

Human Rights and Labour Issues in the Palm Oil Industry

Sharing session for FNET
4th July 2022



Sime Darby Plantation

OUR PLANTATION VALUE CHAIN

583,300 hectares

Planted in Malaysia, Indonesia, Papua New Guinea and the Solomon Islands



241

estates
100% RSPO
+ RA in PNG

61,700

Smallholders
50% RSPO certified



70

Mills
100% RSPO



2.36

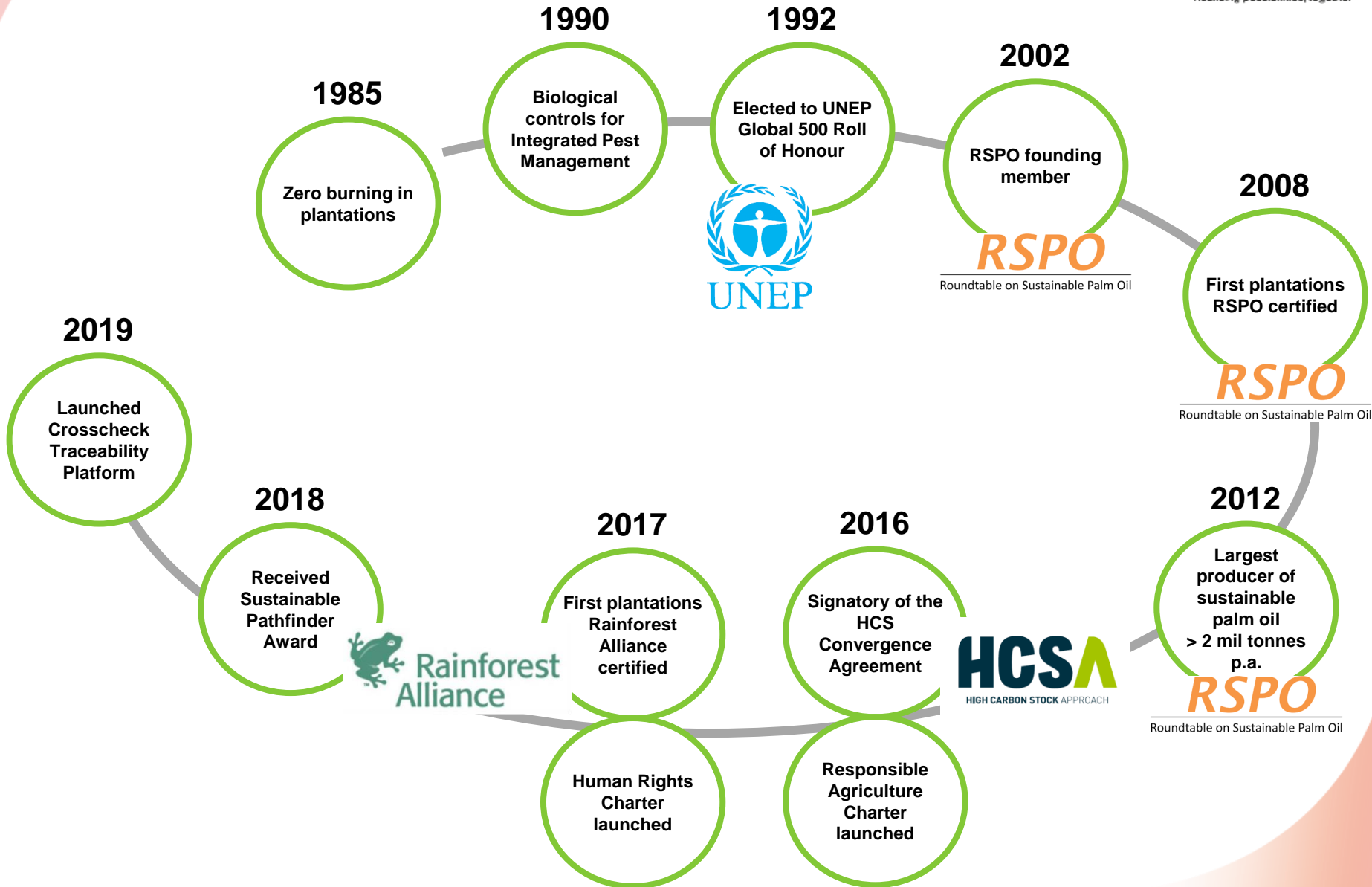
million tonnes of CPO
produced in FY 2020

