

SIME DARBY PLANTATION BERHAD [SDPB]

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47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia

14 November, 2022

**Attn: Rashyid Redza Anwarudin
Chief Sustainability Officer, SDPB**

Dear Sir,

RSPO Secretariat Decision Pursuant to the Findings from an Independent Verification Assessment at Sime Darby Plantation Berhad's Operations in Malaysia.

With reference to the above, we would like to hereby communicate the Findings and related Decisions by the RSPO arising from the Independent Verification Assessment of Sime Darby Plantations Berhad (SDPB) operations in Malaysia.

Context and Findings of the Assessment

- 1) Sime Darby Plantation Berhad (SDPB) has been an RSPO member since September 2004 and has been 100% certified across its operations in Malaysia as of 2014.
- 2) On 30 December 2020, the US Customs and Border Patrol (US CBP) issued a [Withhold Release Order](#) (WRO) on all palm oil and products containing palm oil produced by Sime Darby Plantation Berhad and its subsidiaries, joint ventures, and affiliated entities in Malaysia, on the basis of information indicating the presence of forced labour practices in SDPB's production processes.
- 3) In early 2021, the RSPO Secretariat initiated an independent verification assessment to:
 - a) Verify SDPB's compliance with RSPO Standards, especially Principle 6 on *Respect for Workers' Rights and Conditions*, and;
 - b) Verify if evidence exists to substantiate the allegations highlighted in the US CBP WRO within SDPB's operations, with reference to the RSPO Principles and Standards.
- 4) The independent verification assessment was carried out unannounced and was conducted across SDPB's operations in Malaysia. A timeline and key events in the assessment process are provided in Annex 1 below.
- 5) Detailed findings of the assessment are provided in Annex 2 below.

- 6) The Assessment team identified violations of critical RSPO Standards, including particularly in the payment by workers of unreported recruitment fees to agents, sub-agents, or other third parties and the retention of passports. These issues were also documented in SDPB's internal assessments.¹ At the time of the Assessment, measures were being undertaken by SDPB to address these issues, the impact of which remain to be seen. The findings from the Assessment also point to several other areas where further strengthening of SDPB's systems and processes is required.

Decisions

Upon deliberation of the findings described in Annex 2 below, the Secretariat has made the following decisions:

- a. The Secretariat will instruct the Accreditation Body (AB) to pay careful attention to the findings listed below (and any relevant supplementary information available for instance in SDPB's [Sustainability Report 2021](#)), which document a pattern of violations of the RSPO Principles and Criteria that were not detected in prior Certification audits dating back a number of years.
 - i. The AB will be asked to maintain a rigorous accreditation assessment for Certification Bodies that issue an RSPO P&C Certification for SDPB management units.
 - ii. The AB will also be asked to increase the number of Compliance and Witness assessments on SDPB's current or future Certification Bodies following the AB's procedure for Accreditation activities. This is pursuant to Section 3.2.3 of the RSPO Certification Systems Document (2020): *The AB's documented systems and procedures shall include annual monitoring and reviews of the CBs' competence and implementation of all RSPO-specific requirements.*
 - iii. The AB will be asked to publish the finalised P&C witness and compliance assessment reports of these CBs on its website.
 - iv. The AB will also be asked to ensure the Assessment teams for these accreditation assessments always include competent and qualified assessor(s) with demonstrated expertise in social and labour auditing to ensure these critical requirements of the RSPO P&C are fully assessed.

¹ Sime Darby Plantation [Sustainability Report 2021](#), pp. 37-41

- b. The Secretariat hereby requires SDBP to complete the action plan below to address the weaknesses identified in existing systems and processes. Post-Verification Assessment Monitoring will be assigned to the Compliance Sub-Division of the RSPO Assurance Division.

