

SUSTAINABILITY REPORT 2014



SIME DARBY PLANTATION SUSTAINABILITY REPORT 2014

www.simedarbyplantation.com

**Plantation Sustainability & Quality Management
(PSQM) Department**

Level 3A, Main Block, Plantation Tower
No. 2, Jln PJU 1A/7, Ara Damansara
47301 Petaling Jaya
Selangor Darul Ehsan, Malaysia

T +(603) 7848 0000
F +(603) 7848 4363

sdp.sustainability@simedarby.com



Plantation

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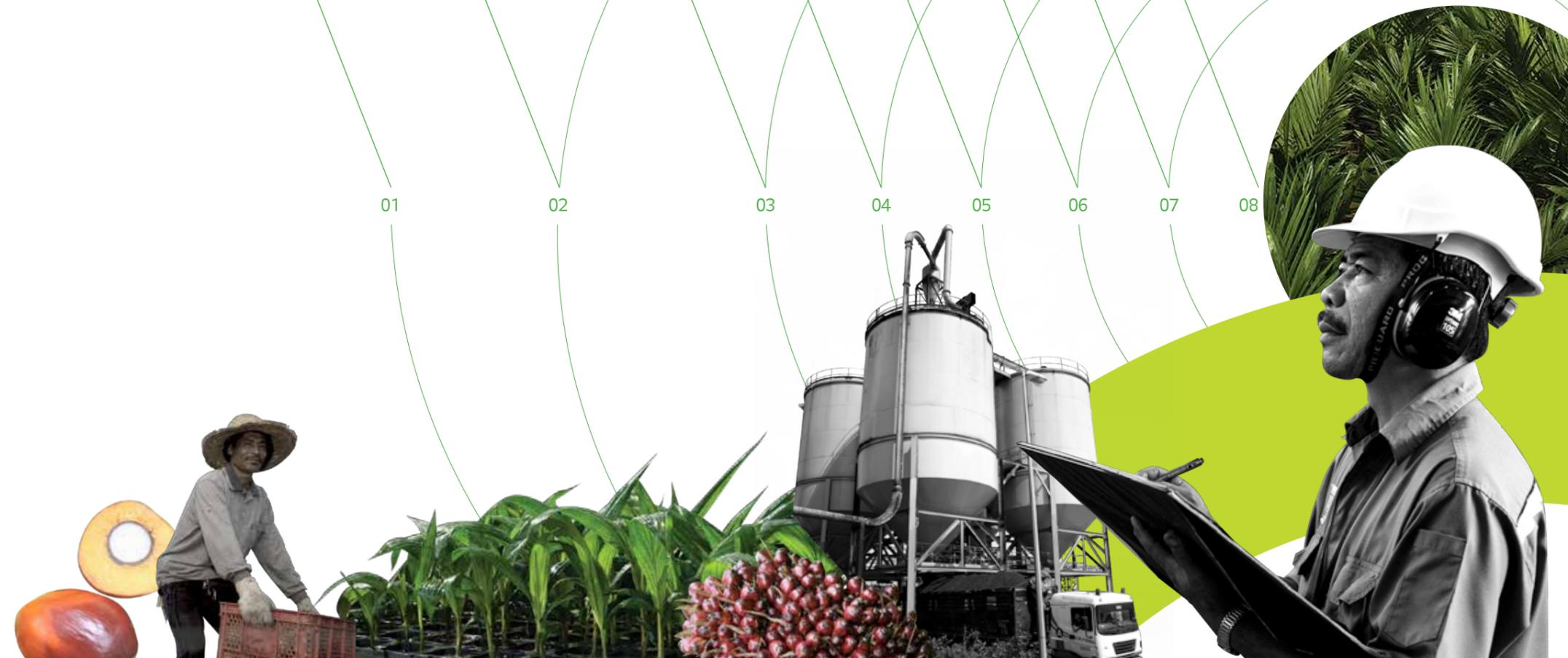
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Cover rationale:

Sime Darby Plantation runs a diverse set of businesses worldwide for the benefit of our stakeholders, from our employees and customers, to the communities living in and around our lands. Our responsible actions allow for the fruits of our labours to create ripples that have positively impacted millions.



