrimination occurred and were treated equally by the management. They have monitored if there is any case of sexual harassment or violence reported. So far, there was no sexual harassment or violence case reported.
	Management Responses: The management will continue to monitor if there is any case reported and rectify immediately.
	Audit Team Findings: No further issue.
4	Issues: Workers’ Representative (Nepal, Indonesia, India, Bangladesh, Malaysia) – They informed that they were paid according to Minimum Wage Order 2016. Induction training was provided during their arrival to the work stations. They are allowed to move freely without any restrictions. They were treated fairly without any discrimination.
	Management Responses: The management will continue to ensure the wages of the workers are paid according to the legal requirements and treat all the workers equally as per the Human Rights Policy.
	Audit Team Findings: No other issue.

3.5 Summary of the Nonconformities and Status

CAR Ref.	CLASS	ISSUED	STATUS
1648218-201804-M1 – Part 4 – 4.4.1.1	Major	21/06/2018	Closed out on 3/8/18

3.6 Summary of the findings by Principles and Criteria

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

Criterion / Indicator	Assessment Findings	Compliance	
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	Policy for the implementation of MSPO shall be established. - Major compliance -	United Plantation Berhad has established MSPO policy which signed by Chief Executive Director, Dato’ Carl Bek-Nielsen effective date 29 th March 2018	Complied
4.1.1.2	The policy shall also emphasize on the commitment to continual improvement with the objective of improving the milling operation. - Major compliance -	The established policy has emphasized on the commitment for key legal, social and environmental consideration with the objective of improving the milling and estate operation. The policy has include these elements of: i)Management commitment and responsibility ii)Transparency iii)Compliance to legal requirements iv)Social responsibility, health, safety and employment condition v) Environment, natural resources, biodiversity and ecosystem services vi)Best practices vii)Development of new planting	Complied
Criterion 4.1.2 – Internal Audit			
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - Major compliance -	Internal audit process is documented under Internal Audit Procedure, dated 27/2/17. Annual audit schedule for 2018 was made available for review. The first MSPO internal audit was carried out on 7 th May 2018 by pool of trained internal audit from HREHS department. Cross department/mill audit was demonstrated to ensure impartiality of audit.	Complied
4.1.2.2	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order	Internal audit procedure, dated 27/2/17 established and used as reference for audit process. Audit results documented under internal audit summary dated 7/5/18. 16 CARs were raised. All the action plans were submitted to Group Manager HR ESH for closure. The CARs were closed on 12/6/2018.	Complied

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
	to implement the necessary corrective action. - Major compliance -		
4.1.2.3	Reports shall be made available to the management for their review. - Major compliance -	Internal audit report and verification report dated 17/5/18 and 12/6/18 were made available to the management for review	Complied
Criterion 4.1.3 – Management Review			
4.1.3.1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification. - Major compliance -	UPB is RSPO certified. The last management review was conducted on 18/06/2018. The management review had included internal and external sustainable palm oil audit results review. The status of the correction and preventive actions are being discuss and reviewed.	Complied
Criterion 4.1.4 – Continual Improvement			
4.1.4.1	The action plan for continual improvement shall be based on a consideration of the main social and environmental impact and opportunities for the company. - Major compliance -	The continual improvement plan was established based on 5 major components: A) RECYCLING OF WASTE / WASTE MANAGEMENT 1. Zero Burn Replanting Policy 2. Empty Fruit Bunch Use by Estates 3. POME USE – by the Estate 4. Empty Fertilizer Bags Utilization 5. Scrap Metal Sold – UIE Estates 6. Spent Batteries/Dispatches to Waste Manager 7. Spent Lubricants/Dispatches to Waste Manager 8. Spent Fuel Filters/Dispatched to Waste Manager 9. Triple Rinse Pesticide Containers sent to Waste Manager 10. Clinical and Domestic Waste Disposal B) POLLUTION PREVENTION/REDUCTION 1. Tractor Utilization 2. Buffalo Use for Infield Fresh Fruit Collection 3. Petrol Use by Estate & Petrol Use by Oil Mill	Complied

MSP0 Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator	Assessment Findings	Compliance
	<ul style="list-style-type: none"> 4. Diesel Use by Estate & Diesel Use by Oil Mill 5. Water Use for Oil Mill 6. Biogas Plant (Eng. Dept.) 7. BOD (Final discharge at Effluent Ponds) 8. Mill Dust Emissions 9. Biogas Plant & Methane Gas Captured (Mill) 10. Biogas to Grid Project C) REDUCTION OF CHEMICAL USE <ul style="list-style-type: none"> 1. Reduction in Chemical Use: Immature Oil Palm 2. Reduction in Chemical Use: Mature Oil Palm 3. Reduction in use of Monocrotophos 4. More Pheromone Traps 5. Field Paths/Roads Mowing (rentices) & 6. Prevention of Soil Erosion by Grass Cutting 7. Integrated Pest Management/Beneficial Plants 8. Barn Owls 9. Barn Owl Box Occupancy Rate 10. Rodenticide Use D) OCCUPATIONAL SAFETY AND HEALTH <ul style="list-style-type: none"> 1. OSHA Safety Performance – UIE Estates 2. OSHA Committee Meeting 3. SOP and HIRARC Training 4. Product Training by Suppliers 5. Fire Drills & First Aid Trainings 6. Usage of PPE at work place E) SOCIAL IMPACTS <ul style="list-style-type: none"> 1. Existing Amenities & New Guest Workers Quarters 2. Fruit Trees Planted 3. Domestic Water Use 4. Mini Market and Canteen 5. Places of Worship 6. New School Bus 7. Automatic Teller Machine (ATM) 8. Clinic & New Ambulance 9. Washing Bay 10. Security Guards 11. Various Social Activities held 12. Induction Course for Newly Arrived Workers 13. Guest Workers Welfare Committee Meeting 	

Criterion / Indicator		Assessment Findings	Compliance
		14. Stakeholders Meeting 15. Gender Committee Meeting	
4.1.4.2	The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce. - Major compliance -	Provisions were made in the annual and forecast business plans / budgets for the necessary resources including training, to implement the new techniques. Upgrading of boiler no 3 casing and refractory is due to new Clean Air Regulation 2014 compliance by June 2019.	Complied
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
4.2.1.1	The management shall communicate adequate information to other stakeholder on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms. - Major compliance -	The Standard Operation Procedure documented the process for Procedure for both External & Internal Stakeholders. There is also Grievance Redressal procedure which has steps to be followed to solve issues raised by workers. The time frame to provide feedback to the stakeholder is documented to be total of 24 days for internal and 30 days for external complaint. The officer-in-charge for estate is Mr K.T Somasegaran as per appointment letter dated 29.03.2018 whom is responsible to commit and implement the sustainability concepts outline in RSPO, RSPO NEXT and MSPO P&Cs.	Complied
4.2.1.2	The management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes. - Major compliance -	United Plantation continued to use the group website for disseminating public information. The Sustainability Report and Group Annual report is available in website. Information relating to land titles, safety and health plans, pollution prevention plans, and annual report are available at the mill. In addition to the website, the policies were also displayed at various locations including the main notice boards of the estates, mill offices and muster ground notice boards for employees and visitors to view. Procedure for complaints and grievances were available through UP website and medium used are via suggestion box in office or write in to UP head office.	Complied

Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.2.2 – Transparent method of communication and consultation			
4.2.2.1	Procedures shall be established for consultation and communication with the relevant stakeholders. - Major compliance -	The Standard Operation Procedure documented the process for Procedure for both External & Internal Stakeholders. There is also Grievance Redressal procedure which has steps to be followed to solve issues raised by workers.	Complied
4.2.2.2	The management shall nominate management officials at the operating unit responsible for issues related to <i>indicator 1</i> . - Minor compliance -	The officer-in-charge for estate is Mr K.T Somasegaran as per appointment letter dated 29.03.2018 whom is responsible to commit and implement the sustainability concepts outline in RSPO, RSPO NEXT and MSPO P&Cs.	Complied
4.2.2.3	A list of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders shall be properly maintained. - Major compliance -	Stakeholder’s list for both UIE POM and UIE Estate including all the internal and external party such as OSHA committee, Gender Committee, Temple Committee, Statutory Bodies, Penghulu & Ketua Kampung, Local Bankers and others as updated on 07.05.2018.	Complied
Criterion 4.2.3 – Traceability			
4.2.3.1	The management shall commit itself to implement and maintain the requirements for the traceability and shall establish a standard operation procedure for traceability. - Major compliance -	SOP for Traceability rev;0 dated 17/4/18 describes the procedure for monitoring and to ensure accuracy of sustainable and non-sustainable receipts, dispatches and stock balance to conform to the requirement of MSPO. These includes both millers and growers traceability ID/label for locomotives: <ul style="list-style-type: none"> a. Date of harvest b. Gang number c. Field number Delivery order (DO) indicated the details of: <ul style="list-style-type: none"> a. Cages number b. DO number c. Buyer/recipient d. Date e. Field number f. RSPO certificate number The traceability procedure has covered the procedure for external supplier which including	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>the pre and post traceability. Certified FFB (coming from own estates) will carry the ID of certified crop. UIE POM received only own group estate's FFB</p> <p>The weighbridge ticket will be issued during the delivery of FFB from the estate to mill as well as delivery of CPO and PK from mill to refinery.</p>	
4.2.3.2	<p>The management shall conduct regular inspections on compliance with the established traceability system.</p> <p>- Major compliance -</p>	<p>Daily production report and sales & stock movement (MT) are available until to date June 2018. The mass balance sheet template was used to monitor incoming and outgoing of FFB and palm product (CPO and PK).</p> <p>Person in charge of traceability is the Deputy Group Manager, Mr K.T Somasegaran. Refer to appointment letter dated 29/3/18 signed by UPB Chief Executive Director, Dato' Carl Bek-Neilsen.</p>	Complied
4.2.3.3	<p>The management shall identified and assign suitable employees to implement and maintain traceability system.</p> <p>- Minor compliance -</p>	<p>Mr Mr K.T Somasegaran has been appointed in charge of traceability. Refer to appointment letter dated 29/3/18</p>	Complied
4.2.3.4	<p>Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained.</p> <p>- Major compliance -</p>	<p>Records of storage, sales, delivery or transportation of crude palm oil and palm kernel were maintained at the mill.</p> <p>Example of records evidence are as below:</p> <p>a. Daily production Record dated 19 June 2018 sampled:</p> <ul style="list-style-type: none"> i. FFB Received own crop and from outsider (3rd party supplier) ii. FFB Processed iii. CPO Produced iv. PK Produced v. OER vi. KER 	Complied
4.3 Principle 3: Compliance to legal requirements			
Criterion 4.3.1 – Regulatory requirements			
4.3.1.1	<p>All operations shall be in compliance with applicable</p>	<p>UIE POM has continued to comply with local, state, national and ratified international laws and regulations. Related permits and licences</p>	Major nonconformance

MSP0 Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator	Assessment Findings	Compliance
<p>local, state, national and ratified international laws and regulations.</p> <p>- Major compliance -</p>	<p>were made available and valid as the time of assessment. Sampled of licenses and permit checked:</p> <p>i)MPOB license: 500124504000 valid until 31/1/19</p> <p>ii)Diesel and petrol license: reference number, MJG/SK/D/04, serial number: A 030563</p> <p>petrol - 16,000 liter, diesel – 50,000 liter valid until 30/6/17</p> <p>iii) DOE license, reference number: AS(B) A91/110/616/050, license number: 004239 valid until 30/6/18 processing capacity: 60 mt/hr, discharge method: land application, BOD5 limit: 5000 mg/l</p> <p>iv) Energy commission license, Form F, serial number: 24015 , license number: 2017/02705 for 2980 kW valid until 20/10/18</p> <p>v) Steam boiler and Unfired Pressure Vessel Certificate of Fitness. Last mill inspection was carried out on 16/10/17.</p> <p>PMD3870 – steam boiler valid until 15/1/19</p> <p>PMD3869 – steam boiler valid until 12/9/18</p> <p>PMA35014 – overhead crane valid until 15/1/19</p> <p>PMA35015 – overhead crane valid until 15/1/19</p> <p>PK PMT4586 – sterilizer valid until 15/1/19</p> <p>PK PMT 6255 – sterilizer valid until 15/1/19</p> <p>Scheduled waste competent person CePSWaM – Mohd Azmir Mohd Sahar, competency cert. # CePSWaM/14807, validity 2/3/2015-1/3/16 – already attended for interview with DOE in 6 Dec 2017 and submitted thesis and now waiting for panel’s decision and eventually obtaining the competency card.</p> <p>United Plantations Berhad has obtained permit for deduction of salary from Jabatan Tenaga Kerja Semenanjung Malaysia with reference (6)dlm BHG PU/9/129 dated 1/6/2012. The management are allowed to make deduction not more than 50% from the monthly wage</p>	

