

UNITED PLANTATIONS BERHAD

(Incorporated In Malaysia)

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Rebuttal no. 2

UNITED PLANTATIONS SETS THE RECORD STRAIGHT ON THE FALSE AND MISLEADING ALLEGATIONS BY THE DANISH NEWSPAPER POLITIKEN

Under the headline "*We are treated like slaves*", the Danish newspaper Politiken and journalist Claus Blok Thomsen on September 12th continued to bring false and serious allegations against United Plantations as well as a totally misconstrued picture of the working conditions. These false and serious allegations have been repeated in articles brought by Politiken on September the 14th and 15th.

United Plantations wants to set the record straight on the false and misleading allegations against the Company. In addition United Plantations will refute the misleading picture given of the working conditions on the plantations described by Politiken.

The allegations are as follows:

1. Pesticide poisoning of employees at United Plantations - CATEGORICALLY UNTRUE AND MISLEADING
2. Employees not using Personal Protective Equipment when working with pesticides - CATEGORICALLY UNTRUE AND MISLEADING
3. Symptoms of pesticide poisoning on arms and genitals on women loose fruit collectors - CATEGORICALLY UNTRUE AND MISLEADING
4. Pesticides sprayed on top of loose fruit prior to collection - CATEGORICALLY UNTRUE AND MISLEADING
5. Inhumane working conditions where women have to lift 50 kg sacks with loose fruit - CATEGORICALLY UNTRUE
6. Nothing to drink in 4 ½ hours - CATEGORICALLY UNTRUE AND MISLEADING
7. Black water devoid of aquatic life due to the alleged pesticide spill - CATEGORICALLY UNTRUE AND MISLEADING
8. Orders from top management not followed through - CATEGORICALLY UNTRUE AND MISLEADING

9. Loss of DKK 500 million in 2009 - INCORRECT
10. Picture of United Plantations head quarters - INCORRECT
11. Insinuations of slave-like treatments - CATEGORICALLY UNTRUE AND MISLEADING

1. Pesticide poisoning of employees at United Plantations:

United Plantations wishes to reemphasize that there have been no serious incidents of pesticide poisoning on its estates for a number of years. Full documentation is available.

Furthermore all employees, interviewed by Politiken, were subjected to another full medical examination following Politiken's articles insinuating that employees of United Plantations were being poisoned after handling pesticides. The examination encompassed the following:

1. Detailed medical and occupational history
2. Personal habits, chemicals used
3. Full medical examination and laboratory investigations inclusive of hematology, renal, and liver functions tests, chest x-rays
4. Biological monitoring of the absorption of organophosphate pesticides in the form of plasma cholinesterase
5. Examination of hands, fingers, feet, eyes, blood pressure and more

The results for this detailed medical examination, where the blood samples were analyzed by an independent medical laboratory, were received on the 15th September 2010, revealing no signs or symptoms of pesticide poisoning or overexposure what so ever, thus refuting totally the assertions raised by Politiken. Full documentation is available.

2. Employees not using Personal Protective Equipment when working with pesticides:

We would like to reiterate that all workers at United Plantations, who handle pesticides, are equipped fully with the proper safety equipment. For further details, kindly refer to Rebuttal No.1 http://www.unitedplantations.com/Files/Office/Full_Rebuttal-9_September_2010.pdf

3. Symptoms of pesticide poisoning on arms and genitals on female loose fruit collectors:

None of the women working for United Plantations as loose fruit collectors, taken to the Anson Hotel, room 301 by Politiken and the NGO Tenaganita, have worked as pesticide sprayers over the past 7 years. One of the women had never worked with pesticides.

The women who are currently working in the loose fruit collection gang voluntarily spoke to Management informing them of the incident, which took place at the Anson Hotel room 301, where Politiken's journalist and activists from Tenaganita had arranged for the women to be questioned.

United Plantations' employee Mrs Puspa: *"They brought us to the Hotel.....they insisted that I say that this was because of pesticide poisoning..."*

See video link of interview with female workers whom Politiken used in the article.
<http://www.youtube.com/watch?v=jwpDjPGYzl>

At no stage to date has United Plantations received any reported incidents at any of its hospitals or medical clinics from any of its employees, including the loose fruit collectors mentioned above, complaining of pesticide poisoning as asserted in Politiken's article. Nor has the Company received any reported incidents from any outside medical clinics or hospitals concerning the above.

