



Supply Chain Re-entry Assessment Report
Supplier Engagement Procedure (Revision 02)

Reference No. : SCR/SHC/UP/31-01

Grievance Reference No. & Allegation : 31 - Satellite imagery shows forests cleared 197 ha from 2016-2023, 168 ha from Jan-15 Sept 2024, 59 ha between 16-30 September 2024, 31 ha between 1-15 October 2024 and 19 ha between 16-30 November 2024, in the reported company's concession.

Supplier : Urun Plantations Sdn Bhd (UPSB)

Company of Supplier (if applicable) : Sin Heng Chan (Malaya) Berhad

Assessment Date : 17/04/2026 - 07/09/2026

Assessor(s) : Jiveana Jimbau (Sustainability Coordinator)

Reviewer(s) : Kee Wen Chien (Sustainability & Conservation Manager)

No	Assessment Criteria	Assessment Finding(s)	Evidence
SOP Re-entry Procedure			
1	Implement a group-wide moratorium on land clearing and peatland development including management directive that operationalizes the group-wide moratorium through a Stop Work Order effective immediately.	UPSB implemented a Moratorium on land clearing for all greenfield development on 11 August 2025 with an immediate Stop Work Order (SWO), which was further expanded on 29 October 2025 to include all planting activities on previously cleared greenfield areas. UPSB's latest Year of Planting (YOP) records shows its most recent planting activities recorded in 2025. Compliance with the moratorium is evidenced by the absence of any planting records for 2026. Block Maps provided by UPSB as supporting evidence enables for continuous monitoring and verification of land use and planting activities. Compliance demonstrated for this criteria.	Attachment 1a: Memorandum - Moratorium on New Land Development https://shcm.com.my/wp-content/uploads/2025/10/Moratorium-Memo-Planting-20251029.pdf Attachment 1b: Latest Year of Planting (YOP) Attachment 1c: UPSB Block Map by Phase
2	Acknowledge the total area of non-compliant development of forest or peatland areas post 2nd January 2019 within the group's entire concessions and commit to resolve the non-compliant development through the development and implementation of a comprehensive Recovery Plan.	UPSB acknowledges a total liability of 1,270.24 ha of non-compliant deforestation with a 31 December 2015 cutoff. UPSB also commits to a minimum of 1,270.24 ha of recovery area, which will be managed through a recovery plan developed by Inovasi Digital. UPSB has also published the Full Report of their Recovery Plan with Timeline on 21 August 2026, available on their website. SOP recognized the UPSB acknowledgement on the recovery plan. The commitment demonstrated provisionally meets the re-entry criteria, as the plan has been established. Continued monitoring of the recovery plan implementation progress is required.	Attachment 2a: SHC Commitment Statement To Carry Out Recovery Obligations Under Recovery Plan (Grievance Update No. UPSB/01/02) dated 7 April 2026 https://shcm.com.my/wp-content/uploads/2026/04/Updates-on-Grievance-Raised_April-2026_v3.pdf Attachment 2b: Re-entry commitments and actions_SOP_24032026 (See page 9) Action 1: Develop and implement a Recovery Plan Attachment 2c: UPSB Recovery Plan - Full Report dated 21 August 2026 https://shcm.com.my/wp-content/uploads/2026/08/UPSB-Recovery-Plan_21082026.pdf Attachment 2d: UPSB Recovery plan - Timeline dated 21 August 2026 https://shcm.com.my/wp-content/uploads/2026/08/Recovery-Plan-Timeline_Final_21082026.pdf