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
		<p>from the workers.</p> <p>However, there is 2 female employee ID: 415066 and 404125 have worked for night shift (after 10 pm) as per pay slip for Dec'17, Feb'18 and May'18 and there is no approval from Jabatan Tenaga Kerja as per required with Act 265 EMPLOYMENT ACT 1955, PART VIII, EMPLOYMENT OF WOMEN, Prohibition of night work. Thus a major NC was raised.</p>	
4.3.1.2	<p>The management shall list all relevant laws related to their operations in a legal requirements register.</p> <p>- Major compliance -</p>	<p>UIE POM continued to implement and maintain their established documented system for identifying, accessing, tracking updates and monitoring of compliance with the legal requirements that are applicable to the CU's operation. Each office of the operating unit (mill and estate) has its own legal requirements register (LRR) and were being evaluated individually from time to time for compliance mainly through internal audit. Among the applicable legal laws registered are EQA, OSHA, Factory & Machinery Act, Employment Act, Workers' Minimum Standard of Housing and Amenities Act, to name a few.</p>	Complied
4.3.1.3	<p>The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.</p> <p>- Major compliance -</p>	<p>UIE POM has various mechanisms to ensure the legal requirements are complied with. In LRR format there is a column to report the status of compliance which was utilised to report the compliance status of all the applicable legal requirements. Other information available in the format was document/action plan needed, PIC and frequency of monitoring. On top of that, there was a list of licenses which have the information about type of license, expiry date and validity period</p>	Complied
4.3.1.4	<p>The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements.</p> <p>- Minor compliance -</p>	<p>The Company Secretary [Mr. Eng Ho (HQ)] is given the responsibility to track and update any changes in the law. Among the method or platforms used for tracking are:</p> <ul style="list-style-type: none"> • Internet subscription such as Lawnet.com • News and announcement from statutory bodies and government departments such as SOCSO, EPF, etc. • Participation of associations and seminars such as Malayan Agricultural Producers Association (MAPA), Malaysian Palm Oil Association (MPOA) <p>Ever since the last assessment, among the new updates registered were:</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		- 0% GST - Employment Insurance System Bill 2017	
Criterion 4.3.2 – Lands use rights			
4.3.2.1	The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users. - Major compliance -	The land title, Grant number, No H.S.(D): 21320 for area of 3845 Ha, registered to United Plantation Bhd on 24/12/04 where UIE POM is included in this area with estate. The usage of land is for Commodity Crop-Oil Palm. The land was granted by Kanun Tanah Negara. Sampled one of the quit rent for this portion was made on 31.10.2017 to the Land Authority of Perak State amounted RM 336,438.00.	Complied
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land. - Major compliance -	Refer to 4.3.2.1 The perimeter survey map of the land portion is provided together with the land title and verified by Supian bin Manap, Penolong Pentadbir Tanah Manjung. The map is provided with the coordinated demarcation.	Complied
4.3.2.3	Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance -	The map of the land portion is provided together with the land title. The map has provided the coordinated demarcation.	Complied
4.3.2.4	Where there are, or haven been disputes, documented proof of legal acquisition of land and fair compensation that have been or are being made to previous owners and occupants; shall made available and that these should have been accepted with free prior informed consent (FPIC). - Minor compliance -	There is no land dispute recorded. This was verified with stakeholders' consultation. In order to deal with future arising land dispute (if applicable), the Standard Operating Procedure for Land Dispute Settlement as per Free Prior & Informed Consent (FPIC) – RSPO Principles is documented the process in handling land dispute settlement.	Complied
Criterion 4.3.3 – Customary rights			
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are	There is no customary land for the portion of land.	N/A

MSP0 Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
	understood and are not being threatened or reduced. - Major compliance -		
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available. - Minor compliance -	There is no customary land for the portion of land.	N/A
4.3.3.3	Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available. - Major compliance -	There is no customary land for the portion of land.	N/A
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones. - Minor compliance -	The Social Risk Assessment (SRA), Action Plan (SAP) & Review Plan (SRP) 2018, was conducted for UJE Mill & Estate internally and annually by the Internal Management involving all stakeholders. The latest SIA was conducted in 7 th May 2018. Key areas identified in the SIA was particularly on operation (nursery, replanting, weeding, pruning, guest workers and others). The recommendation from the SIA report was transferred to action plan (Social) 2018. The action plan identified the issues & strategies, action plan, responsible person and time frame.	Complied
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	A system for dealing with complaints and grievances shall be established and documented. - Major compliance -	The Standard Operation Procedure documented the process for Procedure for both External & Internal Stakeholders.	Complied
4.4.2.2	The system shall be able to resolve dispute in an effective, timely and appropriate manner, which is accepted by all parties. - Major compliance -	Sighted the Registry of Complaints book recording all the feedback and request from stakeholders, together with its completion date. Also, for external stakeholders, request or feedback to be made directly to the main office through verbal and letter. Example: Permohonan Dana dan Sumbangan Kewangan untuk SRAR on 02.05.18 amounted	Complied

Criterion / Indicator		Assessment Findings	Compliance
		RM 300 was approved.	
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints. - Minor compliance -	The Registry of Complaints book is made available in the Mill & Estate office. In case the complainant would want to make an anonymity, they can email to the company secretary. This information is available in United Plantation Website and suggestion box in mill office.	Complied
4.4.2.4	Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time. - Minor compliance -	Interview conducted with workers to confirm their understanding of the complaint and grievance process. There is no critical grievance recorded for the pass one year. Only request for maintenance and house repairs are made by workers.	Complied
4.4.2.5	Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request. - Major compliance -	Seen the complaint recorded since 2011 in Registry of Complaints book and stakeholders request available during audit.	Complied
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	Palm oil miller should contribute to local development in consultation with the local communities. Where the mill is an integral part of plantation, such contribution to local community development may be regarded as a joint effort by the mill and the plantation. - Minor compliance -	Mill management have made contribution to the internal and external stakeholders. As seen in Annual Report 2017 book, for the whole group, United Plantation has the actual amount as below: <ol style="list-style-type: none"> 1. RM 2,400,609 for Hospital & Medicine for Employees, Dependents & Nearby Communities. 2. RM 6,195,586 for Provision of Social Amenities 3. RM 11,879,818 for Employee Housing Example: Permohonan Dana dan Sumbangan Kewangan untuk SRAR on 02.05.18 amounted RM 300 was approved. There was the approved application for industrial training for Yemanathan on 1 st June 2018.	Complied
Criterion 4.4.4: Employees safety and health			
4.4.4.1	An occupational safety and health policy and plan which is	United Plantation Berhad has established Occupational, Safety & Health endorsed by Chief Executive Director, Dato' Carl Bek-	Complied

Criterion / Indicator	Assessment Findings	Compliance
<p>in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act 139) shall be documented, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>Nielson signed on 18/8/17. The OSH plan has developed and in-lined with company's policy and incorporated with the training plan and OSH compliance monitoring programme. Among OSH plan implemented for 2017-2018:</p> <p>i) LEV testing and monitoring Annual LEV monitoring was carried out on 23/3/18 by registered industrial hygiene technician 2, JKPP HIE 127/171-3/2(96). The system installed at laboratory was not complying with ACGIH and USECHH Regulation 2000 requirements on ducting velocity. UIE POM is the process of rectifying the issue and will be further verified in the next audit</p> <p>ii)Audiometric Testing The latest audiometric testing was carried out on 7/2/18 for total of 169 workers for UIE POM. Report, MURNI/0217/2661 dated 22/5/18 was verified. Total of 7 workers reported with hearing impairment. Further check with ENT doctor was done on 14/6/18. No permanent threshold shift reported or noise induced hearing loss reported.</p> <p>iii)Confined Space Entry Programme Sample activity – despatch tank no.1 cleaning dated 14/6/17. Gas testing results recorded by AGT (NW-AGT-PNG-R-0041-C), license valid until 24/2/18.</p> <p>iv) Personal Chemical Exposure Monitoring The latest test was last carried out on 8/5/18 for n-Hexane and Calcium Carbonate exposure. Based on the results, Permissible Exposure Limit (PEL) for the above chemical is below the limit as stipulated under USECHH Regulation 2000.</p>	
<p>4.4.4.2</p> <p>The occupational safety and health plan should cover the following:</p> <p>a) A safety and health policy, which is communicated and implemented.</p> <p>b) The risk of all operations shall be assessed and documented.</p> <p>c) An awareness and training programme which includes</p>	<p>United Plantation Berhad has safety and health policy that has been communicated to the staff and workers. Multi-lingual policy (English, Bahasa, Bengali, Hindi and Nepal) was posted at pertinent location in the mill compound. On site supervisors and estate assistant managers ensure the implementation of it.</p> <p>Risk of all operation documented under HIRARC register. Risk identified according to each station/activities at POM such as sterilizer bay, press station (screw press operation,</p>	<p>Complied</p>

MSP0 Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator	Assessment Findings	Compliance
	<p>the following requirements for employees exposed to chemicals used at the palm oil mill:</p> <ul style="list-style-type: none"> i. All employees involved are adequately trained on safe working practices; ii. All precautions attached to products should be properly observed and applied; <p>d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</p> <p>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust shall have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall</p>	

digestor and etc), oil clarification, workshop, laboratory and etc. Other auxiliary operation like biogas plant has been identified as well. Latest review of HIRARC was done 29/5/17 for the latest accident involved at marshalling yard/cages handling. In addition to specific training courses, safety briefings are given during muster to reinforce awareness such as correct wearing of PPE.

On top of the HIRARC, CHRA was last revisited on January 2015 by registered DOSH assessor, JKPP IH 127/171-2(1). 5 work units were assessed; lab quality control, kernel plant, boiler water treatment, mill machinery/power generation and workshop/mill vehicles. .

Chemical register dated 10 May 2018 was sighted. Schedule 2 chemical was used at mill's laboratory (Hexane) for extraction process. SDS are available at the store in Dual-language (Bahasa Malaysia and English).

Records were available of PPE issued to individual workers and contractors, including signatures to confirm receipt. PPE standard is based on CHRA assessor's recommendation, SOP and HIRARC as per the following:

Activity/work unit	PPE recommendation
Sterilizer/Marshalling yard/Capstan Line	Safety boots Safety helmet Reflective vest Hand glove Ear plugs
Boiler	Safety boots Safety helmet Reflective vest Hand glove
Workshop	Safety boots Safety helmet Hand protection Safety harness

Criterion / Indicator		Assessment Findings	Compliance						
	<p>conduct regular two-way communication with their employees where issues that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meeting shall be kept and the concerns of employees and any remedial actions taken shall be recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid shall be present at all mill operations. First Aid equipment should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<p><u>UIE POM</u></p> <p>Medical surveillance was last done for workers from laboratory and kernel plant operation. The last medical surveillance was carried out on 9/2/18 by OHD; HQ/14/DOC/00/1380 under "Kumpulan Poliklinik Manjung Sdn Bhd". Result of the Medical Examinations found to be normal without any health detrimental issues.</p> <p>At UIE POM, there is a designated OSH Coordinator who is responsible for organising safety training, meetings and investigation and reporting of accidents and Incidents. The OSH meeting was carried out on 30/5/18.</p> <p>Workplace inspection and line site inspection will be carried out prior to SHC meeting. Records were available confirming that quarterly OSH meetings had been held at the estate. Accident reported to DOSH using JKKP 6 form. Refer to report dated 16/5/17. Date of report 20/5/17 - chain handler caught in between (14 days MC)</p> <p>Accident and emergency procedures had been written and briefed to staff, workers, contractors and visitors. Emergency Response Team incorporated under OSH organization chart for 2018. ERT Training schedule 2018 sighted. Workers trained in firefighting, rescue method and prepared for the any unforeseen circumstances. Latest fire drill was carried out on 13/3/18 at UIE POM.</p> <p>All accidents are investigated and reported to Head Office and well as DOSH. Accident statistics for UIE POM per the following:</p> <table border="1"> <thead> <tr> <th>Calender Year</th> <th>UIE POM</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>1 case (14 LTI)</td> </tr> <tr> <td>2018 to date</td> <td>0 case</td> </tr> </tbody> </table>	Calender Year	UIE POM	2017	1 case (14 LTI)	2018 to date	0 case	
Calender Year	UIE POM								
2017	1 case (14 LTI)								
2018 to date	0 case								
Criterion 4.4.5: Employment conditions									
4.4.5.1	<p>The management shall establish a policy on good social practice regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and communicated to the</p>	<p>UIE POM implemented their Human Rights Policy, signed by Dato' Carl Bek-Nielsen on 18.8.17. The management is treated the workers with respect and dignity. Awareness training on human rights policy has been conducted on 18/05/2018 to all workers.</p>	Complied						

MSP0 Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
	employees. - Major compliance -		
4.4.5.2	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. - Major compliance -	Migrant workers are recruited with 3 years contract except for Indonesian workers where the contract is for 2 years. Local workers are on a long term employment. No any kind of discrimination was noted. Job opportunities and amenities such as free housing, water and electric supplier (connect to national water and electricity supply) and medical care are given to all employees without discrimination.	Complied
4.4.5.3	Management shall ensure that employees' pay and conditions meet legal or industry minimum standards as per Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage. - Major compliance -	All the workers are under direct employment. The payslip has included basic income, allowance pay, working days, medical leave, and deduction of salary and others as per employment contract. The payroll for the following sampled workers for December 2017, February 2018 and May 2018 were verified to be consistent with the Minimum Wages Order 2016. Sampled workers seen as below: a. Mill worker ID (Malaysian): 404125 b. Mill worker ID (Nepalese): 414957 c. Mill worker ID (Indonesian): 415066 d. Mill worker ID (Bangladesh): 309062 There was no records or complaint observed during the interview with workers. All the sampled workers for direct employment and contract workers were achieved the minimum wage accordance to Minimum Wage Order 2016 which achieved RM 920/ month or RM 35.38/day.	Complied
4.4.5.4	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. - Minor compliance -	There are contract workers in the mill for new boiler. Sampled below contractors and their worker's pay slip for Hia Union Engineering Sdn Bhd are comply with the Minimum Wages 2016: 1. Name: Duhaylungsod Eric Lunas, salary RM 1790 (30.4.18) and RM 2217.00 (31.1.18). Name: Mindoro Romeo Jr. Lumosad, salary RM	Complied