0.56

million tonnes of PK
produced in FY 2020



Our sustainability journey



Forced labour concerns in Malaysia

HOW IT ALL STARTED

LIBERTY SHARED

CREATING AN ENVIRONMENT
SAFE FROM TRAFFICKING

APR 2020 A Hong Kong based NGO's petition submitted to USCBP concerning alleged conditions of forced labour and child labour experienced by workers on plantation/estates owned and/or run by Sime Darby Plantation Berhad (SDP)

USCBP

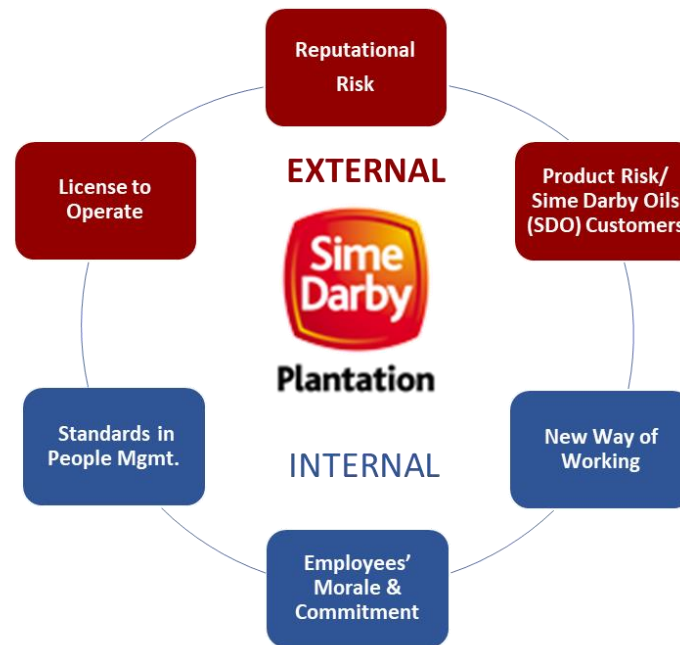
DEC 2020 United States Customs & Border Protection (USCBP) issues Withhold Release Order (WRO) to SDP

JAN 2022 USCBP issues Notice of Finding on SDP



HOW WE ARE IMPACTED

Far reaching implications hence we need to act fast!



OUR EXPERT PARTNERS

We endeavour to find solutions by working with experts in the field



Ethical Recruitment Specialist – Andy Hall

Forced labour concerns in Malaysia

- The indicators are derived from theoretical and practical experience of the ILO's Special Action Programme to Combat Forced Labour (SAP-FL)
- Based upon the definition of forced labour specified in the ILO Forced Labour Convention, 1930 (No. 29)
- Child labour is not part of forced labour unless under forced conditions – separate convention

1 Abuse of Vulnerability

2. Retention of Identity Documents

3. Restriction of Movement

4. Excessive Overtime

5. Abusive Working & Living Conditions

6. Deception

7. Isolation

8. Debt Bondage

9. Withholding of Wages

10. Physical & Sexual Violence

11. Intimidation & Threats

Our USCBP Finding workstreams

OVERVIEW - WORKSTREAM



7 workstreams established to address all 11 ILO indicators as well as to strengthen overall governance mechanisms for human rights

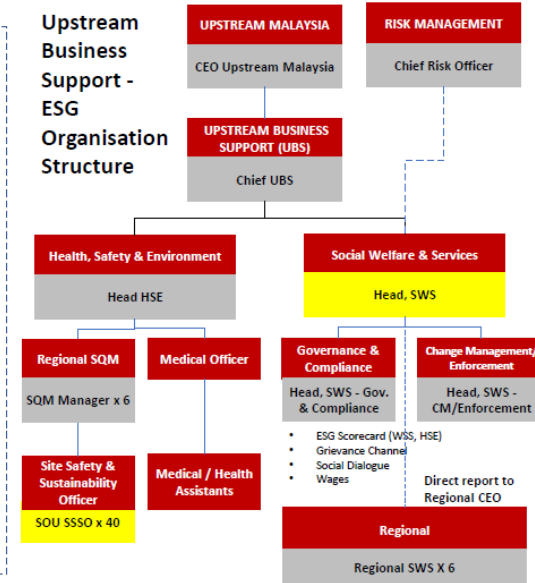
- Workstream 1**
Grievance Channel
- Workstream 2**
OSH & Workers Housing
- Workstream 3**
Social Dialogue
- Workstream 4**
Estate Issues - FLIs
- Workstream 5**
Operational Intervention
- Workstream 6**
Wage Structure
- Workstream 7**
KPI