3	Halt all planting activities on non-compliant development areas cleared in 2019 (pending the development of a Recovery Plan)	UPSB established a moratorium on land clearing for all greenfield development on 11 August 2025 with immediate implementation of a Stop Work Order (SWO). In September 2025, UPSB self-reported a breach of the SWO involving approximately 6 ha cleared by an external contractor to connect two neighbouring terraces. Corrective actions were reportedly taken, including cordoning off the affected area, removal of excavators, and contractor briefings on the SWO. Refer to evidence summary listed in "Evidence" section besides. UPSB further demonstrated its commitment to preventing recurrence of new clearing, accidental or otherwise, by expanding the moratorium on 29 October 2025 to include all planting activities on previously cleared greenfield land. SOP conducted a LUCA to verify whether the deforestation areas were covered under the recovery area declared by Urun Plantation. As evidence, a shapefile from the LUCA used for the recovery area determination is provided for clarification during the meeting with Urun Plantation on 08 May 2026. SOP reviewed and acknowledged UPSB commitment on the established recovery plan which provisionally meets the re-entry criteria. UPSB has also published the Full Report of their Recovery Plan with Timeline on 21 August 2026. This recovery plan provide the basis of monitoring to ensure NDPE compliance.	Attachment 1a: Memorandum - Moratorium on New Land Development (Referenced in Evidence 1) https://shcm.com.my/wp-content/uploads/2025/10/Moratorium-Memo-Planting-20251029.pdf Attachment 3a: Report on Clearing Detected Sept 2025 Evidence on corrective actions taken provided, including photographs of: - Site visit dated 14 October 2025 - Installation of temporary barriers (with plans for permanent signboards) - Removal of contractor machinery - Briefings conducted with field staff on SWO requirements as well as designated "No-Go" zones Attachment 2c & 2d UPSB Recovery Plan & Timeline (Referenced in Evidence 2)
4	For any new land development, require to conduct Integrated HCV-HCSA Assessments and follow the HCVRN ALS (High Conservation Value Resource Network Assessor Licensing Scheme) quality assurance process;	No new land development takes place since the first moratorium. UPSB's NDPE policy dated 22 October 2025 commits to conducting HCV-HCSA assessments in compliance with HCVRN ALS requirements for any future development. Compliance with the moratorium is evidenced by the absence of any planting records for 2026.	Attachment 4a: UPSB Sustainability Policy No Deforestation, No Peat, No Exploitation (NDPE) https://shcm.com.my/wp-content/uploads/2026/08/UPSB-Sustainability-Policy-Updated-20260811.pdf Attachment 1b: Latest Year of Planting (YOP) (Referenced in Evidence 1)
5	Publish a group-wide NDPE ('No Deforestation, No Peat, No Exploitation') policy or sign a group-wide agreement to comply with the NDPE policy;	UPSB established its Sustainability Policy on 5 April 2024, which was subsequently revised to the Group NDPE Policy on 22 October 2025, introducing a 31 December 2015 cut-off date, including requirements for remediation and/or Recovery Plans for non-compliance, and an integrated HCV-HCS assessment approach. UPSB NDPE policy commits to certification under the Malaysian Sustainable Palm Oil (MSPO) standard and their MSPO certificate is valid until 2029, supported by an audit report dated November 2024. However, UPSB clarified that the certification was later suspended in 2025 following a complaint received by MSPO. A six-month rectification period was granted, with a further three (3) month extension requested. As at the time of assessment, UPSB remains under suspension, however, evidence of ongoing rectification efforts was provided. Based on the progress demonstrated, UPSB is considered to be under conditional compliance, pending reinstatement of certification.	Attachment 4a: UPSB Sustainability Policy No Deforestation, No Peat, No Exploitation (NDPE) (Referenced in Evidence 4) https://shcm.com.my/wp-content/uploads/2026/08/UPSB-Sustainability-Policy-Updated-20260811.pdf Attachment 5a: MSPO Recertification Audit Report_2024_KAB Attachment 5b: CR_Urun Plantations Sdn Bhd_2025 Attachment 5c: ECCO_EXT_2025_L011 Letter to Urun (Suspension) Attachment 5d: Ecco Certified Update 26022026 combined rs Attachment 5e: Extension of Suspension until June 2026 Attachment 5f: Urun Plantations MSPO Certificate 2024-2029