Criterion / Indicator		Assessment Findings	Compliance
		1590 (30.4.18) and RM 2217.00 (31.1.18).	
4.4.5.5	<p>The management shall establish records that provide an accurate overview of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p>	<p>The workers master list was reviewed. The list includes date of birth, date joined, gender etc.</p>	Complied
4.4.5.6	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract shall be made available for each and every employee indicated in the employment records.</p> <p>- Major compliance -</p>	<p>The following contracts has been verified to confirm that workers have binding working agreement with the company:</p> <ul style="list-style-type: none"> a. Mill worker ID (Malaysian): 404125 b. Mill worker ID (Nepalese): 414957 c. Mill worker ID (Indonesian): 415066 d. Mill worker ID (Bangladesh): 309062 <p>Interview with the workers confirms that they have a copy of the employment contract and they understood the conditions stated in the contract.</p>	Complied
4.4.5.7	<p>The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers.</p> <p>- Major compliance -</p>	<p>There is thumb print system & face recognition for UIE POM to records the accurate working hours and overtime and recorded in UIE TMS Master Report.</p> <p>Sighted the overtime and working hours:</p> <ul style="list-style-type: none"> a. Mill worker ID (Malaysian): 404125 b. Mill worker ID (Nepalese): 414957 c. Mill worker ID (Indonesian): 415066 d. Mill worker ID (Bangladesh): 309062 <p>The terms of employment is as per MAPA/NUPW.</p>	Complied
4.4.5.8	<p>The working hours and breaks of the individual worker indicated in the time records shall comply with legal</p>	<p>There is thumb print system & face recognition for UIE POM to records the accurate working hours and overtime and recorded in UIE TMS Master Report.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	<p>regulations and collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirements applicable.</p> <p>- Major compliance -</p>	<p>In case the worker is on leave or absence, it is recorded in the same system.</p>	
4.4.5.9	<p>Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.</p> <p>- Major compliance -</p>	<p>The payslip and the inputs were reviewed to confirm the wages and overtime is in line with legal requirements of Employment Act 1955 and worker's employment contract.</p>	Complied
4.4.5.10	<p>Other forms of social benefits should be offered by the employer to employees, their families or community such as incentives for good work performance, bonus payment, support of professional development, medical care provisions and improvement of social surroundings.</p> <p>- Minor compliance -</p>	<p>The company provides free medical benefit to workers dependent at the estates clinics.</p>	Complied
4.4.5.11	<p>In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities.</p> <p>- Major compliance -</p>	<p>The basic amenities and facilities at the quarters provided by the company to its workers includes electricity, water and domestic waste disposal. Electricity and water is provided by government. Usage of electricity and water given with subsidize rate for the workers contract.</p> <p>During the linesite visit, it was observed that the housing are in good conditions. For local workers with family, each will be given a house while for foreign workers for single workers, it will be given shared house of 6 person with 3 bedroom each per house.</p>	Complied
4.4.5.12	<p>The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace.</p> <p>- Major compliance -</p>	<p>Gender Policy signed by Dato Carl Bek-Nielsen, dated 24.4.15 mentioned that the company endeavour to prevent sexual harassment and all other forms of violence against women and workers in the workplace or in the course of an employee's work.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.4.5.13	<p>The management shall respect the right of all employees to form and join trade union and allow workers' own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. Employees shall be given freedom to join trade unions relevant to the industry or organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p>- Major compliance -</p>	<p>During the interview with workers, there are no evidence received that there are restriction from the company to allow workers to join trade union. The workers have their freedom to join the NUPW/MAPA union but in UIE, the workers has form internal worker's union.</p> <p>The latest minutes of meeting of guest workers committee (W3/2018) sighted dated 30.05.18 and attended by 14 workers).</p>	Complied
4.4.5.14	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation.</p> <p>- Major compliance -</p>	<p>The Human Rights Policy was established since 23 March 2013 signed by Dato Carl Bek-Nielsen. The Policy covers the commitment to not condone forced labour or child labour who under 16 years old.</p>	Complied
Criterion 4.4.6: Training and competency			
4.4.6.1	<p>All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training.</p> <p>- Major compliance -</p>	<p>Records showed that all employees had been appropriately trained. A Formal training program for the year 2018 was available and implemented. Regular assessment of training conducted to ensure understanding among the employees. The training program included all aspects of RSPO Principles and Criteria, RSPO Supply Chain and MSPO standards.</p> <p>The various trainings conducted and the training records maintained to be acceptable. Some of the trainings verified:</p> <p>i) Confined Space Training – 25/2/18</p> <p>ii) Fire Drill and Fire Extinguisher Training –</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		13/3/18 iii) HIRARC and marshalling yard and sterilizer – 26/3/18 iv) CPR and First Aid Training – 17/5/18	
4.4.6.2	Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description. - Major compliance -	Training needs of individual employees had been identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.	Complied
4.4.6.3	A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure. - Minor compliance -	It was evident that from the training matrix for 2017/2018 and training records for 2017/2018 that all trainings had been planned and implemented to ensure that all employees are well trained in their job function and responsibility.	Complied
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Criterion 4.5.1: Environmental Management Plan			
4.5.1.1	An environmental policy and management plan shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented. - Major compliance -	United Plantations Berhad (UPB) has established a public policy on environmental and biodiversity which incorporated the element of no deforestation. The latest version of policy dated 18 th August 2017 was signed by UPB's Chief Executive Director, Dato' Carl Bek-Nielsen..	Complied
4.5.1.2	The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations	Environmental Action Plan (EAP) is derived from Environmental Risk Assessment (ERA) which was last reviewed on 7/5/2018 for both estate and mill. There were 3 main criteria considered in the assessment i.e. severity, quantity/load, probability. From the assessment, the information about the level of environmental risks were then obtained and it was important to determine the Environmental Action Plan	Complied

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	(EAP). Verification of the assessment report showed that all activities in the mill and estate that could interact with the environment were assessed.	
4.5.1.3	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored. - Major compliance -	The mitigations measures were derived from ERA evaluation. Among the sampled activities to verify the methods of mitigation were: Biogas plant Method to reduce the level of impact: <ul style="list-style-type: none"> • Regular checking on critical parts such as pipe joint and pumps • Prompt action on leaking parts • Contained the effluent within plant area Effluent Treatment Plant (ETP) Methods to reduce the level of impact: <ul style="list-style-type: none"> • Regular desludging of effluent ponds and disposal to land application furrows • Operation of biogas plant 	Complied
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan. - Minor compliance -	The continual improvement plan towards recycling of waste was sighted. Among programme that has been implemented: <ol style="list-style-type: none"> 11. Zero Burn Replanting Policy 12. Empty Fruit Bunch Use by Estates 13. POME USE – by the Estate 14. Empty Fertilizer Bags Utilization 15. Scrap Metal Sold – UIE Estates 16. Spent Batteries/Dispatches to Waste Manager 17. Spent Lubricants/Dispatches to Waste Manager 18. Spent Fuel Filters/Dispatched to Waste Manager 19. Triple Rinse Pesticide Containers sent to Waste Manager 20. Clinical and Domestic Waste Disposal 	Complied
4.5.1.5	An awareness and training programme shall be established and implemented to ensure that employees understand the policy, objectives and management plans and are working towards achieving objectives. - Major compliance -	Formal training programs for 2017/2018 that covered aspects of the MSPO & RSPO requirements, with regular assessments of training needs were presented to auditors by both estates and mill. The training on RSPO & MSPO awareness included on the policy and objectives of the environmental management and improvement plans.	Complied
4.5.1.6	The management shall organize regular meetings	The latest Environmental Performance Committee Meeting (EPMC) was carried out on	Complied

Criterion / Indicator		Assessment Findings	Compliance
	<p>with workers where concerns of workers about the environmental quality are discussed.</p> <p>- Major compliance -</p>	<p>3/12/17. Environmental performance and compliance has been discussed in the meeting such as scheduled waste disposal, effluent results etc.</p>	
Criterion 4.5.2: Efficiency of energy use and use of renewable energy			
4.5.2.1	<p>Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity in the operations over the base period.</p> <p>- Major compliance -</p>	<p>Monthly record on energy consumption for both renewable and non-renewable sources were kept and documented. It is monitored to optimise use of renewable energy. Data is being compiled for comparison and control for future improvement.</p> <p>Diesel used was recorded at 540,807 Litres with average for 12.83 litre per CPO in 2017. Based on historical data for the past 10 years, generally the trend was seemed to be decending.</p>	Complied
4.5.2.2	<p>The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.</p> <p>- Major compliance -</p>	<p>Electricity generation was through steam turbine and boiler where Palm fibre and PK shells were used as renewable energy/fuel on a 70:30 ratio basis. Other electricity generation is coming from biogas plant operation. The biogas plant generates electricity to supply to the national grid has helped the UIE POM to improve the efficiency of fossil fuel consumption Monthly records of energy consumption of non-renewable and renewable fuel per metric tonne of palm product at the Mill were available.</p>	Complied
4.5.2.3	<p>The use of renewable energy should be applied where possible.</p> <p>- Minor compliance -</p>	<p>The use of renewable energy was from the methane capturing @ biogas plant. The biogas plant generates electricity to supply to the national grid has helped the UIE POM to improve the efficiency of fossil fuel consumption. Seen License (Pursuant to Section 9 of the Electricity Supply Act 1990) which is granted to United Plantation Bhd, License no.: LRE/12/1/6/272(BG), date of issuance 15/3/2016 and valid for sixteen (16) years i.e. 29/2/2016 (para 2, condition 5 of the license).</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance
Criterion 4.5.3: Waste management and disposal		
<p>4.5.3.1</p> <p>All waste products and sources of pollution shall be identified and documented.</p> <p>- Major compliance -</p>	<p>All waste and pollution are identified and documented under Types of Waste Products and Method of Disposal for 2018. The waste generated from the mill operations as shown below;</p> <p>Domestic waste – rubbish from the mill complex and employees quarters (disposed by estate management)</p> <p>Recycled waste – Fibre, palm kernel shell, boiler ash, scrap iron</p> <p>Scheduled waste – Spent IPA, hexane, filter, lubricants, hydraulic oil, grease, used batteries</p> <p>The source of mill pollution generated from the mill is the smoke from the boiler are monitored from the stack emission during the entire operations. These reports are reviewed by the mill and submitted to DOE</p>	<p>Complied</p>
<p>4.5.3.2</p> <p>A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measure for:</p> <p>a) Identifying and monitoring sources of waste and pollution.</p> <p>b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products.</p> <p>- Major compliance -</p>	<p>Waste management plan is documented in "Operational Plan to Avoid/Reduce Pollution". The document has the information about type of waste, source of waste, quantity generated/month and method of disposal. Among the wastes sampled for verification:</p> <p>Major ones for mill:</p> <ul style="list-style-type: none"> • fibre-ffb processing-3100 mt/mth-used for boiler fuel • shell- ffb processing-1550 mt/mth-used for boiler fuel • EFB- ffb processing-5900 mt/mth-mulching • Chemical containers-WTP, boiler-80 drums/month-recycler • Spent oil-workshop-0.5mt/mth-authorized vendor • Domestic wastes-domestic-2 mt/day (~1,000 population)-landfill 	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
4.5.3.3	<p>The palm oil mill management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environmental Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Waste) Regulations, 2005</p> <p>- Major compliance -</p>	<p>The SOP on Scheduled Waste disposal is established and implemented. The inventory of the waste generated is recorded using the "eswis" inventory system. The last update on the eswis was on February 2018.</p> <p>Sample of consignment notes checked:</p> <p>i) SW102 (Consignment no. 2018022814R8E97M dated 28/2/18) - 0.1050 mt</p> <p>ii) SW410 (Consignment no. 2018022814AGT2YF dated 28/2/18) - 0.0758 mt</p> <p>iii) SW305 (Consignment no. 2018052212YMND50 dated 21/5/18) - 3.4 mt</p> <p>Scheduled waste disposed by approved DOE contractor, MNA Metal Resources Sdn Bhd</p>	Complied
4.5.3.4	<p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse.</p> <p>- Minor compliance -</p>	<p>Disposal of domestic wastes through landfilling. Recycable waste disposed through 3rd party contractor. Records of disposal checked:</p> <p>i) Sales chit #04526-19/6/18-1,930 kg of light scrap to Prakash Ent</p> <p>ii) Sales chit #04527-19/6/18-590 kg of plastic pails to Prakash Ent</p>	Complied
Criterion 4.5.4: Reduction of pollution and emission			
4.5.4.1	<p>An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent.</p> <p>- Major compliance -</p>	<p>Various monitoring has been conducted including the effluent analysis, stack monitoring and river water monitoring. Effluent Analysis conducted by Sime Darby Research and submitted to DOE every 3 months through OER (Online Environmental Report). Following report sighted:</p> <p>a. Report no: EP307/2017 dated 2017-06-09 (BOD: 46mg/L)</p> <p>b. Report no: EP372/2017 dated 2017-07-19 (BOD: 84mg/L)</p> <p>For continuous emission reporting system, it always online and send to HQ of Department of Environment in Putrajaya. Measurement of dust particulate concentration of Stack 1 and 3 by CSK Murni Services Sdn Bhd. Following is the monitoring report sighted:</p> <p>a. Ref no: MURNI/0318/3175 dated 22 March 2018 ; Stack#1 : 0.126 g/Nm3 , stack# 3:</p>	Complied