CONTINUOUS IMPROVEMENT PLANS

To date additional resources have been deployed arising from the Continuous improvement Initiatives under the Workstreams:

- Head, Social Welfare & Services – recruitment in progress
- 40 Site Safety & Sustainability Officers (SSSO) recruited
- 10 handymen recruited to expedite accommodation repairs & maintenance works.

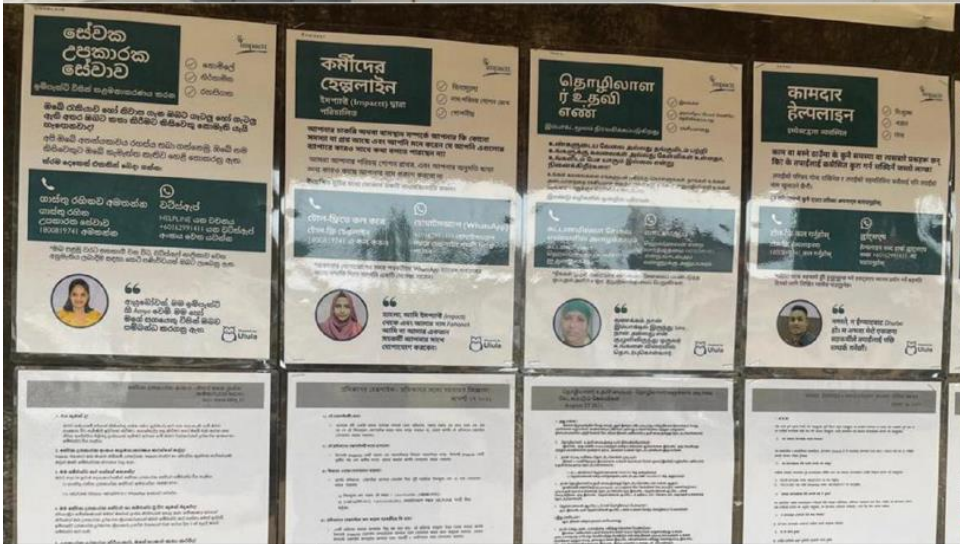
Upstream Business Support - ESG Organisation Structure



11 ILO INDICATORS	Abuse of Vulnerability	ID Retention	Movement Restriction	Excessive OT	Abusive Living and Working Condition	Deception	Isolation	Debt Bondage	Withhold wages	Physical & sexual violence	Intimidation
1 : Grievance Channel	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓
2 : OSH & Workers Housing					✓						
3 : Social Dialogue	✓	✓	✓	✓	✓	✓	✓			✓	✓
4 : Estate Issues- FLI	✓		✓			✓	✓			✓	✓
5 : Operational Intervention	✓	✓	✓			✓		✓			
6. Wage Structure				✓					✓		