6	Commit to develop and socialize new Standard Operating Procedures (SOPs) in line with the adopted NDPE policy within six months	Their NDPE SOPs has been established with timeline and UPSB has demonstrated commitment with the socialisation under consultancy of PwC. Briefings to field staff on the SWO and proposed "No-Go" zones were conducted in Q4 2025 by Inovasi Digital. New NDPE SOPs were internally issued on 18 March 2026, with full socialisation targeted for completion by April 2026. Development of an Internal FPIC procedure is ongoing, with completion expected by April 2026 and full implementation and review by end of 2026. A co-management framework has also been incorporated into the recovery plan to support FPIC principles, including recognition of <i>temuda</i> rights, inclusive governance, defined land use rights, and benefit sharing. Compliance demonstrated for this criteria.	Attachment 2b: Re-entry commitments and actions_SOP_24032026 (Referenced in Evidence 2) (See page 4, 12, 16, and 19) - Remarks on the actions taken by UPSB - Key Elements of the Co-Management Plan for Community Access Areas - Action 3: Socialise new NDPE Standard Operating Procedure - Expected Compliance Timeline Attachment 6a: NDPE_Training_Deck Attachment 6b: Training Record and Plan Attachment 6c: SOP on NDPE Policy_v1.0_FINAL Attachment 6d: No Further Planting Map_20251012 Attachment 6e: FPIC Process & Procedure Attachment 6f: URUN A0_Proposed Co-Management Forest Area for Protection Map_20260122
7	Agree to provide maps (in an appropriate format) of the group's entire concessions to either a public monitoring platform or to the relevant supplier monitoring program	Maps in various formats were provided during 2024 engagements, including HCV assessment submissions, responses to deforestation allegations, and terrain assessments. In 2026, UPSB submitted KML and shapefiles of its concessions. These maps have facilitated SOP's continuous supplier monitoring and are considered to be in an appropriate and usable format. Compliance demonstrated for this criteria.	Attachment 7a: HCV Report Urun Plantations Sdn Bhd Attachment 7b: Reply to Deforestation Allegations 092024 Attachment 7c: Terrain Assessment for Urun Attachment 7d: UPSB_Land Use Change Analysis (LUCA) _2020 to 2024 Attachment 7e: Urun Perimeter Boundary
8	Commit to report progress at least every six months in the first year, then annually thereafter, demonstrating compliance against the above requirements.	The first report titled "Clarification on Grievances Raised" was published on SHC's website on 22 October 2025. Subsequent updates on the grievance and its progress were has been continously released from 10 February 2026 up to most recently on 21 August 2026, where they have published the Full Report of their Recovery Plan with Timeline. Compliance demonstrated for this criteria. Continued monitoring of the recovery plan implementation progress is required.	Attachment 2b: Re-entry commitments and actions_SOP_24032026 (Referenced in Evidence 2) Attachment 2c & 2d UPSB Recovery Plan & Timeline (Referenced in Evidence 2) Attachment 8a: Appendix - Photos of Site Visit and CSR Attachment 8b: Grievance Resoultion Updates https://shcm.com.my/urun-plantations-grievance-resolution-updates/