No.	Action Plan	Timeline
1	<p>a. 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>Three months after the issuance of this letter</p>
2	<p>a. 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&C).</p> <p>b. 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.</p> <p>c. 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>Three months after the issuance of this letter</p>
3	<p>a. 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 components of their wages including elements such as Vacation Leave Pay (VLP).</p> <p>b. SDPB to make available copies of the Collective Bargaining Agreement with NUPW and SPIEU to workers.</p>	<p>Three months after the issuance of this letter</p>
4	<p>a. SDPB to undertake a review of terms and conditions of employment contracts to ensure full compliance with the RSPO P&C, Criteria 6.2.</p> <p>b. 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>	<p>Six months after the issuance of this letter</p>

5	<ul style="list-style-type: none"> a. SDPB shall provide an independent review of policies and procedures under the Migrant Worker Responsible Recruitment Procedure (introduced in August 2021) to demonstrate full compliance with the 2018 RSPO P&C, as well as applicable national and international laws with particular reference to P&C Criteria 6.6.1 and 2.2.3, and applicable human rights and forced labour legislation. b. 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&C. Failure of SDPB's contractors or agents to adhere to P&C 6.1.1 and 2.2.3 is attributable to SDPB as principal. c. SDPB to furnish the Secretariat with the current Standard Operating Procedures for the reimbursement of recruitment fees. 	Six months after the issuance of this letter
6	<ul style="list-style-type: none"> a. SDPB to furnish the Secretariat with copies of current contracts between SDPB and agencies dealing with the regularisation programme. b. SDBP to document timeline and milestones to complete the regularisation programme for foreign workers who are not equipped with proper documents. 	Three months after the issuance of this letter
7	<ul style="list-style-type: none"> a. SDPB shall demonstrate that an effective system is in place for monitoring the implementation of its current OSH/PPE policy and Standard Operating Procedures (SOPs) to ensure compliance with Principle 6.7.3 of the RSPO 2018 P&C. 	Six months after the issuance of this letter

7) Please be informed that the Compliance Subdivision of the RSPO Secretariat will be in contact with you to monitor the implementation of the Action Plan above over the coming six months (December 2022 - May 2023). Any unsatisfactory implementation of the above-mentioned activities could result in further sanctions.

Yours Sincerely,



Joseph D'Cruz
Chief Executive Officer
RSPO

Annex 1: Timeline of the Independent Verification Assessment

- a) In July 2020, SDPB expressed their commitment to engage with RSPO in addressing the issues raised in the petition submitted by Liberty Shared to the US CBP².
- b) On 31 December 2020, RSPO published a response [statement](#) on the issuance of the WRO for SDPB by the US CBP following the allegations mentioned above, announcing the launch of an investigation.
- c) From January until June 2021, the Malaysian government imposed a series of [Movement Control Orders](#) (MCOs) due to the COVID-19 pandemic which restricted travel domestically and internationally, forcing the independent verification assessment to be put on hold.
- d) In June 2021, the Secretariat sought clarification from SDPB on its internal procedure to allow visitors into its premises during the MCO.
- e) In July 2021, following the relaxation of the MCO by the Malaysian Government, the Secretariat notified SDPB of its intention to resume the independent verification assessment process.
- f) From August to October 2021, the Secretariat undertook preparations for the independent verification assessment. Meanwhile, physical audits were conducted on SDPB for the Recertification Assessment 2 (RA2) in Johor (SOU³ 22/Bukit Benut) and Perak (SOU 4/Flemington) (in August and October 2021, respectively).
- g) On 17 November 2021, the first notification was sent to SDPB management informing them of the Secretariat's plan to conduct an independent verification assessment at two Operating Units in Peninsular Malaysia⁴. SDPB responded and agreed to furnish RSPO with the requested documents and expressed the need for the HQ team to be present during this assessment. The Secretariat provided a written response to SDPB conveying that the involvement of SDPB's management shall be kept to a minimum during the process in order to ensure the required independence.
- h) The Secretariat subsequently shared the ToR for the independent verification assessment for SDPB's reference and informed SDPB that this exercise is to be conducted independently by the Secretariat without assistance or interference from SDPB. The ToR was shared for SDPB's reference and record keeping purposes only.
- i) On 23 November 2021, the Secretariat started the independent verification assessment at SDPB's Strategic Operating Unit *SOU6/Tennamaram*. However, SDPB's Head Office refused to allow the assessment team entry to the site, and the RSPO assessment team was instructed to leave the premises. A formal notification was sent to SDPB on this refusal incident. This refusal of access halted the implementation of RSPO's independent verification assessment, necessitating the postponement and rescheduling of the assessment activities.
- j) Between January to June 2022, the Secretariat completed the independent verification assessment at selected Strategic Operating Units (SOU) of SDPB's operations covering Peninsular Malaysia, Sabah, and Sarawak.