Grievance channels

Raising awareness on grievance channels

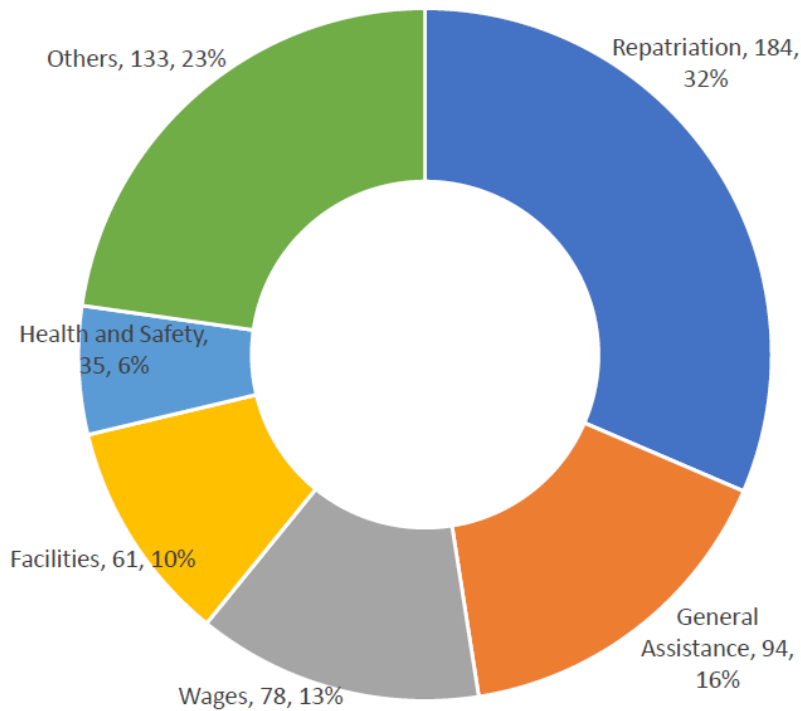


Grievance channels

Grievances Received

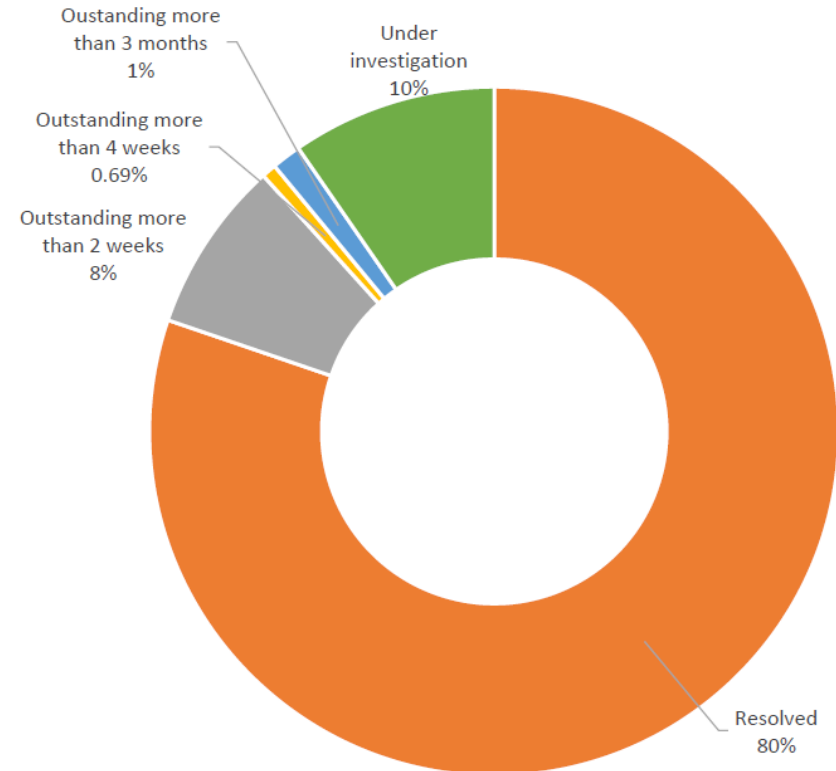
August 2021 – 14 March 2022

By Type of Grievances



General assistance include: request for transfers, breach of policies/ company procedures. Not necessarily forced labour related

Status of Grievances



Social dialogue and worker engagement

Social Dialogues with Worker Reps.