FEEDBACK
We value your feedback.



About This Report

This Sustainability Report is Sime Darby Plantation's first stand-alone Report that covers our sustainability performance, initiatives, and achievements for the financial year beginning 1 July 2013 to 30 June 2014; and complements the Sime Darby Group Annual Report 2014 where highlights of our other divisions, namely Industrial, Motors, Property, and Energy & Utilities are showcased. Previous sustainability disclosures can be seen in the Sime Darby Group Sustainability Reports 2011 and 2013.

This Report has been prepared based on key material sustainability indicators as agreed through our annual review of the Plantation Sustainability Blueprint, management meetings, and based on the results of a stakeholder

engagement survey carried out in 2013. Our materiality analysis and stakeholder engagements are detailed in the relevant section of this Report.

The Plantation Sustainability Blueprint guides the implementation of our strategic sustainability initiatives in line with business needs and stakeholder expectations, that includes increasing sustainable palm oil production, reducing carbon emissions through our Carbon Reduction Strategy, and adhering to our sustainability mandates to protect the environment through zero burning, zero deforestation, and biodiversity protection, among others.

This Report is prepared in accordance with the Global Reporting Initiative (GRI)

Sustainability Reporting Guidelines (Version G4) at a Core level¹. Carbon emission data shown in this Report is for the period 1 January – 31 December 2013 and is part of the Group carbon inventory that is collated annually using the Sustainability Management System (SMS), a cloud-based platform, and is in accordance with the Greenhouse Gas (GHG) Protocol for Scope 1 and Scope 2 emissions. All financial data in this Report has been independently assured as part of the Group annual financial audit while safety, carbon emissions, and Lean Six Sigma (LSS) performance data has been verified through a limited assurance engagement². This Report is intended for release on a biennial basis.

¹ Please refer to the GRI Content Index on page 86 in this Report

² Please refer to Sime Darby Group Annual Report 2014 (page 404) for further details

Please contact us with any questions you have about the Report or its contents as follows:

Email:
sdp.sustainability@simedarby.com

Phone:
+(603) 7848 0000

Fax:
+(603) 7848 4363

Mail:
Plantation Sustainability & Quality Management (PSQM) Department

Sime Darby Plantation
Level 3A, Main Block, Plantation Tower,
No. 2, Jln PJU 1A/7, Ara Damansara,
47301 Petaling Jaya, Selangor Darul Ehsan,
Malaysia



Message from the Managing Director

Welcome to Sime Darby Plantation's inaugural Sustainability Report for FY 2013/14.

In the past two years, we have reported our achievements and initiatives in detail in the Sime Darby Group Sustainability Reports 2011 and 2013; and I believe it is fitting that we continue our commitment to transparency and openness with this standalone Report for our key stakeholders. Guided by our Plantation Sustainability Blueprint, this Report will show you our sustainability performance based on the targets set in three phases from 2012-2018. I am proud that we have achieved some degree of success in our commitments ahead of time, but we recognise that there are areas in which we can improve.

The past year has been a relatively tumultuous one with softening crude palm oil prices that have challenged us to enhance effectiveness and efficiency. With our diverse business and varied supply chain that covers upstream production, downstream refining, and R&D activities, supported by our 80,000 employees worldwide, we ensure that the exacting standards we have set for product sustainability through the RSPO certification, safety and health performance, and environmental and biodiversity protection, are upheld and enhanced despite the uncertain marketplace.

Sustainable Products

The world's demand for sustainable offerings is now fully mainstream and we have taken the lead in enhancing our position as the largest supplier of sustainable palm oil worldwide with the expansion of our fully segregated and traceable palm oil supply chain to 385,000 tonnes annually. The RSPO certification standard is among the toughest for any edible oil in existence and with the oil palm's yield per planted area far exceeding its nearest competitors, we believe that palm oil is key to accommodating the needs of the world's expanding population in both developed and developing markets.