² Letter of Commitment by Sime Darby Plantation Berhad as a RSPO Member, addressed to the RSPO's CEO, dated 23 July 2020.

³ SOU: "Strategic Operating Unit" is the designation Sime Darby employs for a mill and supply base, equivalent to an RSPO Unit of Certification.

⁴ As this was an unannounced assessment, the Secretariat only notified SDPB immediately prior to the assessment visit.

Annex 2: Detailed Findings of the Assessment

The main findings of the assessment are detailed below, assessed against the requirements of the relevant RSPO P&C Criteria:

Subject	Findings
<p>1. A policy to respect human rights (RSPO P&C 2018 Criteria 4.1).</p>	<ul style="list-style-type: none"> ● SDPB has published a series of commitments and policies, including: (a) Group Sustainability and Quality Policy signed on 2 December 2019; (b) Human Rights Charter revised 2020; and (c) Policy on the Protection of Human Rights Defenders (HRDs) which was approved in March 2020. ● Based on interviews with the sampled workers in the sampled SOU⁵s located in Peninsular Malaysia, the workers not fully aware of and unable to explain the content of the training on SDPB’s Human Rights Charter (HRC). Therefore the effectiveness of the training needs to be evaluated.
<p>2. Grievance System (RSPO P&C 2018 Criteria 4.2).</p>	<ul style="list-style-type: none"> ● SDPB has several channels for its internal grievance system, namely: <ul style="list-style-type: none"> ○ SUARA KAMI (Operated by a third party); ○ Worker Helpline (Operated by a third party); ○ Careline; ○ Oil Palm Pal (OPP), which addresses housing-related grievances; ○ Social Dialogues; ○ Log book/suggestion box at estates and mills; ○ Whistle Blowing; and ○ Gender Committee. ● In the sampled Strategic Operating Units (SOUs) visited, the challenge in accessing “SUARA KAMI” was conveyed by the workers, noting that they had tried to contact the hotline numbers several times but no one answered and they did not receive a call back. RSPO’s Assessor attempted to access the Worker Helpline and SUARA KAMI communication channels (using the numbers displayed on the banner) which yielded the following results: <ul style="list-style-type: none"> ○ No reply received when a WhatsApp message was sent. ○ A call through the WhatsApp channel which, according to SDPB’s procedures was meant to be administered by an independent third party, was instead answered by SDBP personnel. ○ A call to SUARA KAMI in the Tamil language was put on hold and was eventually answered in the Indonesian language. ● In other SOUs, the workers conveyed that the only grievance channel they had tried to use was the OPP. From an interview with sampled workers, it was found that some of them did not use the third-party grievance systems (SUARA KAMI and Worker Helpline), fearing that their identities would be revealed, and they would be fired for lodging a complaint. ● The Assessment team sighted records of social dialogue, which had been introduced in October 2021 for 16 SOUs and January 2022 for the remaining SOUs. These records documented issues being raised repeatedly (i.e., housing repair, Personal Protective Equipment (PPE) and some issues on road conditions), particularly where resolution was dependent on decisions or resources from headquarters.

⁵ SOU: “Strategic Operating Unit” is the designation Sime Darby employs for a mill and supply base, equivalent to an RSPO Unit of Certification.