MSP0 Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
		<p>0.138 g/Nm³</p> <p>b. Ref no: MURNI/0817/2956 dated 13 September 2017; Stack#1 : 0.094 g/Nm³ , stack# 3: 0.162 g/Nm³</p> <p>The monitoring result indicated lower than the permissible limit of 0.4 gm/Nm³ stipulated under the Environmental Quality (Clean Air) Regulations, 1978.</p>	
4.5.4.2	<p>An action plan to reduce identified significant pollutants and emissions shall be established and implemented.</p> <p>- Major compliance -</p>	<p>Action plan to reduce significant pollutants and emissions were been established and implemented. For example, for GHG emission reduction plan, FIT project has started since 21st November 2016 for generation of green energy.</p>	Complied
4.5.4.3	<p>Palm oil mill effluent (POME) shall be treated to ensure compliance with standards as stipulated in the relevant Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977. POME discharge limits and method should be in accordance with the respective state and national policies and regulations.</p> <p>- Major compliance -</p>	<p>Palm Oil Mill Effluent (POME) treated through anaerobic pond treatment system where the licensed limit for final discharge BOD is 5000 mg/l for latest compliance schedule. Regular monitoring was conducted by the mill by taking the sample of waste water in final discharge point before land application.</p> <p>In POM, effluent Analysis conducted by Union Laboratories Sdn Bhd and submitted to DOE every 3 months through OER (Online Environmental Report). Following report sighted:</p> <p>a. Report no: 03J0140 dated 14/3/18 (BOD: 173 mg/L)</p> <p>b. Report no: 02J0154 dated 24/2/18 (BOD: 107 mg/L)</p> <p>c. Report no. 01J0055 dated 18/1/18 (BOD: 113 mg/l)</p>	Complied
Criterion 4.5.5: Natural water resources			
4.5.5.1	<p>The management shall establish water management plans to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <p>a) Assessment of water usage</p>	<p>Water management plan is available with objective to maintained the water in the field at appropriate level therefore correct amount of water is supplied during dry or wet weather for oil palm survival.</p> <p>Water consumption ratio recorded at 1.42 litre (As at April 2018) per tonne FFB. For 2017, total Of 1.36 litre per tonne FFB recorded.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	<p>and sources.</p> <p>b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities.</p> <p>c) Ways to optimize water and nutrient usage and reduce wastage (<i>e.g.</i> having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).</p> <p>- Major compliance -</p>	<p>Water tables is maintained between 45-60 cm (acid sulphate areas), 60-90 cm (non-acid sulphate) and <60 cm below ground surface. The water tables are controlled through water gates and weirs in the field irrigations. To-date there are 15 water gates (1:425 Ha) and 127 weirs (1:50).</p> <p>Upstream/downstream of Sg Beruas and Anak Macang water analysis is done once a year. Latest sampled was on 7/3/2018 [report dated 28/3/2018 – parameters tested: pH, BOD, COD, SS, OG, DO, AN, E. Coli. It was analysed by BP Food Environmental Testing (SAMM No. 573).</p>	
4.5.5.2	<p>Where open discharge of POME into water course is practiced, mills should undertake to gradually phase it out in accordance to the applicable state or national regulations.</p> <p>- Major compliance -</p>	<p>UIE POM is using the biochemical treatment plant to treat its effluent through series of ponds such as cooling, aerobic and anaerobic. A biogas plant is also in place as part of the treatment series. Under the DOE's Compliance Schedule (Jadual Pematuhan), UIE POM is required to treat its effluent until the BOD level is below 5,000 mg/l before discharging it to land application through furrow system. Based on the latest four quarterly returns to the DOE, BOD readings of final discharge were all below 5,000 mg/l. The samples of final discharge were analysed by an accredited third party laboratory</p>	Complied
4.6 Principle 6: Best Practices			
Criterion 4.6.1: Mill Management			
4.6.1.1	<p>Standard operating procedures shall be appropriately documented and consistently implemented and monitored.</p> <p>- Major compliance -</p>	<p>UIE Palm Oil Mill had maintained Standard Operating Procedure, dated 22/2/2017. Sample SOP as follow:</p> <ol style="list-style-type: none"> 1. Reception Station, Section 2A 2. Fruit Handling, Section 2B 3. Sterilisation, Section 3 4. Threshing, Section 4 5. Empty Bunch Press, Section 5 6. Digestion and pressing, Section 6 7. Clarification, Section 7 8. Kernel Extraction, Section 8 9. Effluent Treatment & Waste Management, Section 12 	Yes
4.6.1.2	All palm oil mills shall	Implementation of best practice was checked periodically by mill operation and HRESH team.	

MSP0 Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
	implement best practices. - Major compliance -	The mechanism at UIE POM were through station/activity checklist. Sampled the checklist as follow: 1. Steriliser Station Checklist dated 14/6/2018 2. Threshing Station checklist dated 14/6/2018 3. Press Station Checklist dated 14/6/2018 The internal audit for UIE POM and estate were conducted on 7/5/2018. 16 CARs were raised. All the action plans were submitted to Group Manager HR ESH for closure. The CARs were closed on 12/6/2018.	Complied
Criterion 4.6.2: Economic and financial viability plan			
4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. - Major compliance -	UIE POM has established and implemented its commitment to long term sustainability and improvements through a capital expenditure programme. Budget and 3 years projected management plan (2018-2021) was verified during the audit.	Complied
Criterion 4.6.3: Transparent and fair price dealing			
4.6.3.1	Pricing mechanisms for the products and other services shall be documented and effectively implemented. - Major compliance -	FFB supplier mainly from UIE Estate, which is own estate for contractor, sighted contract for VH Boiler and Energy System Sdn Bhd, Sales contract no: SC 1124/16 dated 15.7.2016.	Complied
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	This requirement is in compliance. All contracts and purchases are documented i.e in the form of purchase orders, invoices, and contracts for the larger transaction. All documents are signed by both vendor and mill. Sample of contract sighted for VH Boiler and Energy System Sdn Bhd, Sales contract no: SC 1124/16 dated 15.7.2016. All contracts terms and conditions were made transparent and agreed from both parties.	Complied
Criterion 4.6.4: Contractor			
4.6.4.1	In case of the engagement of contractors, they shall be made to understand the MSP0 requirements and shall	UIE Oil Mill had informed its contractors regarding the need to follow the MSP0 requirements through MSP0 training on 17.05.18. The training was attended by 2 contractors, which are Hia Union Engineering	Complied

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
	provide the required documentation and information. - Major compliance -	Sdn Bhd and Water Mech.	
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	Evidence of agreed contracts with the contractors were verified. Addendum contract terms and conditions version dated 15/07/18 and signed document from both party dated 24/04/16 (UP) and 21.09.16 (VH Boiler & Energy System Sdn Bhd was made available for verification. Seen also the payment for 35% of contract value on delivery site or within 1 month after written advice of readiness for delivery by VH Boiler and Energy System Sdn Bhd (VHB) dated 01.02.2018, tax invoice no: IV-00156.	Complied
4.6.4.3	The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required. - Minor compliance -	The requirement of accepting MSPO accredited auditors to audit against the contractors are being mentioned in the MSPO Policy signed on 29 March 2018 by Dato Carl Bek-Nielson.	Complied

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

Criterion / Indicator		Assessment Findings	Compliance
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	A policy for the implementation of MSPO shall be established. - Major compliance -	United Plantation Berhad has established MSPO policy which signed by Chief Executive Director, Dato’ Carl Bek-Nielsen effective date 29 th March 2018	Complied
4.1.1.2	The policy shall also emphasize commitment to continual improvement. - Major compliance -	The established policy has emphasized on the commitment for key legal, social and environmental consideration with the objective of improving the milling and estate operation. The policy has include these elements of:	Complied

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
		i)Management commitment and responsibility ii)Transparency iii)Compliance to legal requirements iv)Social responsibility, health, safety and employment condition v) Environment, natural resources, biodiversity and ecosystem services vi)Best practices vii)Development of new planting	
Criterion 4.1.2 – Internal Audit			
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - Major compliance -	Internal audit process is documented under Internal Audit Procedure, dated 27/2/17. Annual audit schedule for 2018 was made available for review. The first MSPO internal audit was carried out on 7 th May 2018 by pool of trained internal audit from HREHS department. Cross department/mill audit was demonstrated to ensure impartiality of audit.	Complied
4.1.2.2	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action. - Major compliance -	Internal audit procedure, dated 27/2/17 established and used as reference for audit process. Audit results documented under internal audit summary dated 7/5/18. 16 CARs were raised. All the action plans were submitted to Group Manager HR ESH for closure. The CARs were closed on 12/6/2018.	Complied
4.1.2.3	Report shall be made available to the management for their review. - Major compliance -	Internal audit report and verification report dated 17/5/18 and 12/6/18 were made available to the management for review	Complied
Criterion 4.1.3 – Management Review			
4.1.3.1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.	1.9 UPB is RSPO certified. The last management review was conducted on 18/06/2018. The management review had included internal and external sustainable palm oil audit results review. The status of the correction and preventive actions are being discuss and reviewed	Complied

Criterion / Indicator		Assessment Findings	Compliance
- Major compliance -			
Criterion 4.1.4 – Continual Improvement			
4.1.4.1	<p>The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.</p> <p>- Major compliance -</p>	<p>The continual improvement plan was established based on 5 major components:</p> <p>F) RECYCLING OF WASTE / WASTE MANAGEMENT</p> <ol style="list-style-type: none"> 21. Zero Burn Replanting Policy 22. Empty Fruit Bunch Use by Estates 23. POME USE – by the Estate 24. Empty Fertilizer Bags Utilization 25. Scrap Metal Sold – UIE Estates 26. Spent Batteries/Dispatches to Waste Manager 27. Spent Lubricants/Dispatches to Waste Manager 28. Spent Fuel Filters/Dispatched to Waste Manager 29. Triple Rinse Pesticide Containers sent to Waste Manager <p>30. Clinical and Domestic Waste Disposal</p> <p>G) POLLUTION PREVENTION/REDUCTION</p> <ol style="list-style-type: none"> 11. Tractor Utilization 12. Buffalo Use for Infield Fresh Fruit Collection 13. Petrol Use by Estate & Petrol Use by Oil Mill 14. Diesel Use by Estate & Diesel Use by Oil Mill 15. Water Use for Oil Mill 16. Biogas Plant (Eng. Dept.) 17. BOD (Final discharge at Effluent Ponds) 18. Mill Dust Emissions 19. Biogas Plant & Methane Gas Captured (Mill) 20. Biogas to Grid Project <p>H) REDUCTION OF CHEMICAL USE</p> <ol style="list-style-type: none"> 11. Reduction in Chemical Use: Immature Oil Palm 12. Reduction in Chemical Use: Mature Oil Palm 13. Reduction in use of Monocrotophos 14. More Pheromone Traps 15. Field Paths/Roads Mowing (rentices) & 16. Prevention of Soil Erosion by Grass Cutting 17. Integrated Pest Management/Beneficial Plants 	Complied

Criterion / Indicator		Assessment Findings	Compliance
		18. Barn Owls 19. Barn Owl Box Occupancy Rate 20. Rodenticide Use I) OCCUPATIONAL SAFETY AND HEALTH 7. OSHA Safety Performance – UIE Estates 8. OSHA Committee Meeting 9. SOP and HIRARC Training 10. Product Training by Suppliers 11. Fire Drills & First Aid Trainings 12. Usage of PPE at work place J) SOCIAL IMPACTS 16. Existing Amenities & New Guest Workers Quarters 17. Fruit Trees Planted 18. Domestic Water Use 19. Mini Market and Canteen 20. Places of Worship 21. New School Bus 22. Automatic Teller Machine (ATM) 23. Clinic & New Ambulance 24. Washing Bay 25. Security Guards 26. Various Social Activities held 27. Induction Course for Newly Arrived Workers 28. Guest Workers Welfare Committee Meeting 29. Stakeholders Meeting Gender Committee Meeting	
4.1.4.2	<p>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.</p> <p>- Major compliance -</p>	<p>Provisions were made in the annual and forecast business plans / budgets for the necessary resources including training, to implement the new techniques. As for harvesting operation, MPOB design cutter named <i>CANTAS</i> has been introduced to increase productivity.</p>	Complied
4.1.4.3	<p>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.</p> <p>- Major compliance -</p>	<p>The continual improvement plan was established based on 5 major components: K) RECYCLING OF WASTE / WASTE MANAGEMENT 31. Zero Burn Replanting Policy 32. Empty Fruit Bunch Use by Estates 33. POME USE – by the Estate 34. Empty Fertilizer Bags Utilization 35. Scrap Metal Sold – UIE Estates 36. Spent Batteries/Dispatches to Waste</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance
	<p>Manager</p> <p>37. Spent Lubricants/Dispatches to Waste Manager</p> <p>38. Spent Fuel Filters/Dispatched to Waste Manager</p> <p>39. Triple Rinse Pesticide Containers sent to Waste Manager</p> <p>40. Clinical and Domestic Waste Disposal</p> <p>L) POLLUTION PREVENTION/REDUCTION</p> <p>21. Tractor Utilization</p> <p>22. Buffalo Use for Infield Fresh Fruit Collection</p> <p>23. Petrol Use by Estate & Petrol Use by Oil Mill</p> <p>24. Diesel Use by Estate & Diesel Use by Oil Mill</p> <p>25. Water Use for Oil Mill</p> <p>26. Biogas Plant (Eng. Dept.)</p> <p>27. BOD (Final discharge at Effluent Ponds)</p> <p>28. Mill Dust Emissions</p> <p>29. Biogas Plant & Methane Gas Captured (Mill)</p> <p>30. Biogas to Grid Project</p> <p>M) REDUCTION OF CHEMICAL USE</p> <p>21. Reduction in Chemical Use: Immature Oil Palm</p> <p>22. Reduction in Chemical Use: Mature Oil Palm</p> <p>23. Reduction in use of Monocrotophos</p> <p>24. More Pheromone Traps</p> <p>25. Field Paths/Roads Mowing (rentices) &</p> <p>26. Prevention of Soil Erosion by Grass Cutting</p> <p>27. Integrated Pest Management/Beneficial Plants</p> <p>28. Barn Owls</p> <p>29. Barn Owl Box Occupancy Rate</p> <p>30. Rodenticide Use</p> <p>N) OCCUPATIONAL SAFETY AND HEALTH</p> <p>13. OSHA Safety Performance – UIE Estates</p> <p>14. OSHA Committee Meeting</p> <p>15. SOP and HIRARC Training</p> <p>16. Product Training by Suppliers</p> <p>17. Fire Drills & First Aid Trainings</p> <p>18. Usage of PPE at work place</p> <p>O) SOCIAL IMPACTS</p> <p>30. Existing Amenities & New Guest Workers Quarters</p> <p>31. Fruit Trees Planted</p>	

