

**Rebuttal against Politiken's articles published on the 8th and 9th of September 2010 in which misleading and manipulative allegations were made against United Plantations.**

United Plantations hereby wishes to provide a detailed rebuttal to the serious allegations made by Politiken on the 8th and 9th of September relating to conditions on the Company's properties.

In the following statement United Plantations will show evidence of how Politiken sadly has misrepresented the facts on ground in order to arrive at a predetermined conclusion which has resulted in a series of imbalanced and unfair publications.

The following video clips shows interviews with United Plantations employees and union representatives as well as the Doctor who was quoted in the article published by Politiken on the 8<sup>th</sup> & 9<sup>th</sup> of September 2010.

- Interview with female workers whom Politiken used in the article.  
[http://www.youtube.com/watch?v=\\_jwpDjPGYzI](http://www.youtube.com/watch?v=_jwpDjPGYzI)
- Interview with Dr Ravindran R. Naidu who was quoted in the article and in addition made an interview with Politiken which was shown on the newspaper's homepage.  
<http://www.youtube.com/watch?v=Vw8O2QanMtc>
- Interview with Union Representatives from United Plantations.  
<http://www.youtube.com/watch?v=tTZdcEXzItI>

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## **1. Paraquat:**

Paraquat is today one of the most widely used herbicides globally. More than 100 countries including Malaysia use paraquat to suppress weeds and protect crops like corn, soya, apples, bananas, olives, oranges, rice, rubber, coconut and oil palms.

Paraquat is a dangerous herbicide categorized under class 1B. Paraquat, however, must be used with care and strict safety procedures should be applied. Employees who work with pesticides must wear personal protective clothing (masks, gloves, boots, aprons etc.). In addition, the handlers have to undergo regular training on the correct usage of pesticides as well as personal protective equipment.

Paraquat usage was banned in the European Union in July 2007, 3 years ago.

United Plantations has always remained transparent about its use of pesticides and has never refuted to not using Paraquat. This has also been informed to Politiken.

The Roundtable for Sustainable Palm Oil ([www.rspo.org](http://www.rspo.org)) still permits paraquat usage within oil palm plantations as long as RSPO member companies are *“able to produce documentary evidence that the use of Paraquat will be reduced and/or eliminated over a time frame from certification”*. United Plantations Bhd has since February 2008 been working on this (see point 2).

Since 2008, United Plantations has seriously worked towards minimizing the usage of paraquat and in May 2010, the Board based on Management's advice took a decision to voluntarily phase out the usage of paraquat by 1<sup>st</sup> January 2011.

In this context, it must be mentioned that United Plantations' total pesticide usage per ton of vegetable oil produced is currently about 40 times lower than that applied to produce one ton of soybean oil (non GMO) and about 8 times lower per ton of rapeseed oil (non GMO) produced.

## **2. United Plantations phasing out of Paraquat:**

The article in Politiken has falsely alleged that United Plantations only recently decided to phase out its use of paraquat due to pressure from customers arising from Politiken's enquiries to Nestle and Kraft in the month of August. This is incorrect and a misrepresentation of the truth.

A complete paper trail will reveal that the Group Manager of Human Resources and Environment, Safety & Health of United Plantations on the 15<sup>th</sup> of February 2008 issued a letter initiating what would become the first

step to phase out its use of Paraquat. This was before even being certified as the world's first certified producer of palm oil in accordance to the RSPO Principles and Criteria ([www.rspo.org](http://www.rspo.org)).

Quote:

*"Please evaluate its efficacy & if proven to be a good alternative it would reduce or eliminate our dependency on Paraquat"*

: Unquote

In the RSPO Assessment report, Public Summary dated 30<sup>th</sup> May 2008, one will also see under indicator 8.1 that measures were taken to minimize the usage of pesticide usages amongst others Paraquat.