	<p>Based on findings presented above, there are indications that the grievance system in place does not have the full confidence of workers. The processes do not ensure predictable resolution of issues (i.e. with issues being raised repeatedly during social dialogues), or ensure sufficient accessibility (i.e. SUARA KAMI hotline and Worker Helpline not being answered or not answered in the required language). Worker feedback indicates that these communications channels are not yet credible enough to allay workers' fears of reprisals if their identities are revealed, or the fear of retaliation or dismissal if they lodge a complaint.</p>
<p>3. Pay and Working Conditions (RSPO P&C 2018 Criteria 6.2).</p>	<p>A. Wages Dissatisfaction with payment and conditions.</p> <ul style="list-style-type: none"> ● The workers informed the assessors that they do not understand the way in which their salaries are calculated, indicating a lack of transparency in wage setting. The management confirmed that the calculation is not easy to understand as there are a number of factors affecting the payment received by the workers. In response to the situation, the estate management personnel carried out explanation sessions on salary calculation. The assessment team found a sample of a basic calculation of salary displayed at the Morning Muster Ground, however it still found during the interviews that some workers are not clear on the calculation. ● In the sampled SOUs visited, the workers were unaware of how Annual Vacation Leave Pay (VLP) is paid. Some workers expressed their concern about taking leave because their VLP would be deducted, further demonstrating a lack of clarity amongst workers in how wages and benefits are administered. ● Harvesters expressed their dissatisfaction regarding the pay rate. Following the increase in the Malaysian Minimum Wage, they claimed that all daily-rated workers had received an increase but the harvesters' pay rate was not revised. This dissatisfaction was also channelled through the social dialogues, but the harvesters indicated that no feedback was received. ● Harvesters in Sabah also identified the following issues: <ul style="list-style-type: none"> ○ There was dissatisfaction from the sampled workers with the harvesting rate for tall palms. (As of the date of the assessment (June 2022) the price was set at RM27 per FFB tonne.) This dissatisfaction resulted in two strikes being held by harvesters in the Iman estate, in January and April 2022. Based on the information given by the harvesters, the request to revise the harvesting rate was discussed several times but no solid answer was provided by the management. SDPB indicated that rates for harvesters in Peninsular Malaysia and Sabah are based on the rate set by the National Union of Plantation Workers (NUPW) in Peninsular Malaysia and the Sabah Plantation Industry Employees Union (SPIEU) in Sabah, with the rate in Sabah being lower than in Peninsular Malaysia. Documentation checks and interviews with SPIEU's secretary confirmed that the harvesting rate being paid was as per the SPIEU collective agreement. ○ SDPB's management representative informed the Assessment team that they are now working on revising the harvesting rate, especially in Sabah; ● In the sampled SOU visited in Sabah, frond stackers expressed their dissatisfaction with the Division of Earnings (D.O.E), where frond stackers are given 16% from the total productivity per day.