SDP St. Helier Estate, Central West Region



SDP Bkt Talang Estate, Central East Region



SDP Anak Kulim Estate, Northern Region



SDP Hadapan Mill, Southern Region



SDP Segaliud Estate, Sabah



SDP Takau Estate, Sarawak

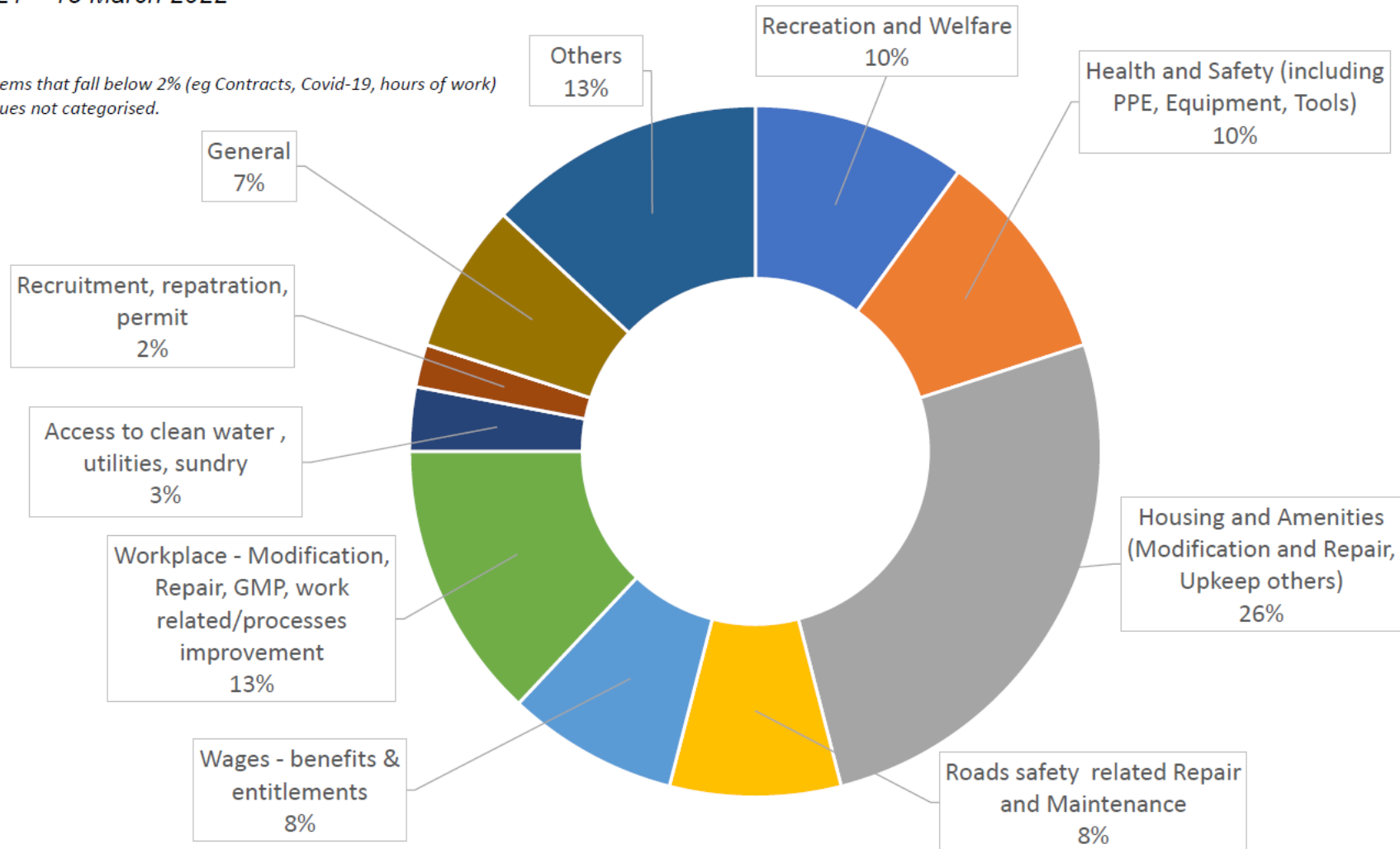
Social dialogue and worker engagement

Social Dialogue: Issues by Categories

August 2021 – 15 March 2022

Notes:

1. General - Items that fall below 2% (eg Contracts, Covid-19, hours of work)
2. Others - Issues not categorised.

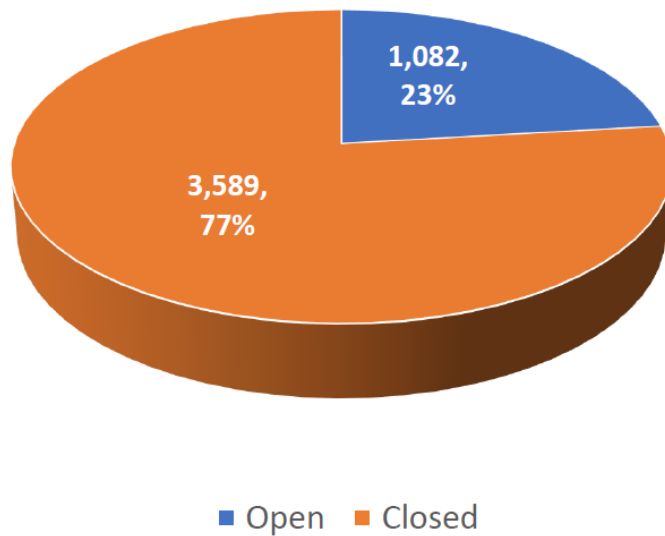


Social dialogue and worker engagement

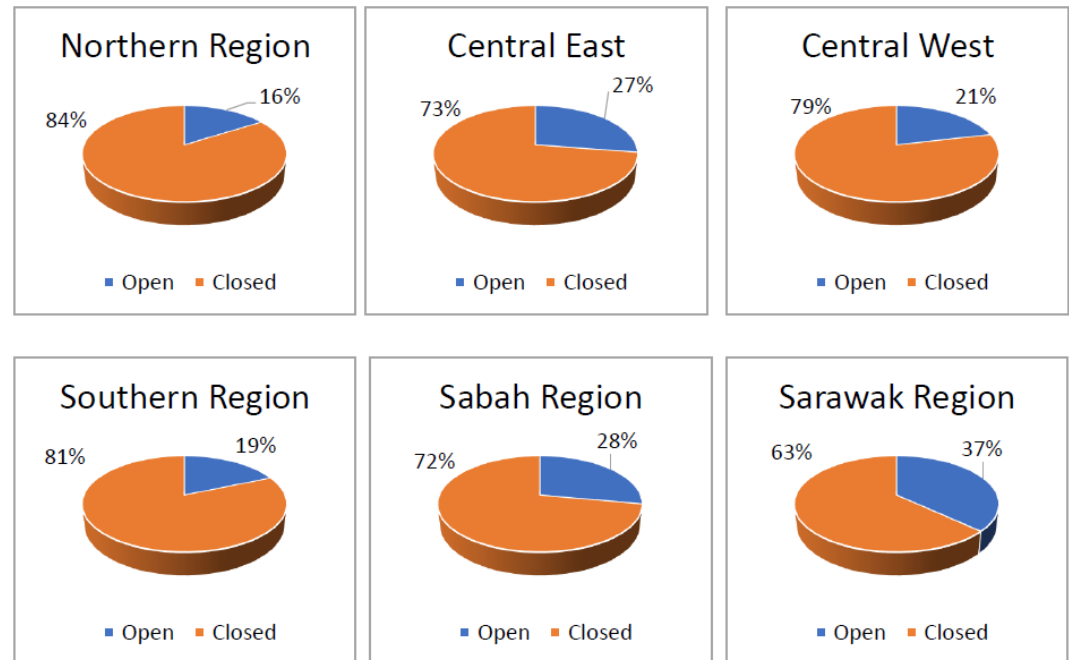
Social Dialogue: Status of Issues Received

August 2021 – 15 March 2022

SDP Malaysia



By Region



Debt bondage and freedom of movement



7 March 2022


Reaching Out to Former Workers for Remediation

Sime Darby Plantation Berhad (SDP) is the world's largest producer of certified sustainable palm oil. We are committed to responsible recruitment to ensure that our workers are free from forced labour and exploitative practices.

In July 2021, SDP became aware that some of our foreign workers may have been charged additional fees by third-party recruitment agents. Such fees are unreported payments charged by agents, sub-agents or other third parties to our foreign workers in their countries of origin, in contravention of SDP's zero recruitment fee policy.

As part of our ongoing remediation programme, SDP will be reimbursing our eligible foreign workers who used to work for us with a one-off Lump sum payment (the Remediation Payment)

We invite all SDP former workers who left the company on or after 1 November 2018 to contact our appointed lawyers as per the following contact details, within 2 months from the date of this advertisement in order to be considered for the Remediation Payment. Our appointed lawyers will provide further information to prospective claimants on how they may make a claim for the Remediation Payment.