[http://www.rspo.org/files/resource\\_centre/United\\_Plantations\\_Berhad\\_RSPO\\_ASSES\\_S\\_08\\_1\\_ENG\\_1.pdf](http://www.rspo.org/files/resource_centre/United_Plantations_Berhad_RSPO_ASSES_S_08_1_ENG_1.pdf)

Again, in the RSPO Annual Surveillance Report dated 25<sup>th</sup> November 2009 under indicator 8.1 further steps have been taken to document the company's intention to reduce its usage of pesticides including paraquat in general.

<http://www.rspo.org/sites/default/files/United%20Plantations%202009%20ASA.pdf>

United Plantations wishes to make it clear that annual reviews of the Company's pesticide usage are undertaken by the Operations and Environmental Management Committee where avenues are constantly being explored in the quest to reduce overall pesticide usage. This includes the usage of Paraquat, which was reduced by 9% on a per hectare (active ingredient) basis from 2008 to 2009. Politiken's insinuation of an increase usage is therefore incorrect.

On the 15<sup>th</sup> of May 2010, the Board of United Plantations voluntarily resolved to phase out the usage of Paraquat totally by no later than 1<sup>st</sup> of January 2011. This decision was reinforced publicly in a Press Announcement released on the 21<sup>st</sup> of August 2010.

In this connection, it is worth mentioning that The Program Advisor from the grass root organization, Tenaganita ([www.tenaganita.net](http://www.tenaganita.net)), which Politiken refers to - stated the following in their email dated 27<sup>th</sup> August 2010 addressed to United Plantations' Group Manager of Human Resource and Environment, Safety & Health,

Quote:

*"U.P's move to phase-out paraquat is indeed progressive and has definitely set quite an example for other RSPO members to follow suit"*

: unquote.

The allegation made by Politiken on the reason for United Plantations phasing out its usage of Paraquat is therefore twisted and misleading.

### **3. Paraquat Poisoning:**

United Plantations takes the allegations on Paraquat poisoning made by Politiken very seriously and whilst it refutes the allegations made by Politiken the Company is nevertheless open to and welcomes a thorough independent review of all its employees who in one way or another are working with pesticides.

The Company wishes to state that there have been no recorded cases of pesticide poisoning on United Plantations over the last many years. Neither has any of the surrounding clinics reported such cases to the Company or to the Malaysian Authorities (Department of Occupational Safety and Health) who are obliged to be informed of any such incidents. We therefore urge any medical Doctor to report any cases to the Authorities originating from United Plantations. So far United Plantations has today received no less than 8 written letters from the medical clinics around its plantations who all state that there have been no cases of pesticide poisoning treated at their clinics originating from employees of United Plantations.

In the article as well as the video clip shown on Politiken's website on the 8<sup>th</sup> of September 2010, Dr Ravindran Naidu, Sabak Bernam Dispensary is shown stating that there are between 5-10 cases per month of paraquat poisoning from workers employed at United Plantations.

Firstly, this has never been reported to the authorities nor United Plantations. Dr Ravi on the 8<sup>th</sup> of September 2010 has, upon being asked about his statement in Politiken, reverted that the statements issued by him during the interview had been taken out of context. Please see the doctor's comments on the below video clip where he clearly refutes any paraquat poisoning cases from United Plantations.

<http://www.youtube.com/watch?v=Vw8O2QanMtc>

In the video clip on Politikens website there are also pictures of feet belonging to 5 women, all employees of United Plantations.

However, one of the reasons for Politiken not wanting to reveal the faces of the women in the article is probably also due to the fact that none of the women whose feet were depicted in the picture have worked with pesticides during the last 7 years. One of the women whose feet is also depicted in the picture, an employee of 11 years has indeed never worked with pesticides. Please see video clip below of the female workers who expressed that they were manipulated and exploited by Politiken.



[http://www.youtube.com/watch?v=\\_jwpDjPGYzI](http://www.youtube.com/watch?v=_jwpDjPGYzI)

#### **4. Report on Pesticide poisoning released by PAN and Tenaganita in the spring of 2010:**

Politiken mentions in its article a report on the usage of pesticides which was published by Pesticide Action Network Asia & the Pacific 2010.