Other Applicable Requirements - SOP OPSP: Local Community Development and Social Impact			
a	Respect and contribute to the quality of life and wellbeing of the communities in which the Group operates.	The commitment was observed in UPSB's Sustainability Policy No Deforestation, No Peat, No Exploitation (NDPE), under the Local Community Development and Social Impact clause. The clause states a commitment to "respect and contribute to the quality of life and wellbeing of the communities in which the Group operates." Implementation was observed through UPSB's fulfillment of its social contribution commitment under the 2007 agreement on land use and oil palm plantation development, with RM8.03 million disbursed (out of RM10.4 million committed) to the local community via JKKK Long Urun as of January 2026. Compliance demonstrated for this criteria.	Attachment 4a: UPSB Sustainability Policy No Deforestation, No Peat, No Exploitation (NDPE) https://shcm.com.my/wp-content/uploads/2026/08/UPSB-Sustainability-Policy-Updated-20260811.pdf Attachment 8a: Appendix - Photos of Site Visit and CSR (See page 14) Settlement of Land Claims with Local Communities
b	Respect and recognizes the rights of indigenous and local communities, in accordance with the UN Declaration on the Rights of Indigenous Peoples. This includes giving them their Free, Prior and Informed Consent (FPIC) in the utilisation of the lands which they hold legal, communal or customary rights, in particular, indigenous land owners should have the right to pursue better life and to determine the use of their land.	The commitment was observed in UPSB's Sustainability Policy No Deforestation, No Peat, No Exploitation (NDPE) - Local Community Development and Social Impact. The clause states a commitment to "respect and recognize the rights of indigenous and local communities to give their Free, Prior, and Informed Consent (FPIC) in the utilisation of the lands which they hold legal, communal or customary rights. In particular, indigenous landowners should have the right to pursue a better life and to determine the use of their land." Implementation was observed through UPSB's reporting on the settlement of land claims with local communities, demonstrating recognition of community rights and engagement in resolving land related matters. Compliance demonstrated for this criteria.	Attachment 2b: Re-entry commitments and actions_SOP_24032026 (See page 12, 17, and 19) - Key Elements of the Co-Management Plan for Community Access Areas - Development and implement an Internal FPIC Procedure and strengthen grievance and stakeholder engagement mechanisms - Expected Compliance Timeline Attachment 8a: Appendix - Photos of Site Visit and CSR (See page 14-20) Settlement of Land Claims with Local Communities
c	Engage effectively with the communities in an open and transparent manner through effective communication channels and grievance mechanism to ensure conflict prevention and/or resolve verifiable complaints and conflicts.	The commitment was observed in UPSB's Sustainability Policy No Deforestation, No Peat, No Exploitation (NDPE) - Local Community Development and Social Impact. The clause states a commitment to "engage effectively with the communities in an open and transparent manner through effective communication channels and grievance mechanism to resolve verifiable complaints and conflicts." UPSB's report indicated that consultations have been conducted on the recovery plan with community members, including the Kenyah community, JKKK, the Penan community, and Lepau Uten. These consultations reflected both positive feedback and identified areas of concern. Based on the consultation outcomes, a co-management framework has been integrated into the recovery plan. This framework includes provisions for structured communication and dispute resolution mechanisms to facilitate the fair and collective resolution of grievances. UPSB also reported plans to review its Grievance Mechanism Procedures as part of its FPIC procedure development, including a defined timeline for completion. Compliance demonstrated for this criteria.	Attachment 2b: Re-entry commitments and actions_SOP_24032026 (See page 12, 17, and 19) - Key Elements of the Co-Management Plan for Community Access Areas - Development and implement an Internal FPIC Procedure and strengthen grievance and stakeholder engagement mechanisms - Expected Compliance Timeline Attachment 8a: Appendix - Photos of Site Visit and CSR (See page 10-12) High-level observation from field visit
d	Support the inclusion of smallholders and out-growers into the supply chain in a fair, transparent and accountable manner.	Not Applicable as Urun Plantation do not source FFB from external suppliers.	Not Applicable

e	Undertake Corporate Social Responsibility (CSR) programmes that have positive social impacts on the people and local communities.	The commitment was observed in UPSB's Sustainability Policy No Deforestation, No Peat, No Exploitation (NDPE) - Local Community Development and Social Impact. The clause states a commitment to "undertake Corporate Social Responsibility (CSR) programmes that have positive social impacts on the people and local communities" Implementation of this commitment was observed through recorded CSR initiatives undertaken by UPSB, which include: 1. Priority Employment of Locals 2. Donations to Support Penan Students for Tertiary Education 3. Donations to Support Penan Students for Form 6 4. Community Contributions / Donations - Per head social contributions (monthly) 5. Contributed in the completion of Sg Urun Bridge 6. Community Development Projects (CDP) such as Bridge construction at Sg Wai 1 & Sg Wai 2 located outside UPSB's PL Area, road repair to SK Long Urun School 7. Coconut Planting on 100 ha of land 8. Etc. Compliance demonstrated for this criteria.	Attachment 2b: Re-entry commitments and actions_SOP_24032026 (See page 6) Remarks on the actions taken by UPSB Attachment 8a: Appendix - Photos of Site Visit and CSR (See page 21-37) Community Social Responsibility (CSR) Records
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Assessment Summary & Recommendation:

This is the first verification conducted for UPSB in accordance with SOP's Supplier Engagement Procedure since their suspension from SOP Supply Chain on 13 January 2025. UPSB's reached out to SOP on 12th March 2026, to share their update on its NDPE commitment progress for re-entry to SOP supply chain. SOP subsequently communicated this progress to buyers on 7 April 2026 via AOPL to seek their view on re-entering UPSB into the SOP supply chain. As of 8 September 2026, no objections expressed by any buyer.

Buyer's & NGO's Feedback:

KLK (Buyer)	25 March 2026 - KLK is still undergoing review. 24 August 2026 - Joint call held between SOP, PwC, UPSB, and KLK to further discuss KLK's queries and provide clarification to support their assessment. SOP also shared with KLK the target percentage for controlled purchases under the proposed conditional re-entry, with targets linked to the milestones achieved by UPSB in progressing the implementation of its recovery plan. 7 September 2026 - KLK provided their feedback along with a few minor follow up queries. However, they clarified that the decision on sourcing and supplier re-entry remains within SOP's own assessment and decision making process. KLK's only specific note was that UPSB's recovery measures will not be eligible to participate in the EUDR supply chain.
Mewah Oil (Buyer)	6 April 2026 - Mewah Oil inquired on UPSB's KPIs and outputs of the recovery project, to which UPSB answered. No further feedback received from Mewah Oil to date. SOP is of the view that Mewah intends to continue monitoring the progress until a decision can be made.
Bunge (Buyer)	7 April 2026 - Bunge is encouraged by the progress made and, similar to Mewah Oil, intends to continue monitoring developments. 8 April 2026 - An online call was held between SOP, AOPL, and Bunge, providing an opportunity to inquire about their responses to UPSB's recovery efforts. Key feedback from Bunge representatives included: - The proposed recovery site presented is still described as "potential". It would be helpful to update actual work progress of the recovery site. - Engagement with relevant stakeholders, including The Borneo Project, will help improve transparency and build more confidence. - If applicable, any government-related approvals or supporting documents for the recovery plan could strengthen the case. 16 April 2026 - Based on discussions between PwC, acting on behalf of UPSB, and Bunge, Bunge is satisfied with the progress made by Urun Plantations in addressing the NDPE non-compliance. However, additional detail on engagement with NGOs listed in the public grievance would enhance transparency. Urun Plantations is preparing an update on continued NGO engagement, and overall, there is support for its re-entry, with SOP potentially proceeding to the next steps. 22 May 2026 - Bunge indicated that they are not opposed to UPSB's re-entry into SOP's supply chain. However, they recommended that SOP implement a controlled and incremental purchasing approach, with purchase volumes increased progressively based on the achievement of agreed milestones and demonstrated progress under the recovery plan. 7 September 2026 - SOP shared with Bunge the target percentage for controlled purchases under the proposed conditional re-entry, with targets linked to the milestones achieved by UPSB in progressing the implementation of its recovery plan.

AAK (Buyer)	9 April 2026 - AAK is encouraged by the progress made and, similar to Mewah Oil and Bunge, intends to continue monitoring the progress.
Musim Mas (Buyer)	14 April 2026 - Musim Mas has accepted the re-entry.
The Borneo Project (NGO)	16 April 2026 - Positive feedback from Borneo Project (Fiona) on UPSBs progress on social remediation as reported by the local community.