	<p>The findings above indicate inadequate communication on employment conditions (wage and benefit calculation and the terms of the Collective Bargaining Agreements currently in force), and unequal pay for the same work scope between workers in Peninsular Malaysia and Sabah.</p> <p>B. Employment Terms and Contracts</p> <ul style="list-style-type: none"> ● During the interviews with sampled workers in Sabah, it was found that piece-rated workers are not allowed to leave work despite having achieved the minimum target set by the management. The workers were informed that they needed to complete eight working hours even though they are piece-rated workers. In reference to the contract agreement, Section 4(b) stated that the working hours of the piece-rated employees is based on the completion of the task given. ● For workers employed by contractors, a number of discrepancies were identified in the documentation of employment terms and payment. In one sampled SOU in Sabah, the effective date of the signed agreement was not stated in the contract. In another sampled SOU, the employment contract between the contractors and the workers was unavailable through document verification and interviews with the contractors and their workers. In another instance, the Assessment team found that interviewed workers do not receive pay slips. ● The Assessment team also found several sampled workers who were promoted and had signed the offer letter but the terms and conditions for the new position were not attached, <p>With reference to RSPO P&C Indicators 6.2.1 and 6.2.2, the findings show the inconsistencies of employment contract implementation in several sampled SOUs visited by the verification assessment team (i.e., compliance with the provisions related to working hours and availability of the signed copies of employment contracts). This situation indicates the lack of supervision from management units, particularly for workers employed by contractors.</p> <p>C. Working Hours</p> <ul style="list-style-type: none"> ● The SDPB enacted a new policy related to working hours during the pandemic. The working hours before the pandemic were from 6:30 AM to 2:30 PM [8 hours/day] with a break of one hour in two sessions of 30 minutes. The workers may continue from 3:30 PM to 6:00 PM [2.5 hours] as overtime, paid at a premium rate. During the pandemic, the working hours were changed to 6:30 AM to 4:30 PM [10 hours] with a break of two hours split into four sessions of 30 minutes; ● The Assessment team observed that some harvesting areas lack proper rest areas and that harvesters are frequently located quite far from the linesite/housing. Workers' enjoyment of their right to rest / break time may be hampered due to the lack of rest areas and distance from the linesite. The Assessment team concluded from the interview and document review that SDPB does not have a mechanism in place to monitor harvesters' break times to verify that they are in conformity with the Employment Act [1955]; ● Based on the sampled SOUs visited in both Peninsular and Sabah Sarawak, it was observed that there are incorrect data entries into the system related to workers' attendance, leave and productivity. When comparing payslips against the attendance sheet and productivity record, in some cases
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	<p>incorrect worker attendance inputs were discovered, as well as issues with leave taken whether unpaid or paid, and also errors in productivity. According to SDPB, this is due to human error and confusion with the system coding for each activity. This indicates that SDPB is not effectively implementing and monitoring the system related to employee attendance, leave, and productivity, which can lead to unfair calculation of employees' salaries.</p> <ul style="list-style-type: none"> ● SDPB notified the Assessment team that they are now working on alternate Sundays, which implies that all workers can work for a maximum of 13 days straight (without rest on the first Sunday). Furthermore, the management informed that the practice has not been raised with the local labour office (for the waiver of rest day as required under Malaysian Labour Law), nor was it mentioned in the collective agreement with the union (NUPW). <p>The findings above indicated inadequate systems and monitoring to ensure that workers effectively utilised mandated break times. Issues identified with recording of attendance, working hours and productivity indicate that the automated system currently in place is still vulnerable to human error, potentially resulting in underpayment of workers. The issue of rest day entitlement will also require clarification.</p> <p>D. Housing facilities</p> <ul style="list-style-type: none"> ● SDPB provides adequate housing with basic amenities. Sighted during the site visits were habitable quarters, sanitation facilities, water, and electricity supply, medical, educational and welfare amenities provided as per industry best practices; ● In the sampled SOU in Peninsular, there was a water supply disruption issue raised by the workers. The Assessment team was informed that the main issue was water pressure and water rationing for the directly supplied water. Upon clarification with the operating unit's management, the issue has been discussed with the top management in the headquarters. Based on the recorded communication sighted, the cause of the insufficient supply is due to insufficient water supplied by the local service provider (under the local authority) as sighted in the incoming water which recorded a speed of 21.16m³ per hour when it was supposed to receive 40m³ per hour; ● At one of the sampled SOUs in Sabah, the portable water source is from underground water, extracted from the area located at about a 400m radius downhill from the housing area. Since May 2021, the water pump used in the housing area has not been functioning well. Since January 2022, the management has been taking an initiative to collect water from the water source and manually supply it by tank (using a tractor) and the tank is parked at the housing area. The Assessment team was informed that rainwater is also harvested for daily usage. The safety of the water is questionable with no evidence that the water is tested and no guarantee that the water is free from contamination. <p>E. Regularisation Programme</p> <ul style="list-style-type: none"> ● In relation to regularisation of workers, SDPB has engaged with three agents to assist them in processing the applications for passports and work permits. During the assessment, it was verified that the contracts with these three agents had expired in 2019. The SDPB's team had shared the Agreement
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	<p>Template with the Agency with the Assessment Team through an email dated 13 June 2022, but the Agreement had not been signed as the appointment was still pending at that time. However, no evidence of amendment or revision to the contracts were presented to the assessment team as of 6 August 2022;</p> <ul style="list-style-type: none"> ● In relation to the legality of the workers in Sabah, in June 2022, 207 out of 440 workers' regularisation processes were not completed. As of September 2022, SDPB informed that 232 workers completed the regularisation process while 151 were pending work permits.
<p>5. No Harassment in the workplace and protection of reproductive rights (RSPO P&C 2018 Criteria 6.5).</p>	<ul style="list-style-type: none"> ● There is no complaint/grievance recorded with regard to sexual harassment in the workplace in all the sampled SOUs visited; ● Gender Committee (GC) <ul style="list-style-type: none"> ○ The GC is established and operating at each SOU visited. According to the Terms of Reference (ToR) dated March 2021, the main objective of GC establishment is to discuss issues pertaining to female workers' welfare and needs, i.e., new mothers' assessment, sexual harassment, and annual activities for the members. The role of the GC is also to create opportunities for the development of female leadership, promote active participation of women in the workforce, raise awareness, identify and address issues of concerns, and create opportunities and improvement for female workers. In general, in all SOUs visited, there were no reported or detected cases of sexual harassment; ○ Based on the interview with the GC representative and verification of the minutes of the GC meeting, the gender committee's function was found to be very limited and focused on the awareness of sexual and physical harassments. It was also revealed that the committee did not fully comprehend the main goals of the committee's formation; ○ The GCs are in place in each SOU to monitor and identify if there is a new mother or pregnant women in the area of operations. Although no formal risk assessment was performed, the GC representative was consulted during the reassignment of work for pregnant workers; ○ Based on document review in the sampled SOUs in Sabah and Sarawak, the Assessment team confirmed that there is no specific agenda discussed. The GC meeting is more like a training platform. This findings were also confirmed by the secretary of the GC; ○ Interviews with sampled local female workers in Peninsular Malaysia revealed some concerns about the assistance or contributions to single moms, assistance and support for older female workers, assistance for widowers, as well as their retirement plan. These concerns were not highlighted at the GC meeting; ○ There were a number of concerns highlighted by female workers during the interviews with assessors (i.e., medical expenses, budget to support GC activities, etc). <p>The findings showed that the role of the Gender Committee in practice does not reflect the role defined by Indicator 6.1.5 and stipulated in the Terms of Reference, which includes raising awareness, identifying and addressing issues of concern as well as opportunities and improvements for women.</p>