Unfortunately, Politiken conveniently forgets to mention that the findings from Malaysia included workers from two other plantation companies apart from United Plantations and that out of the 105 workers interviewed in the survey only 14 of them came from United Plantations. Moreover, one should also please take note on the "Study limitations" mentioned on page 12 of this 156 page report, as well as page 42 under paraquat where it is stated that

*"paraquat was also used in Perak (the state in which United Plantations has the majority of its plantations) where personal protective equipment was more consistently worn".* Finally on page 96 it is stated that *"96% of the applicators (in Perak) reported that they used personal protective equipment when applying pesticides".*

The insinuations by Politiken are therefore grossly exaggerated.

## 5. Safety Measures when using pesticides at United Plantations:

United Plantations has always been very transparent about its usage of pesticides. The total active ingredient usage has been a familiar feature in its annual report for years. The publicly available documents as per the Roundtable on Sustainable Palm Oil will also testify to this.

In addition strong emphasis is also directed towards implementing high standards of safety to all its employees, especially those exposed to pesticides. This, amongst others, include the following:

- 5.1 All new employees at United Plantations handling pesticides, particularly Paraquat, are given proper training based on detailed standard operating procedures including the use of proper personal protective equipment (PPE), in addition, retraining of all workers is routinely carried to ensure safety measures are correctly implemented.

However, in spite of the rules and regulations on the use of personal protective equipment and the safe use of pesticides Management cannot deny that there are cases, as mentioned by Politiken, of employees who take off some of their safety gear when Management or supervisors are not around. If this is found to be true, then harsh warnings are issued, but to refute that it never happens, would not be correct.

All this is documented and promulgated internally in the company's HIRARC manual. (Hazard Identification, Risk Assessment and Risk Control)



Picture 1: Training of field employees on the safe use and operation of pesticides and PPE. Picture taken from the 2007 annual report.

- 5.2 PPE are issued and records maintained to substantiate this. The Malaysian authorities Department of Safety and Health (DOSH) visits each of United Plantations estates at least once a year to audit whether the Company's practices and routines have been rigorously applied.

All this is documented.

- 5.3 Every 1-2 months medical examinations are carried out on all employees handling pesticides in order to determine their continuing fitness. Since 2005, the Company has conducted nearly 12,000 of such medical examinations. These examinations are undertaken by a qualified Hospital Assistant and a Doctor of medicine. The medical examination covers the nose, ears, skin, eye, nails, lungs, weight gain/loss and blood pressure.

On no occasions, over the last 5 years, has the Company experienced cases of Paraquat poisoning. In the event of incidental cases of allergic reactions to the use of rubber gloves following such investigations, affected workers are assigned elsewhere.

All this is documented.

- 5.4 In addition to the above, United Plantations has since 2008 embarked on a programme involving an Occupational Medical Surveillance examination of a random selection of chemical sprayers and handlers from the various estates within the Company. From 2010 this has been extended to all sprayers. This is both a requisite of the Roundtable for Sustainable Palm Oil as well as under the Use and Standard of Exposure of Chemicals Hazardous to Health (USECHH) regulation issued in 2000 by Malaysian Department of Occupational Safety and Health.

This examination encompasses detailed medical and occupational history, personal habits, chemicals used, full medical examination and laboratory investigations inclusive of hematology, renal and liver functions tests, chest x-rays, and more importantly for pesticide sprayers, the biological monitoring of the absorption of organophosphate pesticides in the form of plasma cholinesterase. This year alone almost 30% of the Company's employees assigned to the application of pesticides have been examined. None of these examinations have identified any abnormality in any of United Plantations' employees due to exposure to organophosphates or Paraquat and other chemicals applied in the course of their work.

All this is documented.

## **6. Nails which fall off under the section “Jeg er bange for at blive syg (I am scared of getting sick)”**

Politiken alleges that an employee’s nail was damaged due to Paraquat poisoning. The specific individual whose fingers Politiken is referring to belongs to Arumugam at Kuala Bernam estate, whom Politiken visited. It is alleged by Politiken that his nails are falling off. This is not correct.

