

## RSPO Verification Assessment – Action Plans

Theme	SDP Response
<b>1. Human Rights Awareness</b>	
<p>1a SDPB to evaluate the effectiveness of the communication approach and training methods on human rights policies /procedures, and subsequently adjust its methods to ensure compliance with Criteria 4.1 and 4.2 of the 2018 RSPO Principles and Criteria."</p>	<p>The HRC is our guiding document on our commitment to human rights where the contents are organised for ease of understanding and is broken into categories/components and incorporated into various briefings and awareness programmes for workers including during induction sessions for new workers. Apart from that these briefings and engagements are conducted regularly through annual refresher trainings, as and when there are changes which are part of an ongoing process. Our aim is to ensure that workers always have a deep understanding of their rights and our commitments to them.</p> <p>In order to bolster our commitment to human rights, over the past year, we have implemented tremendous reforms and modifications to our operations with the input of workers through social dialogues and other form of engagements. As part of <u>evaluating the effectiveness of this process</u>, we have conducted extensive surveys of our workforce and assessments of our operations. These surveys and assessments indicate that our workers understand their rights, and are aware of the grievance channels and other mechanisms available to them should they believe they are being deprived of these rights.</p>
<b>2. Grievance Channel</b>	
<p>2a SDPB to audit its existing grievance systems including practices, processes, policies, and procedures to ensure legitimacy, accessibility, predictability, transparency, equitability, and rights compatibility as prescribed under Criteria 4.2 of the 2018 RSPO Principles and Criteria (P&amp;C).</p>	<p>SDP has established three (3) distinct grievance channels that provide workers with a safe and confidential forum to raise queries, and file complaints and grievances. These channels are as follows:</p> <ul style="list-style-type: none"> <li>• SUARA KAMI - Launched in 2019, in collaboration with Nestle and ELEVATE to provide independent third-party help to SDP’s workers in Malaysia.</li> <li>• Workers’ Helpline – At the end of August 2021, we introduced the Workers’ Helpline, an independent third-party worker grievance channel with multi-languages and multi-interface, supported by the Ulula Case Management system, a platform that collects grievances and allows workers to anonymously raise concerns safely and securely at any time and to digitally connect with support for real-time case management.</li> </ul>

		<ul style="list-style-type: none"> <li>Whistleblowing (WB) – This channel has been available for many years and is managed internally by an independent team within the Governance and Integrity Unit at headquarters.</li> </ul> <p>The operations of these channels are also supported with adequate procedures and Terms of References which are aligned to <b>UN Human Rights Commission (HRC) endorsed ‘Guiding Principles on Business and Human Rights: Implementing the UN “Protect, Respect and Remedy” Framework’, 2011</b> which states to ensure the effectiveness of the grievance system, the framework should ensure legitimacy, accessibility, predictability, transparency, equitability, and rights compatibility. These are also in compliance to Criteria 4.2 of the 2018 RSPO Principles and Criteria (P&amp;C), which states that there is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.</p> <p>SDP has also set up a Grievance Unit at HQ, which is independent of operations where all grievances are channelled centrally. The Grievance unit is responsible to ensure assignment of cases based on category of grievances and to also monitor the progress of investigation of cases. A Grievance Committee which is set up at HQ meets on a weekly basis to monitor grievances.”</p> <p>These grievance systems are reviewed and enhanced on an ongoing basis. The last major update to the investigation procedures and processes was undertaken in 2021.</p>
2b	SDPB to disseminate the guidelines on the Grievance Mechanisms to all workers and ensure that workers – including contractor’s workers – are able to comprehend the process and procedures, including the available mechanisms to protect workers from the risk of reprisal.	SDP has undertaken various approaches to ensure workers including contractor’s workers are aware of the Grievance Mechanisms from the posters, stickers on the helmet, distribution of WhatsApp videos in the relevant languages to describe how workers can raise concerns. Reminders about these channels are also delivered at morning muster briefings, awareness sessions, and through posters and printed flyers that are distributed with payslips and displayed at prominent locations and common areas such as sports clubs and halls This has resulted in significantly enhanced awareness over the grievance channels as evidenced via surveys that are undertaken with the entire workforce. The confidence our workers place in the grievance channels is also reflected in the increased volume of calls. Between 1 April 2021 – 11 November 2022, SDP received a total of 1,219 grievances through