Safety and Health

Every life connected to Sime Darby Plantation, from our workers and contractors, to their families are meaningful to us. I am saddened that we had a number of fatalities in the past year in our operations. However, we are doing our best to improve awareness on safe practices and to enhance preventive skills among all our employees and contractors that has seen our Fatal Accident Rate (FAR) reduce by 20% year-on-year, to 3.1 cases per 100 million hours worked in FY 2013/14. We have increased and re-allocated

internal resources to enhance our safety and health performance and I do believe that we can reduce incidents even further in the near future. This can be evidently seen where operating units have achieved hundreds of thousands of incident-free working hours as well as 34 national awards and accolades received for best safety and health standards.

Environment

We have continued work on our carbon reduction strategy and expanded our initiatives on biodiversity and wildlife protection. Seventeen biogas plants are in the pipeline that will enable us to reduce emissions by 19% in line with our Carbon Reduction Strategy. We continue to support the rehabilitation of degraded forests in Ulu Segama, Sabah for the benefit of native wildlife.

Responsible Actions

We are proud of our achievements and are fully committed to balancing the needs of our people, the environment, and the business through our conscious and responsible actions. I thank you for reading this Report and for taking interest in our sustainability efforts.

DATUK FRANKI ANTHONY DASS
Managing Director,
Sime Darby Plantation

OVERVIEW OF SIME DARBY PLANTATION



Sime Darby Plantation is the largest division of the Sime Darby Group, a Malaysia-based publicly-owned conglomerate with operations in more than 20 countries worldwide and employing 100,000 people. Headquartered in Petaling Jaya, Malaysia, the Plantation Division is the leading listed planter worldwide by landbank and palm oil production. As one of the founding members of the Roundtable on Sustainable Palm

Oil (RSPO), we are now the largest producer of sustainable palm oil worldwide, a testament to our belief in sustainable practices. We are also major planters of rubber and produce pink guava juices and purees from our plantation in Perak, Malaysia. As part of our expansion drive, we have recently begun operations in part of a 220,000 hectare concession in Liberia.