<p>6. No form of forced and trafficked labour (RSPO P&C 2018 Criteria 6.6)</p>	<ul style="list-style-type: none"> ● Prior to October 2021, SDPB would retain workers' passports with their permission or consent. Letters of consent were signed upon arrival and attached to the employment contract. As of the end of October 2021, all passports have been returned to the personnel for their own keeping. This is also stated explicitly in the procedure: <i>“Upon receipt of the work permit, workers shall have the right to keep their own passports and keep their passports in secure lockers provided in their accommodation”</i>. These lockers come with a padlock and the workers are responsible for keeping the key; ● Since 2017, SDPB has had a policy of no recruitment fees. Fees for levy, medical examinations (FOMEMA), visa on arrival, visa endorsement, immigration security clearance, immigration service fee, PLKS (<i>Pas Lawatan Kerja Sementara</i>) fee, and travel from point of departure to designated SOU are all included; ● Interviews with sampled workers who were recruited before March 2020 revealed that the workers paid sums of money to the recruiter/overseas agent in order to secure their jobs. These payments were allegedly required to cover the cost of transportation to the airport, passports, etc; ● On 15 February 2022, SDPB’s Managing Director made an announcement relating to the reimbursement of the recruitment fee. This information was confirmed by the interviewed management representative; ● SDPB’s mechanism on responsible migrant workers recruitment that includes monitoring and due diligence of the recruitment agency was established on 20 August 2021. <p>SDPB has had a policy prohibiting recruitment fees since 2017. However, the findings show SDPB insufficiently monitored and supervised the recruitment agent/contractors undertaking recruitment on the company’s behalf. Considering how prevalent these payments were, the failure of internal controls and management systems to detect these practices is a significant concern. Although SDPB has taken steps to revise recruitment procedures and has committed to reimburse workers for these payments, the root cause of this failure to detect such transgressions has not been identified. While SDPB has issued a new Responsible Migrant Workers Recruitment Procedure (August 2021), the effectiveness of this new procedure in preventing further such exploitation of workers has yet to be demonstrated.</p>
<p>7. Safe working environment (RSPO P&C 2018 Criteria 6.7)</p>	<ul style="list-style-type: none"> ● In one sampled SOU in Sabah, a biogas plant was sighted. It is located in the Certification Unit and is managed by the mill. Even though the Hazard Identification, Risk Assessment and Risk Control (HIRARC) identifies the risk of explosion at the biogas plant, the Assessment team found no evidence that training on an Emergency Response Plan (ERP) for explosions has been conducted. Interviews with the workers indicated that training on emergency response mainly addressed fires and first aid. ● The HIRARC on related activities in mills and estates was established and sighted during the assessment. In the sampled SOU visited, the assessment team found the following: <ul style="list-style-type: none"> ○ No specific HIRARC assessment conducted and recorded for the FFB carrier/<i>pengangkat</i>/frond stacker. Nearest activity that had been assessed is Harvesting (review date: 29 November 2021); ○ During the assessment, it was verified that in relation to the risk of animal attack, hornet hives hazard was identified. Other animal attacks