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
		32. Domestic Water Use 33. Mini Market and Canteen 34. Places of Worship 35. New School Bus 36. Automatic Teller Machine (ATM) 37. Clinic & New Ambulance 38. Washing Bay 39. Security Guards 40. Various Social Activities held 41. Induction Course for Newly Arrived Workers 42. Guest Workers Welfare Committee Meeting 43. Stakeholders Meeting Gender Committee Meeting	
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
4.2.1.1	<p>The management shall communicate 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.</p> <p>- Major compliance -</p>	<p>The Standard Operation Procedure documented the process for Procedure for both External & Internal Stakeholders. There is also Grievance Redressal procedure which has steps to be followed to solve issues raised by workers.</p> <p>The time frame to provide feedback to the stakeholder is documented to be total of 24 days for internal and 30 days for external complaint. The officer-in-charge for estate is Mr Geoffrey Cooper as per appointment letter dated 29.03.2018 whom is responsible to commit and implement the sustainability concepts outline in RSPO, RSPO NEXT and MSPO P&Cs.</p>	Complied
4.2.1.2	<p>Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p> <p>- Major compliance -</p>	<p>United Plantation continued to use the group website for disseminating public information. The Sustainability Report and Group Annual report is available in website.</p> <p>Information relating to land titles, safety and health plans, pollution prevention plans, and annual report are available at the mill.</p> <p>In addition to the website, the policies were also displayed at various locations including the main notice boards of the estates, mill offices and muster ground notice boards for employees and visitors to view.</p> <p>Procedure for complaints and grievances were</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		available through UP website and medium used are via suggestion box in office or write in to UP head office.	
Criterion 4.2.2 – Transparent method of communication and consultation			
4.2.2.1	Procedures shall be established for consultation and communication with the relevant stakeholders. - Major compliance -	The Standard Operation Procedure documented the process for Procedure for both External & Internal Stakeholders. There is also Grievance Redressal procedure which has steps to be followed to solve issues raised by workers.	Complied
4.2.2.2	A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit. - Minor compliance -	The officer-in-charge for estate is Mr Geoffrey Cooper as per appointment letter dated 29.03.2018 whom is responsible to commit and implement the sustainability concepts outline in RSPO, RSPO NEXT and MSPO P&Cs.	Complied
4.2.2.3	List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained. - Major compliance -	Stakeholder’s list for both UIE POM and UIE Estate including all the internal and external party such as OSHA committee, Gender Committee, Temple Committee, Statutory Bodies, Penghulu & Ketua Kampung, Local Bankers and others as updated on 07.05.2018.	Complied
Criterion 4.2.3 – Traceability			
4.2.3.1	The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s). - Major compliance -	UIE POM is receiving FFB mainly from UIE Estate and no outside FFB supplier. UIE has the SOP on Traceability dated 17.04.2018. The procedure mention the traceability system from FFB harvested to locomotive or lorry.	Complied
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. - Major compliance -	There is an internal audit conducted on 12.06.2018 by HRESH team to inspect the compliance with traceability procedure in estate. There is no non-conformity raised.	Complied
4.2.3.3	The management should identify and assign suitable employees to implement and maintain the traceability	The responsible personal for the traceability is the Mr. Geoffrey Cooper as the overall person in charge for MSPO in estates.	Complied

MSP0 Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
	system. - Minor compliance -		
4.2.3.4	Records of sales, delivery or transportation of FFB shall be maintained. - Major compliance -	There is no sales of the FFB as UIE estate is the only supply base to UIE Mill, and belongs to the United Plantation Berhad. Sampled the weighbridge ticket provided the following details: Product: FFB in cages Supplier: SE02A Ticket Number: 0000083315 Date: 18/06/18 Net weigh: 5640 kg	Complied
4.3 Principle 3: Compliance to legal requirements			
Criterion 4.3.1 – Regulatory requirements			
4.3.1.1	All operations are in compliance with the applicable local, state, national and ratified international laws and regulations. - Major compliance -	UIE POM has continued to comply with local, state, national and ratified international laws and regulations. Related permits and licences were made available and valid as the time of assessment. Sampled of licenses and permit checked: i)MPOB license: 502076202000 valid until 31/7/18 ii)Diesel and petrol license: reference number, MJG/SK/D/04, serial number: A 030563 petrol - 16,000 liter, diesel – 50,000 liter valid until 30/6/17	Complied
4.3.1.2	The management shall list all laws applicable to their operations in a legal requirements register. - Major compliance -	UIE estate continued to implement and maintain their established documented system for identifying, accessing, tracking updates and monitoring of compliance with the legal requirements that are applicable to the CU’s operation. Each office of the operating unit (mill and estate) has its own legal requirements register (LRR) and were being evaluated individually from time to time for compliance mainly through internal audit. Among the applicable legal laws registered are EQA, OSHA, Factory & Machinery Act, Employment Act, Workers’ Minimum Standard of Housing and	Complied

Criterion / Indicator		Assessment Findings	Compliance
		Amenities Act, to name a few.	
4.3.1.3	<p>The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.</p> <p>- Major compliance -</p>	<p>UIE Estate has various mechanisms to ensure the legal requirements are complied with. In LRR format there is a column to report the status of compliance which was utilised to report the compliance status of all the applicable legal requirements. Other information available in the format was document/action plan needed, PIC and frequency of monitoring. On top of that, there was a list of licenses which have the information about type of license, expiry date and validity period</p>	Complied
4.3.1.4	<p>The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.</p> <p>- Minor compliance -</p>	<p>The Company Secretary [Mr. Eng Ho (HQ)] is given the responsibility to track and update any changes in the law. Among the method or platforms used for tracking are:</p> <ul style="list-style-type: none"> • Internet subscription such as Lawnet.com • News and announcement from statutory bodies and government departments such as SOCSO, EPF, etc. • Participation of associations and seminars such as Malayan Agricultural Producers Association (MAPA), Malaysian Palm Oil Association (MPOA) <p>Ever since the last assessment, among the new updates registered were:</p> <ul style="list-style-type: none"> - 0% GST - Employment Insurance System Bill 2017 	Complied
Criterion 4.3.2 – Lands use rights			
4.3.2.1	<p>The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users.</p> <p>- Major compliance -</p>	<p>The total area for all land titles are 10,369.21 Ha for all Estate 1, Estate 2 cross reference with summary of progress report May 2018 for UIE estates.</p>	Complied
4.3.2.2	<p>The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land.</p> <p>- Major compliance -</p>	<p>The perimeter survey map of the land portion is provided together with the land title and map is provided with the coordinated demarcation.</p>	Complied
4.3.2.3	<p>Legal perimeter boundary markers should be clearly</p>	<p>The map of the land portion is provided together with the land title. The map has</p>	

Criterion / Indicator		Assessment Findings	Compliance
	demarcated and visibly maintained on the ground where practicable. - Major compliance -	provided the coordinated demarcation.	Complied
4.3.2.4	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). - Minor compliance -	There is no land dispute recorded. This was verified with stakeholders' consultation. In order to deal with future arising land dispute (if applicable), the Standard Operating Procedure for Land Dispute Settlement as per Free Prior & Informed Consent (FPIC) – RSPO Principles is documented the process in handling land dispute settlement.	Complied
Criterion 4.3.3 – Customary rights			
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance -	There is no customary land for the portion of land.	N/A
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights land, if any, should made available. - Minor compliance -	There is no customary land for the portion of land.	N/A
4.3.3.3	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. - Major compliance -	There is no customary land for the portion of land.	N/A
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones. - Minor compliance -	The Social Risk Assessment (SRA), Action Plan (SAP) & Review Plan (SRP) 2018, was conducted for UIE Mill & Estate internally and annually by the Internal Management involving all stakeholders. The latest SIA was conducted in 7 th May 2018. Key areas identified in the SIA was particularly	Complied

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
		<p>on operation (nursery, replanting, weeding, pruning, guest workers and others).</p> <p>The recommendation from the SIA report was transferred to action plan (Social) 2018. The action plan identified the issues & strategies, action plan, responsible person and time frame.</p>	
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	<p>A system for dealing with complaints and grievances shall be established and documented.</p> <p>- Major compliance -</p>	<p>The Standard Operation Procedure documented the process for Procedure for both External & Internal Stakeholders.</p>	Complied
4.4.2.2	<p>The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.</p> <p>- Major compliance -</p>	<p>Sighted the Registry Request & Complaints book recording all the feedback and request from stakeholders, together with its completion date. Also, for external stakeholders, request or feedback to be made directly to the main office through verbal and letter.</p> <p>Example: Request to install the street lamp in Sungai Batu to reduce accident rate on 20.9.17.</p>	Complied
4.4.2.3	<p>A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint.</p> <p>- Minor compliance -</p>	<p>The Registry of Complaints book is made available in the Mill & Estate office. In case the complainant would want to make an anonymity, they can email to the company secretary. This information is available in United Plantation Website and suggestion box in mill office.</p>	Complied
4.4.2.4	<p>Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time.</p> <p>- Minor compliance -</p>	<p>Interview conducted with workers to confirm their understanding of the complaint and grievance process.</p> <p>There is no critical grievance recorded for the pass one year. Only request for maintenance and house repairs are made by workers.</p>	Complied
4.4.2.5	<p>Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request.</p> <p>- Major compliance -</p>	<p>Seen the complaint recorded since 2012 in Registry of Complaints book and stakeholders request available during audit.</p>	Complied
Criterion 4.4.3: Commitment to contribute to local sustainable development			