Firstly, Arumugam has been exposed to 6 medical examinations alone during 2010 to date. Additionally, following two medical examinations undertaken on the 30<sup>th</sup> of August 2010 and the 2<sup>nd</sup> of September 2010, one from a Governmental Hospital, the conclusion was that the finger nail was due to a common fungal infection on the lateral sides of the right ring-finger nail and has nothing to do with pesticide poisoning, including paraquat.



Picture 2: Picture of Arumugam’s right hand showing the ingrown nail on his ring finger (second from left), something he has been suffering from for years.

## **7. Use of Monocrotophos:**

Monocrotophos is still used in France, Spain, Italy, Austria and Greece.

United Plantations has never denied that it uses the insecticide called monocrotophos. This highly toxic pesticide is permitted under the RSPO as long as concerted efforts are taken by all RSPO members to minimize or

totally phase out its use. This has been pursued by United Plantations since 2006.

All use of monocrotophos at United Plantations is done under very strict safety regulations and is only used for trunk injection where treatment is very selective and specific. Today, monocrotophos usage makes up less than 5% of the total active ingredient applied on United Plantations, a figure which has steadily been declining since 2006.

No incidences of pesticide poisoning on its employees has taken place on United Plantations with this pesticide. All employees exposed to this pesticide undergoes a specific medical examination mentioned under point 5.4.

In this context, it must be reiterated that United Plantations' total pesticide usage per ton of vegetable oil produced is currently about 40 times lower than that applied to the production of one ton of soybean oil (non GMO) and about 8 times lower per ton of rapeseed oil produced (non GMO).

#### **8. Politiken : *"Management does not want to comment"*:**

Before publishing his article, the journalist from Politiken offered United Plantations in order for the Company to provide its comments to some questions he forwarded.

United Plantations was initially positive towards commenting on these questions. However, the Company lost faith in the journalist's objectivity after learning that he, at three separate occasions, had entered our plantations without prior consent, information or permission from the Company.

#### **9. Welfare of United Plantations' employees:**

The insinuations of United Plantations not taking care of its workers and the workers being intimidated by Management is very serious and goes totally against the founding principles of the Company.

It is difficult to explain what actually does take place on the ground for anyone who has not visited United Plantations, especially from Denmark where living conditions are excellent and the level of development is many times higher than that of Malaysia.

However, United Plantations has always placed great emphasis on the welfare of its workers and always supported a close collaboration between the various Unions within the plantations and Management. It shall continue to do this. On the 8<sup>th</sup> of September 2010, at 1630 hrs (local time),

approximately 140 union representatives attended a meeting at the UPRD Auditorium where they were briefed on the article published by Politiken alleging United Plantations use of pesticides and mistreatment of employees. The following video clip shows some of the union representatives giving support to the company.

<http://www.youtube.com/watch?v=tTZdcEXzItI>

**10: 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 who has made concerted attempts to balance the economic, social and environmental aspects of running a plantation. The Company will therefore dedicate its special attention towards further investigating the allegations in full.

The Company would also like to stress most perspicuously that it will cooperate fully with all Malaysian Governmental Departments, Ministries and other relevant industry bodies to fully get to the bottom of this whole issue and to release the findings to the public.

United Plantations insists that independent auditors and observers shall form a part of this investigation. Moreover, local and international customers will, upon request, be most welcome and given full access to any part of our estate's operations. This shall include a full disclosure of any documents related to this issue. The Company insists that the investigation must include discussions with all the Company's Union representatives and the employees in general just like what is done during a stakeholder meeting.

At United Plantations we believe strongly that it is right and proper that businesses, politicians and scientists face a skeptical media who scrutinize them to account and expose their flaws and contradictions. We welcome this in particular because constructive criticism is one of the most direct roads to improvements and necessary changes.

Contrary to the seriously misleading allegations raised by Politiken, we remain focused on our vision, which is 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, 8<sup>th</sup> September 2010

Dato' Carl Bek-Nielsen  
Executive Director, United Plantations Berhad