In Summary:	
1) Buyer feedback has been generally positive, with no explicit objection raised by any buyer. Buyers have acknowledged and commended UPSB's efforts towards strengthening compliance and continuous improvement. Ultimately, the feedback indicates that the final decision remains with SOP, subject to our own assessment, risk considerations, and internal decision making process.	
2) UPSB demonstrated compliance to five (5) out of eight (8) re-entry requirements and all the Social requirement under NDPE commitments. The provisional / conditional non-compliances required further monitoring on the implementation of their recovery plan, including UPSB's progress towards MSPO certification following the suspension of its certification.	
3) Sustainability Department will continue to engage with and monitor the progress of Urun Plantation in accordance with the re-entry procedure. Under the proposed conditional re-entry, target percentages for controlled purchases have been established, with the targets linked to the milestones achieved by UPSB in progressing the implementation of its recovery plan. (Ref: <i>Targeted Milestone_Urun Plantations.pdf</i>)	
4) In the event that UPSB regresses or is found to be non-compliant with the agreed requirements, SOP shall have the right to re-suspend UPSB.	

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Committee Members	Feedback
Asia Oils Pte. Ltd. - Chua Chin Wei	As per item an incentive, proposed a controlled purchase at 25%, which could be increase incrementally or withhold depending on their 6 monthly progress.
Sustainability Department - HOS Galau Melayong	Propose a controlled re-entry purchasing arrangement under monitoring, whereby future purchases will continue or withhold depending on sequential compliance monitoring result.
Trading Backoffice - HMTM William Wong	Supported with controlled purchase. Can we start with 50% of their FFB production volume? The exposure to SOPB upon re-entry UPSB into our supply chain will be the same whether it is 25% or 50%.
DCEO-Plantation Tho Kheng Chiang	No objection with proposal of controlled purchase at 50%.
COO Eric Kiu Kwong Seng	Have no further comments nor any objections on this.

Recommendation / Conclusion by the engagement committee:

By taking into consideration on the assessment progress and engagement outcome with buyers above, the committee then recommend to re-enter Urun Plantation to SOP Supply Chain under controlled purchase with reference to the targeted milestone adopted during the recent GSC meeting.

This milestone has been discussed and agreed by Urun Plantation. The Committee hereby seeks approval from GCEO to approve the re-entry of Urun Plantation to SOP Supply Chain.

Approved by,



JEFF LING LU KUANG
(Group Executive Chairman)

Targeted Milestone for Urun Plantation

No.	PwC / Urun Milestones	Status / Timeline	Controlled Purchase %	SOP Milestones incorporated	Key evidence / deliverables
1.	Group-wide moratorium & Stop Work Order	Completed – Oct 2025	10%	Demonstration of NDPE Commitment	Moratorium / Stop Work Order; publicly available NDPE commitment
2.	Publication of NDPE Policy & development of NDPE SOPs	Completed – Mar 2026	10%	Demonstration of NDPE commitment; Recovery plan communication; compliance with re-entry requirements	NDPE Policy and SOPs; communication of commitment; re-entry requirements assessed
3.	Confirmation of NDPE liability & concession boundary shapefiles	Completed – Apr 2026	20%	Compliance with re-entry requirements; Re-entry Assessment; identification of gaps	Written liability confirmation; concession boundary shapefiles; documented re-entry assessment and gap analysis
4.	Publication of Recovery Plan	Completed – Aug 2026	20%	Recovery Plan Communication; Announcement of Recovery Plan; finalisation of Recovery Plan	Public Recovery Plan; clear actions, responsibilities, timelines, targets and monitoring framework
5.	Signing of co-management agreement with communities as part of Recovery Plan	Sep 2026	20%	Execution of Recovery Plan; initiation of recovery plan; compliance with re-entry requirements; MSPO 2.0 Certification	Signed co-management agreement; implementation initiated; time-bound recovery plan; evidence of MSPO 2.0 certification
6.	Completion of first 6-month monitoring verification	Apr 2027	10%	Execution of recovery plan; progress updates; compliance with re-entry requirements	Independent/credible monitoring verification; progress against time-bound Recovery Plan; corrective actions for gaps
7.	Publication of 1-year progress for Recovery Plan	Sep 2027	10%	Continued execution of Recovery Plan; progress reporting; compliance with re-entry requirements	Public 1-year progress report; quantified progress against Recovery Plan; evidence of continued compliance

Target percentage for conditional re-entry against milestone. Monitoring will be continuous.