Criterion / Indicator		Assessment Findings	Compliance
4.4.3.1	<p>Growers should contribute to local development in consultation with the local communities.</p> <p>- Minor compliance -</p>	<p>Mill management have made contribution to the internal and external stakeholders. As seen in Annual Report 2017 book, for the whole group, United Plantation has the actual amount as below:</p> <ol style="list-style-type: none"> 4. RM 2,400,609 for Hospital & Medicine for Employees, Dependents & Nearby Communities. 5. RM 6,195,586 for Provision of Social Amenities 6. RM 11,879,818 for Employee Housing <p>Example: Permohonan Dana dan Sumbangan Kewangan untuk SRAR on 02.05.18 amounted RM 300 was approved. There was the approved application for industrial training for Yemanathan on 1st June 2018.</p>	Complied
Criterion 4.4.4: Employees safety and health			
4.4.4.1	<p>An occupational safety and health policy and plan shall be documented, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>MHZ</p> <p>United Plantation Berhad has established Occupational, Safety & Health endorsed by Chief Executive Director, Dato' Carl Bek-Nielson signed on 18/8/17. The OSH plan has developed and in-lined with company's policy and incorporated with the training plan and OSH compliance monitoring programme.</p>	Complied
4.4.4.2	<p>The occupational safety and health plan shall cover the following:</p> <ol style="list-style-type: none"> a) A safety and health policy, which is communicated and implemented. b) The risks of all operations shall be assessed and documented. c) An awareness and training programme which includes the following requirements for employees exposed to pesticides: <ol style="list-style-type: none"> i. all employees involved shall be adequately trained on safe working practices ii. all precautions attached 	<p>MHZ</p> <p>United Plantation Berhad has safety and health policy that has been communicated to the staff and workers. Multi-lingual policy (English, Bahasa, Bengali, Hindi and Nepal) was posted at pertinent location in the mill compound. On site supervisors and estate assistant managers ensure the implementation of it.</p> <p>HIRARC – Latest review in 1 /4/17. Coverage of activities (Field maintenance and up keep, manuring, transportation, buffalo assisted collection (BIC), farm tractor, workers transportation, diesel station, domestic waste, security, workshop and warehouse)</p> <p>In addition to specific training courses, safety briefings are given during muster to reinforce awareness, such as correct wearing of PPE.</p> <p>Chemical register dated 4th May 2018 was sighted. There is class II used for termite control. SDS for the said chemicals are</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance								
<p>to products shall be properly observed and applied</p> <p>d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</p> <p>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meeting are kept and the concerns of the employees and any remedial actions taken are recorded.</p> <p>h) Accident and emergency</p>	<p>available at the store in Dual-language (Bahasa Malaysia and English). I.e Sentry (Glyphosate IPA 41%) and BASTA (Glufosinate Ammonium 13.5%) etc.</p> <p>Records were available of PPE issued to individual workers and contractors, including signatures to confirm receipt. PPE standard is based on CHRA assessor's recommendation as per the following:</p> <table border="1" data-bbox="655 795 1227 1554"> <thead> <tr> <th data-bbox="655 795 927 846">Activity/work unit</th> <th data-bbox="927 795 1227 846">PPE recommendation</th> </tr> </thead> <tbody> <tr> <td data-bbox="655 846 927 1070">Spraying</td> <td data-bbox="927 846 1227 1070"> Half face respirator (3M 3311K-55) Rubber nitrile gloves Chemical goggles Body apron </td> </tr> <tr> <td data-bbox="655 1070 927 1249">Manuring/fertilizer</td> <td data-bbox="927 1070 1227 1249"> Dust mask 3M 9010 N95 Rubber/cotton gloves </td> </tr> <tr> <td data-bbox="655 1249 927 1554">Workshop</td> <td data-bbox="927 1249 1227 1554"> Ventilation fan/ Natural ventilation Dusk mask 3M 9010 N95 Safety boots Welding gloves </td> </tr> </tbody> </table> <p><u>UIE Estate</u></p> <p>CHRA was done on 28th January 2015 (JKKP HIE 127/171-2[1])</p> <p>Recommendation :</p> <p>i) Medical Surveillance (sprayers)</p> <p>ii) PPE recommendation - Half piece respirator (organic vapor)</p> <p>iii) Chemical safe handling training – every 2 years.</p>	Activity/work unit	PPE recommendation	Spraying	Half face respirator (3M 3311K-55) Rubber nitrile gloves Chemical goggles Body apron	Manuring/fertilizer	Dust mask 3M 9010 N95 Rubber/cotton gloves	Workshop	Ventilation fan/ Natural ventilation Dusk mask 3M 9010 N95 Safety boots Welding gloves	
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MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance						
	<p>procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<p><u>UIE Estate</u></p> <p>Medical surveillance was last done for 77 workers from chemical sprayer and mixer. The last medical surveillance was carried out on 2/5/18 by OHD DOSH Reg. No. JKPP HQ/14/DOC/00/380 under Kumpulan Poliklinik Manjung Sdn Bhd . Result of the Medical Examinations found to be normal without any health detrimental issues.</p> <p>At the estate, there is a designated OSH Coordinator who is responsible for organising safety training, meetings and investigation and reporting of accidents and incidents. Combined OSH meeting carried out at UIE Estate. Refer to the latest meeting minute dated 18/4/18.</p> <p>Accident and emergency procedures had been written and briefed to staff, workers, contractors and visitors. UIE Estate - Fire drill at peat soil with the stakeholders was conducted on 6/6/2018 to test the state of readiness during emergency situation.</p> <p>First Aid Kits are provided at various work sites at the estates and inspection confirmed these had been appropriately stocked.</p> <p>All accidents are investigated and reported to Head Office and well as DOSH. Accident statistics for UIE Estate as follows :</p> <table border="1" style="width: 100%;"> <thead> <tr> <th></th> <th>UIE Estate</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>6 cases (LTA = 64)</td> </tr> <tr> <td>2018 to date</td> <td>0 case</td> </tr> </tbody> </table>		UIE Estate	2017	6 cases (LTA = 64)	2018 to date	0 case	
	UIE Estate								
2017	6 cases (LTA = 64)								
2018 to date	0 case								
Criterion 4.4.5: Employment conditions									
4.4.5.1	<p>The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees.</p> <p>- Major compliance -</p>	<p>UIE Mill implemented Human Rights Policy, signed by Dato' Carl Bek-Nielsen on 18.8.17. The management is treated the workers with respect and dignity. Awareness training on human rights policy has been conducted on 06/05/2018 to all workers.</p>	Complied						
4.4.5.2	<p>The management shall not engage in or support discriminatory practices and shall provide equal opportunity</p>	<p>Migrant workers are recruited with 3 years contract except Indonesian for 2 years contract. Local workers are on a long term employment. No any kind of discrimination was noted. Job</p>	Complied						

Criterion / Indicator		Assessment Findings	Compliance
	and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics. - Major compliance -	opportunities and amenities such as free housing, water and electric supplier (connect to national water and electricity supply) and medical care are given to all employees without discrimination.	
4.4.5.3	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. - Major compliance -	All the workers are under direct employment. The payslip has included basic income, allowance pay, working days, medical leave, and deduction of salary and others as per employment contract. The payroll for the following sampled workers for December 2017, February 2018 and May 2018 were verified to be consistent with the Minimum Wages Order 2016. Sampled workers seen as below: e. Estate worker ID (Bangladeshi): 210216 f. Estate worker ID (India): 205568 g. Estate worker ID (Indonesian): 128 h. Estate worker ID (Bangladeshi): 116822 There was no records or complaint observed during the interview with workers. All the sampled workers for direct employment and contract workers were achieved the minimum wage accordance to Minimum Wage Order 2016 which achieved RM 920/ month or RM 35.38/day.	Complied
4.4.5.4	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. - Minor compliance -	There is no contract workers in UIE Estate. However, sampled the contractors (service for works) for replanting activities: Chap Fong Enterprise as per MOA 8526 dated 24.04.18.	Complied
4.4.5.5	The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth,	The workers master list was reviewed. The list includes date of birth, date joined, gender etc.	Complied

MSP0 Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
	<p>date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p>		
4.4.5.6	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records.</p> <p>- Major compliance -</p>	<p>The following contracts has been verified to confirm that workers have binding working agreement with the company:</p> <ul style="list-style-type: none"> a. Estate worker ID (Bangladeshi): 210216 b. Estate worker ID (India): 205568 c. Estate worker ID (Indonesian): 128 d. Estate worker ID (Bangladeshi): 116822 <p>Interview with the workers confirms that they have a copy of the employment contract and they understood the conditions stated in the contract.</p>	Complied
4.4.5.7	<p>The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.</p> <p>- Major compliance -</p>	<p>UIE Estate is using the daily checkroll system to records the accurate working hours and overtime and recorded in UIE TMS Master Report.</p> <p>Sighted the overtime and working hours:</p> <ul style="list-style-type: none"> a. Estate worker ID (Bangladeshi): 210216 b. Estate worker ID (India): 205568 c. Estate worker ID (Indonesian): 128 d. Estate worker ID (Bangladeshi): 116822 <p>The terms of employment is as per MAPA/NUPW.</p>	Complied
4.4.5.8	<p>The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement.</p> <p>- Major compliance -</p>	<p>UIE Estate is using the daily checkroll system to records the accurate working hours and overtime and recorded in UIE TMS Master Reports to records the accurate working hours and overtime and recorded in UIE TMS Master Report.</p> <p>In case the worker is on leave or absence, it is recorded in the same system.</p>	Complied

MSP0 Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
4.4.5.9	<p>Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.</p> <p>- Major compliance -</p>	<p>The payslip and the inputs were reviewed to confirm the wages and overtime is in line with legal requirements of Employment Act 1955 and worker's employment contract.</p>	Complied
4.4.5.10	<p>Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional development, medical care and health provisions.</p> <p>- Minor compliance -</p>	<p>The company provides free medical benefit to workers dependent at the estates clinics.</p>	Complied
4.4.5.11	<p>In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.</p> <p>- Major compliance -</p>	<p>The basic amenities and facilities at the quarters provided by the company to its workers includes electricity, water and domestic waste disposal. Electricity and water is provided by government. Usage of electricity and water given with subsidize rate for the workers contract.</p> <p>During the linesite visit, it was observed that the housing are in good conditions. For local workers with family, each will be given a house while for foreign workers for single workers, it will be given shared house of 6 person with 3 bedroom each per house.</p>	Complied
4.4.5.12	<p>The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace.</p> <p>- Major compliance -</p>	<p>Gender Policy signed by Dato Carl Bek-Nielsen, dated 24.4.15 mentioned that the company endeavour to prevent sexual harassment and all other forms of violence against women and workers in the workplace or in the course of an employee's work.</p>	Complied
4.4.5.13	<p>The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations.</p>	<p>During the interview with workers, there are no evidence received that there are restriction from the company to allow workers to join trade union. The workers have their freedom to join the NUPW/MAPA union but in UIE, the workers has form internal worker's union.</p> <p>The latest minutes of meeting of guest workers</p>	Complied

MSP0 Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
	<p>Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p>- Major compliance -</p>	<p>committee conducted once in 2 months and sighted the latest minute of meeting dated 05.06.18 and attended by 73 workers).</p>	
4.4.5.14	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children is acceptable on family farms, under adult supervision, and when not interfering with their education programmes. Children shall not expose to hazardous working conditions.</p> <p>- Major compliance -</p>	<p>The Human Rights Policy was established since 23 March 2013 signed by Dato Carl Bek-Nielsen. The Policy covers the commitment to not condone forced labour or child labour who under 16 years old.</p>	Complied
Criterion 4.4.6: Training and competency			
4.4.6.1	<p>All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.</p> <p>- Major compliance -</p>	<p>United Plantation Berhad has prepared an Annual Training Plan for 2018 for workers and contractors that lists the internal and external training courses scheduled for the year. Sample of training carried out in 2018:</p> <p>Circle Spraying Training – 17/1/18 Triple rinsing training – 22/3/18 Pre-mix training – 22/3/18 Manuring Training – 10/1/18 Domestic Waste Training – 7/6/18 P&D Spraying training – 24/1/18 PPE usage training – 4/9/17</p>	Complied
4.4.6.2	<p>Training needs of individual employees shall be identified prior to the planning and</p>	<p>Training needs of individual employees had been identified prior to the planning and implementation of the training programmes in</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description. - Major compliance -	order to provide the specific skill and competency required to all employees based on their job description.	
4.4.6.3	A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure. - Minor compliance -	It was evident that from the training matrix for 2017/2018 and training records for 2017/2018 that all trainings had been planned and implemented to ensure that all employees are well trained in their job function and responsibility.	Complied
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Criterion 4.5.1: Environmental Management Plan			
4.5.1.1	An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented. - Major compliance -	United Plantations Berhad (UPB) has established a public policy on environmental and biodiversity which incorporated the element of no deforestation. The latest version of policy dated 18 th August 2017 was signed by UPB's Chief Executive Director, Dato' Carl Bek-Nielsen..	Complied
4.5.1.2	The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations. - Major compliance -	Environmental Action Plan (EAP) is derived from Environmental Risk Assessment (ERA) which was last reviewed on 7/5/2018 for both estate and mill. There were 3 main criteria considered in the assessment i.e. severity, quantity/load, probability. From the assessment, the information about the level of environmental risks were then obtained and it was important to determine the Environmental Action Plan (EAP). Verification of the assessment report showed that all activities in the mill and estate that could interact with the environment were assessed.	Complied
4.5.1.3	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be	The mitigations measures were derived from ERA evaluation. Among the sampled activities to verify the methods of mitigation were: <u>Weeding</u>	Complied

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
	<p>developed, effectively implemented and monitored.</p> <p>- Major compliance -</p>	<p>Method to reduce the level of impact:</p> <ul style="list-style-type: none"> • Reduce usage of chemicals by using mechanical mowers • Judicious spraying program to avoid over-spray • Used chemical containers are triple rinsed and punctured • LCC establishment • Avoid spraying along the edges of water course • Use of chemicals with low residual volume • Spent lubricants, oil filters and batteries are sent to waste managers • Final discharge from chemical mixing store to go through filter i.e. charcoal/EFB 	
4.5.1.4	<p>A programme to promote the positive impacts should be included in the continual improvement plan.</p> <p>- Minor compliance -</p>	<p>The continual improvement plan towards recycling of waste was sighted. Among programme that has been implemented:</p> <ol style="list-style-type: none"> 41. Zero Burn Replanting Policy 42. Empty Fruit Bunch Use by Estates 43. POME USE – by the Estate 44. Empty Fertilizer Bags Utilization 45. Scrap Metal Sold – UIE Estates 46. Spent Batteries/Dispatches to Waste Manager 47. Spent Lubricants/Dispatches to Waste Manager 48. Spent Fuel Filters/Dispatched to Waste Manager 49. Triple Rinse Pesticide Containers sent to Waste Manager 50. Clinical and Domestic Waste Disposal 	Complied
4.5.1.5	<p>An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives.</p> <p>- Major compliance -</p>	<p>Formal training programs for 2017/2018 that covered aspects of the MSPO & RSPO requirements, with regular assessments of training needs were presented to auditors by both estates and mill. The training on RSPO & MSPO awareness included on the policy and objectives of the environmental management and improvement plans.</p>	Complied
4.5.1.6	<p>Management shall organize regular meetings with employees where their concerns about environmental quality are discussed.</p> <p>- Major compliance -</p>	<p>The latest Environmental Performance Committee Meeting (EPMC) was carried out on 3/12/17. Environmental performance and compliance has been discussed in the meeting such as scheduled waste disposal, effluent results etc.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
Criterion 4.5.2: Efficiency of energy use and use of renewable energy			
4.5.2.1	Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period. - Major compliance -	Consumption of non-renewable energy and plan to assess them was by recording and monitoring of energy consumption for both renewable and non-renewable sources. It was monitored to optimize use of renewable energy. Data was compiled for comparison and control for future improvement.	Complied
4.5.2.2	The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations. - Major compliance -	The estimate for the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations inclusive of fuel use by contractors, including all transport and machinery operations was available in the respective estate yearly budgets. Diesel usage was recorded at 540,807 Litres with average for 12.83 litre per CPO in 2017.	Complied
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	The use of renewable energy is from biogas engine and started on 21 st November 2016 for generation of green power. Buffalo assisted harvesting system in specific field at UIE Estate. 3 men with JCS with buffalo (2107.16 ha) at field : 1-23, 58-66	Complied
Criterion 4.5.3: Waste management and disposal			
4.5.3.1	All waste products and sources of pollution shall be identified and documented. - Major compliance -	All waste and pollution are identified and documented under Types of Waste Products and Method of Disposal for 2018. The waste generated from the mill operations as shown below; Domestic waste – rubbish from the mill complex and employees quarters (disposed by estate management) Recycled waste – scrap iron	Complied