The allegations by Politiken on the 8th, 12th, 14th and 15th of September insinuating that the above women were suffering from pesticide poisoning is therefore not only spurious but misleading and false.

4. Pesticides sprayed on top of loose fruit prior to collection:

This argument highlights Politiken's elementary lack of knowledge about common agricultural practices applied within the oil palm plantation sector.

1. Firstly, loose fruits are not drenched in pesticides as insinuated by Politiken before, during, or after collection
2. Herbicide spraying takes place 3 to 4 times a year in each field. All herbicides used disintegrate rapidly into harmless compounds upon coming into contact with the soil and being exposed to micro-organisms
3. Loose fruit collection takes place about 24 to 30 times a year, depending on harvesting rounds, which provides the Estates with ample time to plan their herbicide spraying, so it does not coincide with loose fruit collection
4. Weed control is not undertaken prior to, or during, loose fruit collection. The use of gloves during loose fruit collection is voluntary and, upon request, employees are provided with gloves, free of charge

The women who are assigned to the loose fruit collection, and who were interviewed by Politiken, categorically refute that exposure to herbicides has taken place and have

informed management that they have been misled into making statements in support of Politiken's allegations that pesticides were a cause of their complaints.

United Plantations' employee Mrs Selvi: *"They asked; while spraying chemicals, do you collect loose fruit?.....I said the Company won't do that"*. (See from 1:18 min to 1:42 min)

Please see video link of interview with female workers whom Politiken used in the article.
http://www.youtube.com/watch?v=_jwpDjPGYzI

The allegation that loose fruit collectors are affected by herbicides during loose fruit collection is baseless and wrong and indicates a total lack of understanding of what is happening on the ground.

The video link below shows the shocked and angry reaction of the same four women after reading the translated article *"We are treated like slaves"*. United Plantations' employees: *"They told us to say things we didn't want and wrote all these lies"*. (See from 3:10 min to 3:22 min)

Please see the video link where the women are reading the translated Politiken article.
<http://www.youtube.com/watch?v=THqyhzfpAvc>

This is furthermore reemphasized by two United Plantations' employees who have come forward and explained about a failed attempt to coerce them into lying about their working conditions on United Plantations.

Please see video link of interview with the above mentioned women.
<http://www.youtube.com/watch?v=Jbf9n0LzIkA>

5. Inhumane working conditions where women have to lift 50 kg sacks with loose fruit:

The average weight of a loose fruit bag is 16kg.

The allegation that women work with 50kg heavy bags is therefore wrong.

6. Nothing to drink for 4 ½ hours:

All employees are urged to drink sufficient water and to bring water along during working hours. Politiken's insinuation that employees are not allowed to drink water during working hours is therefore unfounded and absurd.

7. Black water devoid of aquatic life due to the alleged pesticide spill:

Visitors to United Plantations will find that Politiken's allegation of *"...drains filled with a stagnant black soup, which has a metallic stench, because many of the pesticides which is sprayed on the oil palms also runs into the drains. Apparently, the only organism capable of surviving in this water, is small worms"* is totally untrue.

In fact, the drains and canals on the Company's estates are rich in aquatic life with a healthy variety of fish, frogs, snails, water snakes and aquatic insects. Fishing is a regular past time hobby of many employees at United Plantations.

The allegations are therefore false, un-factual and misleading.

8. Orders from top management not followed through:

Contrary to Politiken's assertions all three Executive Directors of United Plantations reside on the plantation and are hands-on in implementing all policies and guidelines at every level of management.

9. Loss of DKK 500 million in 2009:

In Politiken's fact box printed in the lower left hand corner on page 6 it is stated that United Plantations made a loss of DKK 500 million during 2009. This is incorrect. The Company made a profit of DKK 500 million.

10. Picture of United Plantations head quarters:

Even the picture in Politiken's article on the 12th September 2010 - stating that it was United Plantations' "Head office" is wrong. The picture entitled "head office" is in fact that of the Jendarata Palm Oil Mill.