	<p>such as snake and wild boar, which can potentially occur in the field (based on interviews with the workers) were not identified;</p> <ul style="list-style-type: none"> ● With regard to the use of PPE, the assessment team identified a range of violations across a number of the visited SOUs, which indicates continuing problems with the implementation of safe working practices: <ul style="list-style-type: none"> ○ In one sampled SOU visited, a worker near the boiler station (which was identified and mapped as a High Noise Area) did not wear appropriate ear protection; ○ In one sampled SOU visited, a harvester did not wear a helmet while working; ○ In one sampled SOU visited, a local worker was found to be using low cut rubber shoes while working for reasons of comfort, despite having been provided with yellow Wellington boots as part of the PPE provision. The estate management was aware of the worker's preference to not use the PPE shoes provided; ○ In the sampled SOUs visited, the workers confirmed that they had been washing and reusing their N95 face masks; ○ In one sampled SOU visited, personal lockers for female workers (sprayers) are provided and located inside the chemical store; ○ In one sampled SOUs visited, newly joined local workers were not provided with safety glasses despite the recommendation in the Chemical Health Risk Assessment (CHRA); ○ In one sampled SOU visited, the workers said that the management did provide safety helmets but all of them have been using straw hats since they claimed that the safety helmets are not comfortable, are unable to shield the sunlight and are heavy to use during the manuring activities. All of them confirmed that they purchased the straw hats themselves; ○ In one sampled SOUs visited, workers were spotted bringing home their PPEs. The washing facility appears to be disused and the locker provided is broken. The emergency shower is not working in some sections and the chemical mixing area is not properly planned; ○ In one sampled SOU visited, an occupational accident with heat stroke as the root cause was not identified as significant in the site's safety and health risk assessment. On top of that, the stated correction that workers should drink extra water on hot days was not practised. <p>The findings show that in practice, there is a lack of awareness and insufficient adherence among workers on the proper use of PPE in accordance with the HIRARC. Furthermore, the findings show that the effectiveness of the training on Occupational Safety and Health (OSH) needs to be evaluated. The findings also indicate that HIRARC assessments do not address all of the risks workers face, while the Emergency Response Plans (ERP) also fail to fully address possible risks affecting workers' safety.</p>
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