Criterion / Indicator		Assessment Findings	Compliance
		Scheduled waste – filter, lubricants, hydraulic oil, grease, used batteries	
4.5.3.2	<p>A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:</p> <p>a) Identifying and monitoring sources of waste and pollution</p> <p>b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products</p> <p>- Major compliance -</p>	<p>Waste management plan is documented in “Operational Plan to Avoid/Reduce Pollution”. The document has the information about type of waste, source of waste, quantity generated/month and method of disposal. Among the wastes sampled for verification:</p> <p>Major ones for estate:</p> <ul style="list-style-type: none"> • Agrochemical containers-reused for premix, recycling to G-Planter • Fertilizer bags-reused for LF collection • Clinical wastes-sent to Pantai Medivest Sdn Bhd • Spent lubricants-sent to authorized vendor • Domestic wastes-landfill 	Complied
4.5.3.3	<p>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.</p> <p>- Major compliance -</p>	<p>On-site verification showed that all the disposal of wastes was well managed. Among the records/practice verified:</p> <ul style="list-style-type: none"> • Disposal for SW 305 – 6th Sch available last disposal on 21/5/2018 to Primochem Sdn Bhd, Kinta, Perak, 3.4 mt, received on 21/5/2018 • Disposal for SW 410 – 6th Sch available-last disposed on 28/2/2018 to Ranama Resource Sdn Bhd, JB, 0.0758 mt, received on 28/2/2018 	Complied
4.5.3.4	<p>Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer’s labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.</p>	<p>The management of the empty chemical containers is guided by a procedure entitled “Standard Operating Procedure (C) Triple Rinsing Empty Pesticide Containers”, dated 26/5/2016. Based on the procedure, the empty containers must be triple rinsed, punctured and sold to recycler.</p> <p>Sampled: DO# 04524, dated 18/6/2018-260 kg to Enviro Green Plas Ent. Training on triple rinse-latest conducted on 22/3/2018, attended by 3 workers (all male)-records available</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
4.5.3.5	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses. - Minor compliance -	Domestic waste was disposed as such to minimize the risk of contamination of the environment and watercourses. Domestic waste stored in bins at housing areas were removed using tractors twice a week and sent to designated dumping area/landfill. No open burning of Domestic Waste was observed during the visit	Complied
Criterion 4.5.4: Reduction of pollution and emission			
4.5.4.1	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent. - Major compliance -	Assessment of all polluting activities are based on Environmental Risk Assessment (ERA) which was last reviewed on 7/5/2018 for both estate and mill. There were 3 main criteria considered in the assessment i.e. severity, quantity/load, probability. From the assessment, the information about the level of environmental risks were then obtained and it was important to determine the Environmental Action Plan (EAP). Verification of the assessment report showed that all activities in the mill and estate that could interact with the environment were assessed	Complied
4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. - Major compliance -	Waste management plan is documented in "Operational Plan to Avoid/Reduce Pollution". The document has the information about type of waste, source of waste, quantity generated/month and method of disposal. Among the wastes sampled for verification: Major ones for estate: <ul style="list-style-type: none"> • Agrochemical containers-reused for premix, recycling to G-Planter • Fertilizer bags-reused for LF collection • Clinical wastes-sent to Pantai Medivest Sdn Bhd • Spent lubricants-sent to authorized vendor • Domestic wastes-landfill 	Complied
Criterion 4.5.5: Natural water resources			
4.5.5.1	The management shall establish a water management	The Water Management Plan for the estates has been established. This is compiled on Group	Complied

Criterion / Indicator	Assessment Findings	Compliance												
<p>plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <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 vegetation 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. <p>- Major compliance -</p>	<p>basis and amended to meet demands of specific issue in an operating units. It was last reviewed on 2017.</p> <p>Included therein are inspection of Watergates, flap-gate, wooden weirs, sandbag weirs, water pumps and irrigation.</p> <p>For high rainfall (>150 mm/mth) – drainage and for low rain fall (<150 mm/mth) – irrigation. At onset of dry spell, install sandbags for rain harvesting, operating water pumps, weir platforms to be raised while during high tide, allow natural in flow of water.</p> <p>Water courses and wetlands are protected including maintaining and restoring appropriate riparian buffer zones. The guidelines are detailed in the SOP No 12: Protection of River Reserves (Riparian & Buffer Zone). The buffer zones established are as following:</p> <table border="1" data-bbox="699 1267 1209 1635"> <thead> <tr> <th>River width (meter)</th> <th>Minimum width for river reserves (m) for peninsular Malaysia and Sarawak</th> </tr> </thead> <tbody> <tr> <td>1-5</td> <td>5</td> </tr> <tr> <td>5-10</td> <td>10</td> </tr> <tr> <td>10-20</td> <td>20</td> </tr> <tr> <td>20-40</td> <td>40</td> </tr> <tr> <td>>40</td> <td>50</td> </tr> </tbody> </table> <p>Estate monitors the water quality through water sampling:</p> <p>In and out of Sg Anak Machang and Sg Bruas, Water Analysis – UIE Estate 1 and 2 report dated 7/3/18 was sighted. Water quality class is class III-IV which still suitable for usage.</p>	River width (meter)	Minimum width for river reserves (m) for peninsular Malaysia and Sarawak	1-5	5	5-10	10	10-20	20	20-40	40	>40	50	
River width (meter)	Minimum width for river reserves (m) for peninsular Malaysia and Sarawak													
1-5	5													
5-10	10													
10-20	20													
20-40	40													
>40	50													
<p>4.5.5.2</p>	<p>No construction of bunds, weirs and dams across main rivers or waterways passing</p>	<p>Both the river is not cross to the field estate and during the field visit, there is no construction of such was observed.</p> <p>Complied</p>												

Criterion / Indicator		Assessment Findings	Compliance
	through an estate. - Minor compliance -		
4.5.5.3	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). - Minor compliance -	During the site visit there is no practices of water harvesting are noted in the UIE Estate because housing area is using the government water supply while for nursery using the water source from lagoon. In addition, all fields in UIE estate mostly are in flat terrain and the soil is alluvium type which has the high water table, therefore moisture pit is not built.	Complied
Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value			
4.5.6.1	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: 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. - Major compliance -	UIE has the Environment and Biodiversity Policy signed by Dato' Carl Bek-Nielsen on 18.8.17. The high biodiversity is included in the HCV assessment report dated January 14 th 2008 by Wild Asia. 128 Birds, 11 mammals, 6 reptiles and 20 dragonflies were identified based on the latest HCV report. Within the bird fauna, a total of 4 globally endangered species were recorded such as Malaysian Blue Flycatcher, Long-tailed Parakeet, Rhinoceros Hornbills and Black Hornbills. The established management plan has been incorporated the Self-Assessment-List of HCVs Identified (HCV Monitoring) updated annually.	Complied
4.5.6.2	If rare, threatened or endangered species or high biodiversity value, are present, appropriate measures for management planning and	There is no RTE recorded. Evidence to continuously prevent and discourage illegal or hunting, fishing or collecting activities were maintained and implemented. Signage as well as routine patrolling activities were utilised as part of creating awareness among employees	Complied

MSP0 Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
	<p>operations should include:</p> <p>a) Ensuring that any legal requirements relating to the protection of the species are met.</p> <p>b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts.</p> <p>- Major compliance -</p>	<p>and maintain HCVs by awareness program on 04.05.2018 to internal and external party.</p> <p>There is wildlife sighting book kept for the monitor the RTE species (if any) presence. So far only monkeys, otter, tortoise, wild boar and beaver found.</p>	
4.5.6.3	<p>A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.</p> <p>- Major compliance -</p>	<p>All operating units have developed Management Plan for the HCV and conservation area to protect from any encroachment. Habitat protection includes prevention of disturbance by workers through awareness campaigns and regular patrols of the area. The estates have installed signboards at prominent areas to prohibit hunting, disturbance of protected areas and the lighting of fires.</p> <p>Conducted during linesite area and interview of residents confirmed workers were aware of the company policy that prohibits hunting and collecting activities. Monitoring is carried out by the security and staff in charge for the respective area.</p>	Complied
Criterion 4.5.7: Zero burning practices			
4.5.7.1	<p>Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice.</p> <p>- Major compliance -</p>		Complied
4.5.7.2	<p>A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the</p>		Complied

MSP0 Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
	next crop. - Major compliance -		
4.5.7.3	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. - Major compliance -		Complied
4.5.7.4	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched. - Minor compliance -		Complied
4.6 Principle 6: Best Practices			
Criterion 4.6.1: Site Management			
4.6.1.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored. - Major compliance -	The SOP for the estates are available which is prepared on Group and Estate basis. Seen the SOP signed by Ho Dua Tiam, Senior Executive Director on 10.12.07	Complied
4.6.1.2	Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals. - Major compliance -	The estates is 100% flat-undulating area which was observed during field visit and as per Topographic Map UIE, Bruas sheet 52. Planting of cover crop, EFB, POME are made to retain the soil structure and conservation.	Complied
4.6.1.3	A visual identification or reference system shall be established for each field. - Major compliance -	All fields are marked and identified. Information like year planting (field no) and the total hectare is shown in all markers. There are both stencilled at the palm trees and also displayed in signage at the boundary/corners of every	Complied

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
		fields. This is observed during the field visit in UIE Estate.	
Criterion 4.6.2: Economic and financial viability plan			
4.6.2.1	<p>A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.</p> <p>- Major compliance -</p>	<p>The annual business plan is available. West estate had an annual budget with a 3 years projection as stated in UIE Estate Annual Budget 2021. This business plan is prepared as guidance for future planning. The budget contains monthly budget per operating units including FFB, CPO and PK. Component of operating expenditure includes Administration, harvesting & collection, field upkeep, transportation, road and bridges, labour overhead, EVIT (running accounts for engines, vehicles, implements & tractors. Inclusive in the business plan is also Capital Expenditure (CAPEX) includes building-general, tractors and agricultural implement, office equipment and others as per the annual budget for 2018 for estate was sighted and verified.</p>	Complied
4.6.2.2	<p>Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years.</p> <p>- Major compliance -</p>	<p>There is replanting program for UIE estates for the forthcoming 3 years as per UIE Estate Budget. Details as per item 4.5.7.1 above.</p> <p>The current replanting in 2018 (898.33 Ha) and next replanting is 2019 (32 Ha).</p>	Complied
4.6.2.3	<p>The business or management plan may contain:</p> <ul style="list-style-type: none"> a) Attention to quality of planting materials and FFB b) Crop projection: site yield potential, age profile, FFB yield trends c) Cost of production: cost per tonne of FFB 	<p>This requirement i.e crop material, crop projection, yield, production cost are available. It is provided in the business management plan shown in item 4.6.2.1 above.</p>	Complied

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
	d) Price forecast e) Financial indicators: cost benefit, discounted cash flow, return on investment - Major compliance -		
4.6.2.4	The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented. - Major compliance -	The estates performance is recorded in the monthly progress report. Details on the actual vs budget i.e crop production, fixed and direct cost are shown therein. The management also provides variance report on the performance and reviewed on a monthly basis. The progress report contains the updated actual usage as todate. Example seen is the Progress Report March 2018. The meeting involving the Managers and Assistant sits monthly with the Estate Director for the performance review. Sighted the memo of the meeting on 26.01.2018 and the meeting held in 01.02.2018.	Complied
Criterion 4.6.3: Transparent and fair price dealing			
4.6.3.1	Pricing mechanisms for the products and other services shall be documented and effectively implemented. - Major compliance -	FFB supplier mainly from UIE Estate, which is own estate. For contractor, sighted contract for Chap Fong Enterprise Sdn Bhd, Sales contract no: MO 8526 dated 24.4.2018.	Complied
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	This requirement is in compliance. All contracts and purchases are documented i.e in the form of purchase orders, invoices, and contracts for the larger transaction. All documents are signed by both vendor and mill. Sample of contract sighted for Chap Fong Enterprise Sdn Bhd, Sales contract no: MO 8526 dated 24.4.2018. All contracts terms and conditions were made transparent and agreed from both parties.	Complied
Criterion 4.6.4: Contractor			
4.6.4.1	Where contractors are engaged, they shall understand the MSPO requirements and shall	UIE Estate had informed its contractors regarding the need to follow the MSPO requirements through MSPO training on 29.05.18. The training was attended by 8 contractors, which are K. Kumar Excavator, Teh	Complied