11. False accusations and misleading insinuations on United Plantations working conditions under the headline: *"We are treated like slavesInhumane working conditions and low pay"*:

Plantation workers and staff employed by United Plantations are protected by the country's labour laws and by the national unions, which are represented through the following bodies:

1. Malaysian Agricultural Producers Association and National Union of Plantation Workers (MAPA/NUPW)
2. Malaysian Agricultural Producers Association and All Malayan Estates Staff Union (MAPA/AMESU)
3. Mill Workers Union
4. Collective Agreement for Unionized Refinery Employees

Collective agreements for wage structures are deliberated upon every three years through a democratic process of negotiations between representatives from the plantation industry and the relevant union representatives.

United Plantations is a firm believer in working with the above mentioned unions and fully respects the national minimum wage agreements, which are all complied with. In this

respect it is important to set the record straight, namely that all employees on the minimum wage are paid a full days' salary if they turn up for work.

On 13th September 2010, Mr A. Navamukundan, The National Executive Secretary of the National Union of Plantation Workers (NUPW) called all union representatives of United Plantations together for a meeting where, amongst others, the various allegations put forward by Politiken were discussed.

The response by the National Executive Secretary of the NUPW, Mr Navamukundan to the article *"We are treated like slaves"* can be seen in the following video links where he summarises his views in relation to the allegations:

- *"This Company definitely has never neglected its responsibilities in protecting the welfare and well being of its workers"*
- *"Such an incident is not there at all, what is important is that we have to isolate the fact from the fiction"*
- *"To think that these people are not even capable of looking after their personal hygiene and safety ... is far fetched"*
- *"The standards as set out by the Government in their legislations and regulations...are being complied with"*

A. *"This Company definitely has never neglected its responsibilities in protecting the welfare and well being of its workers"* (See from 1:26 min to 1:46 min)

Related video link: <http://www.youtube.com/watch?v=a2MEOmYWyeI>

B. *"Such an incident is not there at all, what is important is that we have to isolate the fact from the fiction"* in relation to the allegation that 5 to 10 workers from United Plantations suffer from pesticide poisoning per month. (See from 1:50 min to 2:04 min)

Related video link: http://www.youtube.com/watch?v=uycnsffg_Ac

C. *"To think that these people are not even capable of looking after their personal hygiene and safety ... is far fetched"* in relation to the allegation that some of United Plantation's female workers are affected by pesticides sprayed on fields when they ease themselves. (see from 0:28 min to 0:45 min)

Related video link: http://www.youtube.com/watch?v=X4e7_serrZk

D. *"The standards as set out by the Government in their legislations and regulations...are being complied with"* in relation to the overall working conditions at United Plantations. (See from 0:43 min to 1:05 min)

Related video link: <http://www.youtube.com/watch?v=Ws2TAV4fkns>

The insinuations that United Plantations treats its employees like slaves is categorically untrue; a view shared amongst others, by the National Executive Secretary of the National Union of Plantation Workers, the independent auditor and representatives from

Malaysia's Labour Department who undertook a full investigation on ground of the various allegations. The individual reports on these investigations will be forthcoming.

Concluding remarks

Independent audits and visits from governmental bodies as well as customers are welcome:

The allegations made by Politiken are viewed very seriously by United Plantations which has made concerted attempts to balance the economic, social and environmental aspects of running a plantation.

The Company will therefore ensure that all the allegations are investigated independently, thoroughly and diligently and in due course, it will open its findings to external scrutiny. This is already in the process of being done by the following independent parties:

- RSPO accredited independent auditors
- Department of Occupational Safety and Health
- The Labour Department
- Independent auditors hired by customers

We welcome constructive criticism as one of the most direct roads to improvement and positive change, contrary to the seriously misleading and false allegations made by Politiken, in which we reserve our rights to further action.

We remain focused on our vision to be recognized as "*second to none*" within the plantation industry producing high quality products, always focusing on the sustainability of our practices and our employees' welfare whilst attaining acceptable returns for our shareholders.

The Board of Directors of United Plantations, 16th September 2010

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