		<p>all our grievance channels. As these numbers reflect, our workers are aware of our commitment to resolve issues expeditiously. Depending on the type and complexity of the issues raised, grievances are resolved between 2 weeks to 3 months. Two of these grievance lines are independently administered with a loop-back mechanism to complainants prior to closure of grievances.</p> <p>In the 3rd Quarter of 2022, SDP has conducted additional awareness raising and engagement sessions with workers. Awareness sessions are also included in the induction programme for all new workers coming into Malaysia. Moving forward additional awareness raising briefing sessions will be rolled out to maintain the awareness levels of workers.</p>
2c	<p>SDPB's staff across Operating Units shall be adequately trained to communicate, implement, and monitor the grievance mechanism and the resolution of grievances, and to constructively engage with workers to allay the risk or fear of reprisals.</p>	<p>SDP has increased its worker communications significantly in 2021 via briefings during daily morning musters and the fortnightly social dialogues to reiterate that there should be no fear of retaliation and to encourage workers to come forward and share relevant information to aid investigations. Operating Unit management have been formally trained on undertaking effective social dialogues as well as awareness sessions on grievance mechanisms.</p> <p>In 2021, SDP improved its investigation capability by investing in additional resources. The adequacy of investigation teams is also continuously monitored to ensure that anticipated case investigation delays are to be mitigated via acquiring additional support, internally and externally. SDP has developed a set of Frequently Asked Questions (FAQs) to assist call handlers and local operating units. The FAQs are regularly reviewed to ensure it remains current.</p>
<b>3. Wage Computations &amp; Enhancing Workers Awareness</b>		
3a	<p>SDPB to develop a socialisation programme on the wage calculation methodology for all workers; including disseminating the guidelines on wage calculation and ensuring all workers, including those employed by contractors, can comprehend the calculation and</p>	<p>Amongst the improvements implemented in 2021 include the provision of payslips in native languages, where the system configurations allow for it. For other nationalities, SDP provides wage code glossaries in all native languages to ensure that all workers understand their payslips. In addition, SDP has developed and distributed wage calculation info packs to all workers. Given that a portion of the workforce are illiterate, SDP has also developed pictorial wage posters which are displayed at all operating units. In the event they need clarification, workers have ready access to site management as well.</p>

	components of their wages including elements such as Vacation Leave Pay (VLP).	<p>There are ongoing briefings and continuous efforts to enhance workers understanding of their wage computations including on Annual Vacation Leave Pay.</p> <p>As for contractor's workers, SDP conducts regular briefings, trainings and engagements to create awareness and also monitoring/regular checks guided by the Contractor and Vendor Management Procedures on compliance to the legal requirements with regards to pay and conditions.</p>
3b	SDPB to make available copies of the Collective Bargaining Agreement with NUPW and SPIEU to workers.	The documents per se are very complex. In order to make it understandable for workers, the contents and updates are informed to workers through regular briefings including social dialogues instead. Nonetheless, workers also have access to view a copy of the document at the site offices.
<b>4. Review of Employment contracts</b>		
4a	SDPB to undertake a review of terms and conditions of employment contracts to ensure full compliance with the RSPO P&C, Criteria 6.2.	SDP has constantly reviewed and updated employment contracts to ensure full compliance with the laws of Malaysia and to RSPO P&C, Criteria 6.2. The latest enhancements/clarifications were undertaken in May 2022 following revision of minimum wage.
4b	SDPB to obtain the necessary permits from the Labour Department - Ministry of Human Resources to allow for rest day waivers, or written confirmation that such permits are not required.	<p>SDP reiterates that as per the Employment Act 1955, an employee may work on a rest day if he/ she consents / agrees to work on such day. Where an employee agrees to work on a rest day, SDP pays the employee in accordance with the rates prescribed in the Act.</p> <p>Since the Act permits work on rest day and prescribes rates payable for work and overtime on rest day, there is no requirement to raise this matter with the labour office. Nonetheless, SDP has instituted a policy of not allowing workers to work for more than 14 consecutive days without rest. As such, workers are only allowed to work on alternate rest days, with consent.</p>
<b>5. Ethical Recruitment Process</b>		
5a	SDPB shall provide an independent review of policies and procedures under the <a href="#">Migrant Worker Responsible Recruitment</a>	SDP does not tolerate any and all forms of forced or bonded labour, slavery, human trafficking, and/or sexual exploitation. SDP ensures that its workforce is hired ethically and responsibly according to commitments outlined in the HRC and in full compliance to 2018 RSPO P&C, as