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
	provide the required documentation and information. - Major compliance -	Excavator and Ki Fatt Enterprise Sdn Bhd, Ching Liang, Andrew E.Gunalan Enterprise and Deva Kumar.	
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	Evidence of agreed contracts with the contractors were verified. Addendum contract terms and conditions version dated 24/04/18 and signed document from both party (Chap Fong Enterprise Sdn Bhd and UP) was made available for verification. Seen also the payment for PPC for May 2018, no BPV: 06/016 with cheque no: 142916.	Complied
4.6.4.3	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required. - Minor compliance -	The requirement of accepting MSPO accredited auditors to audit against the contractors are being mentioned in the MSPO Policy signed on 29 March 2018 by Dato Carl Bek-Nielson.	Complied
4.6.4.4	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. - Major compliance -	All works performed at the estates are checked and verified by the estates personnel before payment been made to the contractors. Example for Chap Fong Enterprise, the progress works are recorded in the book by estate personnel. As at May 2018, total of 1303 palms for chipping recorded in contractor's book updated daily by field staff and verified by Assistant and Manager.	Complied
4.7 Principle 7: Development of new planting (if there is any new planting after January 2015). There is no new development/coversion of planting occurred since January 2015. Thus, Principle 7 is not applicable.			
Criterion 4.7.1: High biodiversity value			
4.7.1.1	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. - Major compliance -	No new planting at UIE Estate .	N/A
4.7.1.2	No conversion of Environmentally Sensitive	No new planting at UIE Estate .	N/A

MSP0 Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
	<p>Areas (ESAs) to oil palm as required under Peninsular Malaysia's National Physical Plan (NPP) and the Sabah Forest Management Unit under the Sabah Forest Management License Agreement. For Sabah and Sarawak, new planting or replanting of an area 500ha or more requires an EIA. For areas below 500ha but above 100ha, a Proposal for Mitigation Measures (PMM) is required.</p> <p>- Major compliance -</p>		
Criterion 4.7.2: Peat Land			
4.7.2.1	<p>New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice.</p> <p>- Major compliance -</p>	No new planting at UIE Estate .	N/A
Criterion 4.7.3: Social and Environmental Impact Assessment (SEIA)			
4.7.3.1	<p>A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations.</p> <p>- Major compliance -</p>	No new planting at UIE Estate .	N/A
4.7.3.2	<p>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.</p> <p>- Major compliance -</p>	No new planting at UIE Estate .	N/A
4.7.3.3	<p>The results of the SEIA shall be incorporated into an appropriate management plan</p>	No new planting at UIE Estate .	N/A

MSP0 Public Summary Report
Revision 0 (Aug 2017)



Criterion / Indicator		Assessment Findings	Compliance
	and operational procedures developed, implemented, monitored and reviewed. - Major compliance -		
4.7.3.4	Where the development includes smallholder schemes of above 500ha in total or small estates, the impacts and implications of how each scheme or small estate is to be managed should be documented and a plan to manage the impacts developed, implemented, monitored and reviewed. - Minor compliance -	No new planting at UIE Estate .	N/A
Criterion 4.7.4: Soil and topographic information			
4.7.4.1	Information on soil types shall be adequate to establish the long-term suitability of the land for oil palm cultivation. - Major compliance -	No new planting at UIE Estate .	N/A
4.7.4.2	Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation systems, roads and other infrastructure. - Major compliance -	No new planting at UIE Estate .	N/A
Criterion 4.7.5: Planting on steep terrain, marginal and fragile soils			
4.7.5.1	Extensive planting on steep terrain, marginal and fragile soils shall be avoided unless permitted by local, state and national laws. - Major compliance -	No new planting at UIE Estate .	N/A
4.7.5.2	Where planting on fragile and marginal soils is proposed, plans shall be developed and implemented to protect them and to minimize	No new planting at UIE Estate .	N/A

Criterion / Indicator		Assessment Findings	Compliance
	adverse impacts (e.g. hydrological) or significantly increased risks (e.g. fire risk) in areas outside the plantation. - Major compliance -		
4.7.5.3	Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion. - Major compliance -	No new planting at UIE Estate .	N/A
Criterion 4.7.6: Customary land			
4.7.6.1	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. - Major compliance -	No new planting at UIE Estate .	N/A
4.7.6.2	Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites. - Minor compliance -	No new planting at UIE Estate .	N/A
4.7.6.3	Where recognized customary or legally owned lands have been taken-over, the documentary proof of the transfer of rights and of payment or provision of agreed compensation shall be made available. - Major compliance -	No new planting at UIE Estate .	N/A
4.7.6.4	The owner of recognised customary land shall be compensated for any agreed land acquisitions and	No new planting at UIE Estate .	N/A

MSP0 Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
	<p>relinquishment of rights, subject to their free prior informed consent and negotiated agreement.</p> <p>- Major compliance -</p>		
4.7.6.5	<p>Identification and assessment of legal and recognised customary rights shall be documented.</p> <p>- Major compliance -</p>	No new planting at UIE Estate .	N/A
4.7.6.6	<p>A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented.</p> <p>- Major compliance -</p>	No new planting at UIE Estate .	N/A
4.7.6.7	<p>The process and outcome of any compensation claims shall be documented and made publicly available.</p> <p>- Major compliance -</p>	No new planting at UIE Estate .	N/A
4.7.6.8	<p>Communities that have lost access and rights to land for plantation expansion should be given opportunities to benefit from the plantation development.</p> <p>- Minor compliance -</p>	No new planting at UIE Estate .	N/A

Section 4: Assessment Conclusion and Recommendation

Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings	
Based on the findings during the assessment UIE Palm Oil Mill Certification Unit complies with the MS 2530-3:2013 and MS 2530-4:2013. It is recommended that the certification of Key in certification unit name Certification Unit is approved.	
Acknowledgement of Assessment Findings	Report Prepared by
Name: C. Mathews	Name: Mohamed Hidhir Zainal Abidin
Company name: United Plantations Berhad	Company name: BSI Services Malaysia Sdn. Bhd.
Title: Group Manager Human Resources and Environment, Safety & Health	Title: Lead auditor
Signature: 	Signature: 
Date: 18th September 2018	Date: 12th September 2018

Appendix A: Assessment Plan

PRELIMINARY AGENDA				
Date	Time	Subjects	Hidhir	Elzy
Tuesday 19/6/18	AM	Audit team travelling to Sabak Bernam. Overnight at Jenderata guest house	-	√
Wednesday 20/6/18 UIE POM	0730 am	Audit team travelling to UIE POM	√	√
	08.30 – 09.00	Opening Meeting: <ul style="list-style-type: none"> • Opening Presentation by Audit team leader. • Confirmation of assessment scope and finalize Audit plan 		
	09.00 – 12.30	RSPO Supply Chain Certification audit.	√	√
	12.30 – 13.30	Lunch	√	√
	13.30 – 16.30	Continue with document review (MSPO part 4), P1: Management commitment and responsibility, P2: Transparency P3: Compliance to legal requirement P4: Social responsibility, health safety and employment condition P5: Environment, natural resources, biodiversity and ecosystem services P4: Social responsibility, health safety and employment condition, P6 : Best practices	√	√
	16.30 - 17.00	Interim Closing briefing.	√	√
Thursday 21/6/2018 UIE POM and Estate	09.00 – 12.30	UIE POM Inspection: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment. Laboratory, weighbridge and palm product storage area, staff, workers and contractor interview, housing and facility inspection, clinic, etc.	√	√
	10.00 – 12.30	Stakeholder interviews (combined with estate's Stakeholders)	√	√
	12.30 – 13.30	Lunch	√	√
	13.30 – 16.30	Document review P1 – P6 (MSPO part 3), P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6 : Best practices, P7: Development of New Planting (if any)	√	√
		16.30 - 17.00	Interim Closing briefing.	√

MSP0 Public Summary Report
Revision 0 (Aug 2017)

Friday 22/6/2018 UIE Estate	09.00 – 10.30	Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc. Continue with any outstanding elements (from day 1 and day 2)	√	√
	10.30 – 11.30	Audit team discussion and closing meeting	√	√
	12.30	End of audit and lunch break	√	√
	13.30	Audit team travelling back to Jenderata	√	√

Appendix B: List of Stakeholders Contacted

List of Stakeholders Contacted	
<p>Internal Stakeholders</p> <p>Workers Representative Gender Committee Mill Operators Sprayer Harvester</p>	<p>Union/Contractors/Local Communities</p> <p>Contractor Head of Village, Kampung 40 Rantai Head of Village, Kampung Sg Batu</p>
<p>Government Departments</p> <p>No complaint by Government Departments for UIE CU. Therefore, Government Department was not contacted.</p>	<p>NGO</p> <p>No complaint by NGO for UIE CU. Therefore, NGO was not contacted.</p>

Appendix C: Smallholder Member Details

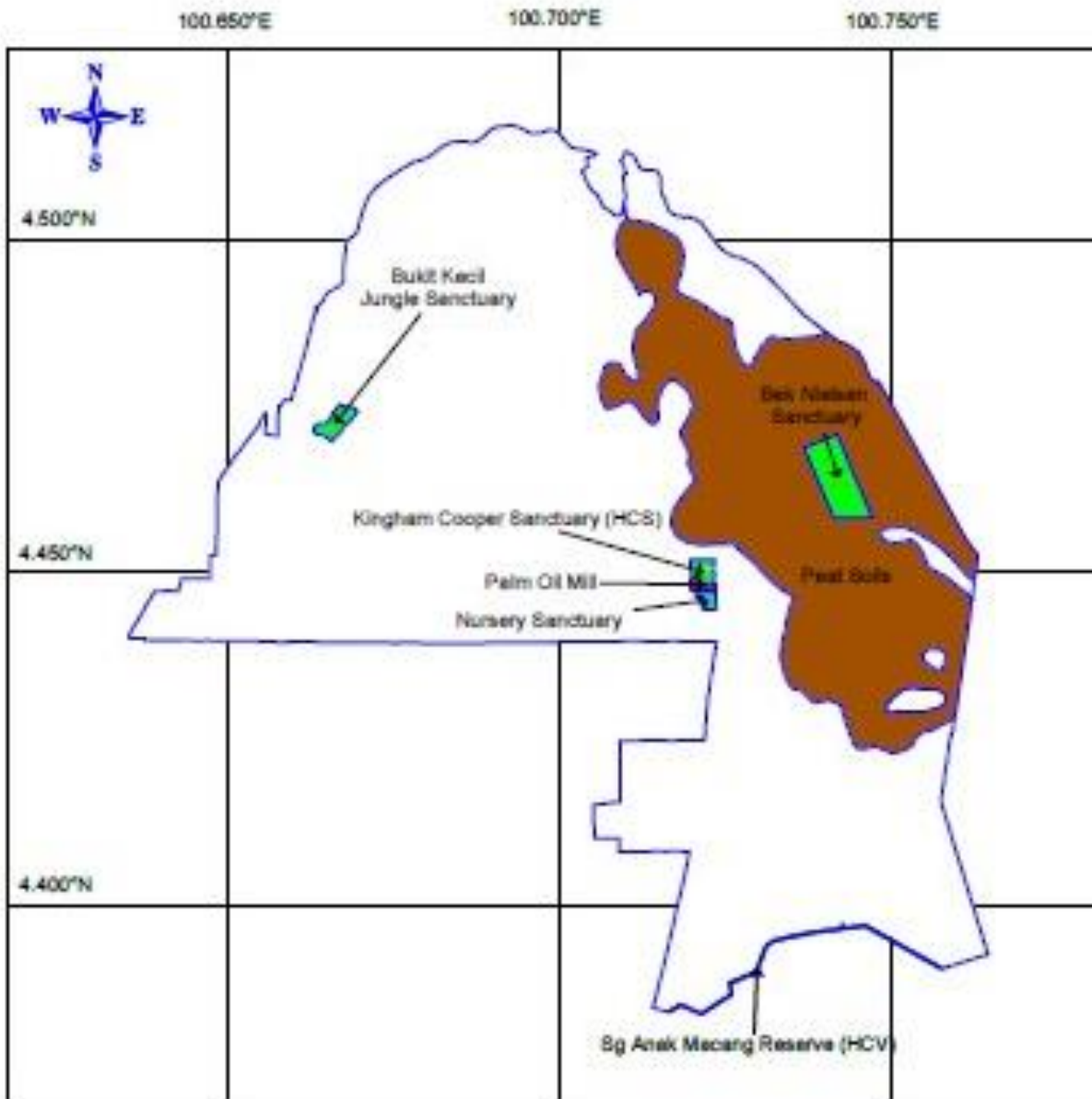
Not applicable as no smallholder's scheme involved in the scope of certification.

Appendix F: Location and Field Map





United Plantations Berhad
UIE Estates



Appendix G: List of Abbreviations

BOD	Biochemical Oxygen Demand
CB	Certification Bodies
CHRA	Chemical Health Risk Assessment
COD	Chemical Oxygen Demand
CPO	Crude Palm Oil
EFB	Empty Fruit Bunch
EHS	Environmental, Health and Safety
EIA	Environmental Impact Assessment
EMS	Environmental Management System
FFB	Fresh Fruit Bunch
FPIC	Free, Prior, Informed and Consent
GAP	Good Agricultural Practice
GHG	Greenhouse Gas
GMP	Good Manufacturing Practice
GPS	Global Positioning System
HCV	High Conservation Value
IPM	Integrated Pest Management
ISCC	International Sustainable Carbon Certification
LD50	Lethal Dose for 50 sample
MSP0	Malaysian Sustainable Palm Oil
MSDS	Material Safety Data Sheet
MT	Metric Tonnes
OER	Oil Extraction Rate
OSH	Occupational Safety and Health
PK	Palm Kernel
PKO	Palm Kernel Oil
POM	Palm Oil Mill
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
RTE	Rare, Threatened or Endangered species
SEIA	Social & Environmental Impact Assessment
SIA	Social Impact Assessment
SOP	Standard Operating Procedure