 Sime Darby Plantation Berhad Migrant Worker Recruitment Procedure	2021
--	------



Sime Darby Plantation Berhad

Migrant Worker Responsible Recruitment Procedure



Bangladesh

HotLine Number: +880 1952055944
Email Address: jabin.mahmood@dfd.com



Indonesia

HotLine Number: +62 2150111200
Email Address: sdp.helpline@lawghp.com



India

HotLine Number: +91 8800339680
Email Address: simedarby@induslaw.com



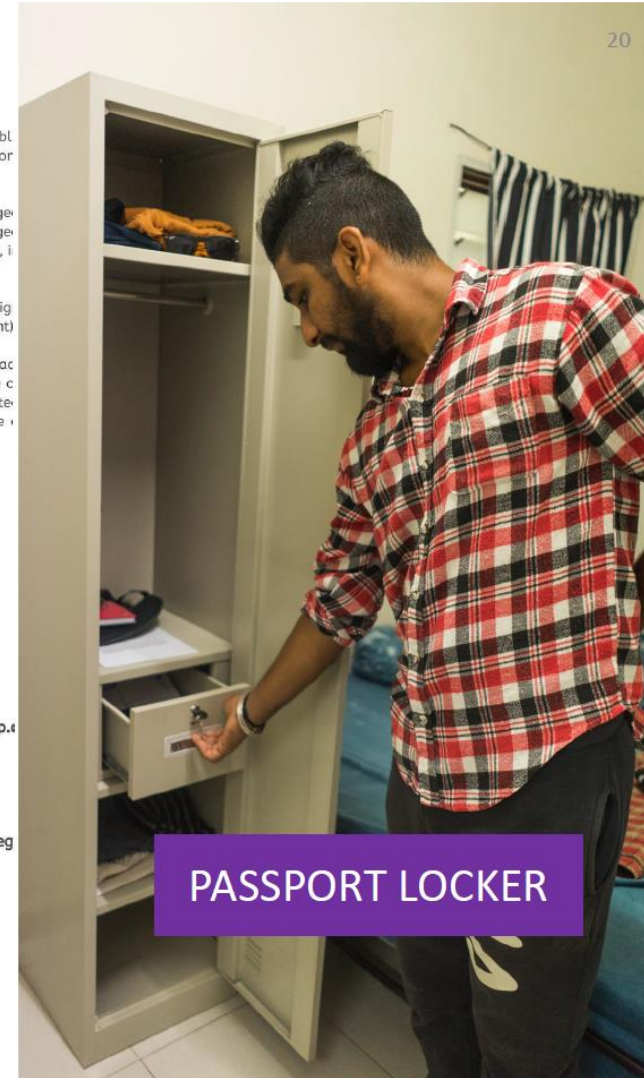
Nepal

HotLine Number: +977 9823677584
Email Address: sdpclaim@nepanepaleg.com



Sri Lanka

HotLine Number: +94 768041921
Email Address: supportservices@fjgdesaram.lk



Debt bondage and freedom of movement

Sime Darby to reimburse RM82mil recruitment fees to foreign workers

FMT Reporters - February 15, 2022 3:52 PM



Sime Darby Plantation to reimburse foreign workers from eight countries RM82m in recruitment fees

Tuesday, 15 Feb 2022 03:09 PM MYT



SDP),
S over
hat it

JUST IN POPULAR

1 minutes ago
Ampong landslide: 5 houses to be vacate MB

12 minutes ago
Transport Ministry: apply for air VTL tra Cambodia, Singapoa

24 minutes ago
Deputy minister say March 22 court clari

Maybank IB: Sime Darby Plantation's recruitment fees reimbursement a step in right direction

Bernama / Bernama
February 16, 2022 11:24 am +08



TUE FEB 15, 2022 / 3:57 AM EST

Malaysia's Sime Darby Plantation to compensate migrant workers over fees

Feb 15 (Reuters) - Malaysia's Sime Darby Plantation will set aside Graphical user interface, text, letter
Description automatically generated million ringgit (\$19.60 million) to compensate current and former migrant workers who paid recruitment fees to secure jobs, the company said, amid concerns over its labour practices.

A process of continuous improvement

Estates and mills in both Peninsula Malaysia and East Malaysia covering approximately **342,000 hectares**



This translates to **4 times** the size of **Singapore**, spanning many remote locations

1 year of **>500,000 man hours** comprising **>1,200 individuals**

involving **>10,000 meetings**

150 operating units spanning a distance of up to **4,100 km** from the Head Office in Kuala Lumpur

24,000 workers focused in our plantation operations, **15,000** of whom are **migrant workers** from **9 countries**

Lock downs
Processes and actions conducted **virtually**



Realising possibilities, together

**THANK
YOU**