	<p><a href="#">Procedure</a> (introduced in August 2021) to demonstrate full compliance with the 2018 RSPO P&amp;C, as well as applicable national and international laws with particular reference to P&amp;C Criteria 6.6.1 and 2.2.3, and applicable human rights and forced labour legislation.</p>	<p>well as applicable national and international laws with particular reference to P&amp;C Criteria 6.6.1 and 2.2.3, and applicable human rights and forced labour legislation.</p> <p>In 2021, SDP has enhanced and tightened the controls in the migrant worker responsible recruitment procedure by revising and developing a more robust system. The enhancement of these processes &amp; systems as well as the on the ground implementation has been undertaken in collaboration with an independent migrant worker rights specialist to ensure an independent 3<sup>rd</sup> party perspective is obtained.</p>
5b	<p>SDPB shall ensure due diligence and effective monitoring over any recruitment contractors or agents to ensure full compliance with Criteria 6.6.1 and 2.2.3 of the 2018 RSPO P&amp;C. Failure of SDPB's contractors or agents to adhere to P&amp;C 6.1.1 and 2.2.3 is attributable to SDPB as principal.</p>	<p>The contractor compliance verification is guided by the Contractor and Vendor Management Procedures that was enhanced in 2021. This procedure serves as general guidance for managing contractors and vendors (C&amp;V) and C&amp;V workers in Upstream Malaysia operations. It was developed in line with SDP's HRC, Group Policies and Authorities (GPA), Group Procurement Policies and Authorities (GPPA), Criteria 6.6.1 and 2.2.3 of the 2018 RSPO P&amp;C. and relevant legal requirements (that includes the Immigration Act 1959/63). We continuously conduct briefings and engagements with C&amp;V and C&amp;V workers to ensure compliance to relevant law and SDP's policies particularly in relation to ensuring workers are legally documented and are paid minimum wages. All contractors are monitored to ensure compliance with SDP's policies and processes.</p> <p>As for recruitment agents, the detailed due diligence process is outlined in our Migrant Worker Responsible Recruitment Procedure which is made available on our website as well as to auditors during RSPO surveillance audits.</p> <p>All appointed recruitment agents also under go capacity building programmes on ethical recruitment, where SDP team goes on the ground in the source country to conduct engagement, training and reviews of processes and documentation.</p>
5c	<p>SDPB to furnish the Secretariat with the current Standard Operating Procedures for the reimbursement of recruitment fees.</p>	<p>The SDP Board made the decision to reimburse all current and former foreign workers who were in SDP's employ on or after 1 November 2018. A universal payment method was employed with computations of reimbursement amounts being undertaken by a third-party. Dedicated funds amounting to RM82mn were set aside for payment.</p>

		<p>Recruitment fees (unreported payments charged by agents, sub-agents or other third parties to SDP's foreign workers in countries of origin, in contravention of SDP's zero recruitment fee policy) has been reimbursed to all current migrant workers beginning 17 February 2022.</p> <p>Local legal counsels have been appointed at all countries that SDP has sourced from to facilitate recruitment fee remediation payments to eligible former workers. SDP has a register of former foreign workers and have reached out to them, including via advertisements taken out at countries of origin. A Sinking Fund Governance Committee, comprising SDP directors, senior management and an independent 3<sup>rd</sup> party, has been set up to monitor payments to former workers.</p> <p>Independent auditors have been appointed to verify the lists of foreign workers and payment amounts. They also undertake 100% verification of all payments are made.</p>
<b>6. Regularisation Programmes</b>		
6a	SDPB to furnish the Secretariat with copies of current contracts between SDPB and agencies dealing with the regularisation programme.	All the LOA for the agents appointed for the regularization program are appended to this submission.
6b	SDBP to document timeline and milestones to complete the regularisation programme for foreign workers who are not equipped with proper documents.	<p>As previously highlighted, this is an ongoing process.</p> <p>As soon as workers' social visit passes are submitted to the Immigration Department to secure work permits, they are transferred to the check roll system for salary payments. These workers are thus accorded the same rights &amp; benefits as workers who have full documentation in place. SDP is working closely with the Immigration Department of Sabah to complete all pending permit applications. Apart from that, the Sabah State Home Affairs and Research Office of Chief Minister's Department had on 21st May 2021 issued a letter to the Sabah State Immigration Department on the decision by the State Government to extend the regularisation exercise for another 24 months effective 1st May 2021.</p>
<b>7. Safety and Health</b>		
7a	SDPB shall demonstrate that an effective system is in place for monitoring the implementation of its current OSH/PPE	SDP is highly committed to ensure workers health and safety is protected, in compliance to legal requirements and Principle 6.7.3 of the RSPO 2018 P&C.

<p>policy and Standard Operating Procedures (SOPs) to ensure compliance with Principle 6.7.3 of the RSPO 2018 P&amp;C.</p>	<p>In 2021, SDP enhanced the worker-centric health and safety measures in Malaysia. Focus was placed on improving health and safety-related living and working conditions to be more worker centric in four key areas:</p> <ul style="list-style-type: none"> <li>• Reviewing safety and health committee structures at operating units.</li> <li>• Reviewing Hazard Identification, Risk Assessment and Risk Controls (HIRARC) through engagement with workers, improving hierarchy of controls, and improving PPE and ergonomics management.</li> <li>• Improving controls with contractors and vendors by introducing monthly KPIs, and including OSH as a performance indicator when assessing vendors.</li> <li>• Improving and streamlining SOPs and documentation to support these improvements, including translation into simple graphic illustrations and in several languages on critical areas.</li> </ul> <p>To enhance monitoring, SDP has appointed 40 fulltime dedicated Site Safety and Sustainability Officers (SSSO), to assist and support its strategic OUs (SOUs) with managing safety and, sustainability activities and initiatives on the ground, with a particular focus on human rights matters. The officers are tasked with managing overall documentation, providing on-site support for operations monitoring compliance monitoring, and setting out actionable immediate next steps in managing any safety and sustainability concern or issue should it arise.</p> <p>SDP has also appointed a full time Chief Medical Officer who is accountable to ensure the effectiveness of the medical access system provided to workers in all of SDP’s operations in Malaysia.</p>
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