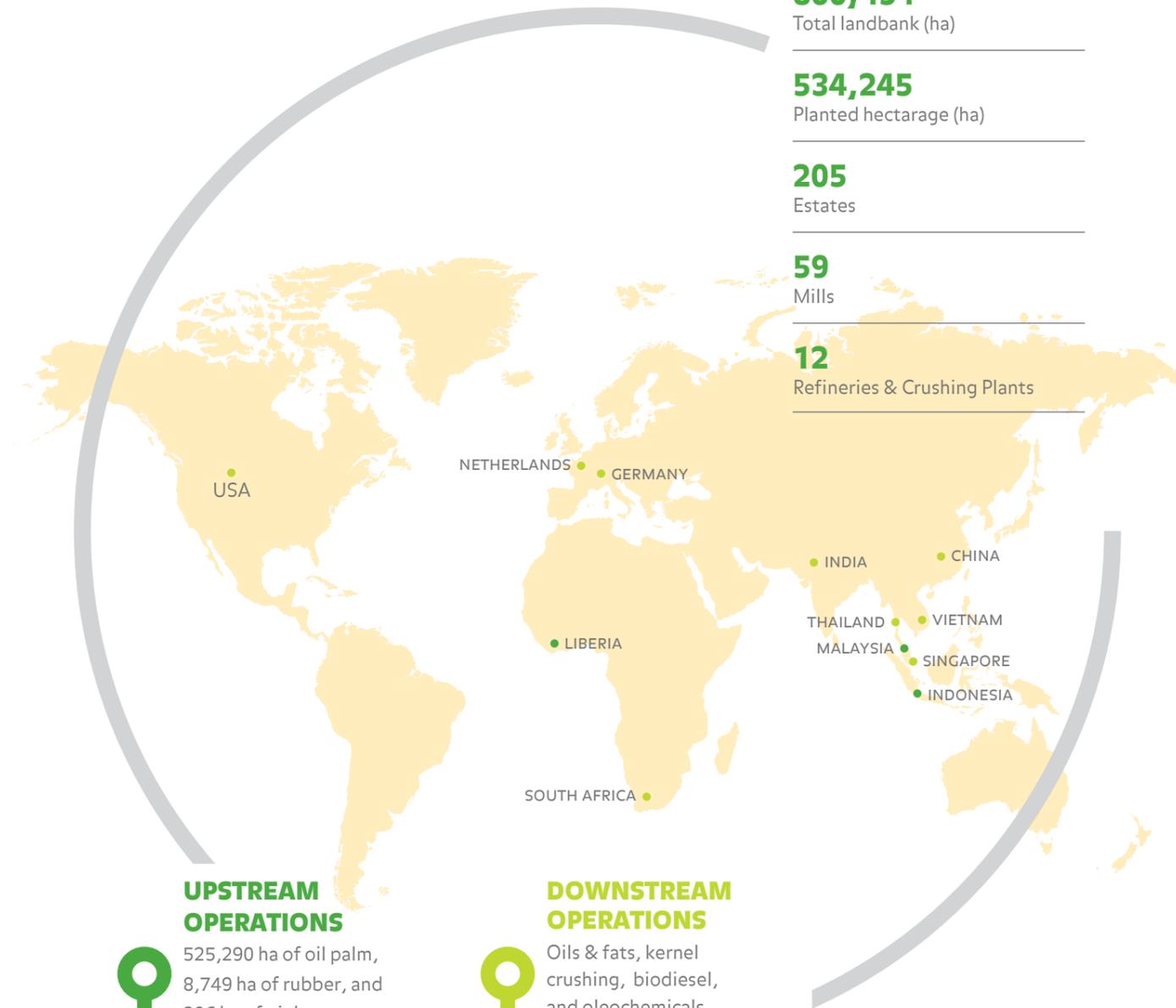
OVERVIEW

OF SIME DARBY PLANTATION

Upstream operations encompass more than 200 estates and 59 mills where fresh fruit bunches (FFB) from our estates are delivered to our mills to be processed into crude palm oil (CPO). The application of RSPO Principles & Criteria ensures that we adhere to environmental best practices, biodiversity conservation, and social protection in areas of our operation. We also operate 14 Downstream units that produce refined palm oil and palm kernel oil, biodiesel and oleochemicals. Our Downstream facilities adhere to RSPO Supply

Chain Certification System (SCCS) requirements that allow for full segregation and traceability to their RSPO-certified sources.

With decades of experience and knowledge in agronomic science and technology, our research and development facilities are considered industry leaders; focusing on yield increases, developing sustainable fertilisers, improving processing technology, and venturing into cutting-edge research into the palm oil genome and its resultant uses.



UPSTREAM OPERATIONS

525,290 ha of oil palm, 8,749 ha of rubber, and 206 ha of pink guava plantations in Malaysia, Indonesia, and Liberia

Oil palm and rubber cultivation

Palm oil milling, rubber factories and bulking facilities

Composting & biogas

DOWNSTREAM OPERATIONS

Oils & fats, kernel crushing, biodiesel, and oleochemicals production

Operates in Malaysia, Indonesia, Liberia, Singapore, Thailand, Vietnam, China, South Africa, Germany, Netherlands, USA, and India

79,888
Employees

12
Countries

860,454
Total landbank (ha)

534,245
Planted hectareage (ha)

205
Estates

59
Mills

12
Refineries & Crushing Plants

FINANCIAL INFORMATION

Financial Results (RM '000)	2013	2014
Revenue	11,672,000	10,953,500
Profit before interest and taxation (PBIT)	2,006,500	1,874,600
Net Earnings	1,539,900	1,528,700
Return on average shareholders' equity (ROE)	23%	22%

STATEMENT OF VALUE ADDED

Value Added (RM '000)	2013	2014
Revenue	11,672,000	10,953,500
Operating expenses	(7,560,900)	(6,995,700)
Other operating income	194,900	302,300
Share of results of jointly controlled entities and associates	28,300	(29,900)
Finance income	62,500	86,500
Total Value Added	4,396,800	4,316,700
Reconciliation:		
Profit for the year	1,539,900	1,528,700
Add:		
Depreciation and amortisation	523,100	512,800
Finance costs	22,800	28,300
Staff costs	1,804,700	1,842,800
Government	438,700	339,900
Non-controlling interest	67,600	64,200
Total Value Added	4,396,800	4,316,700

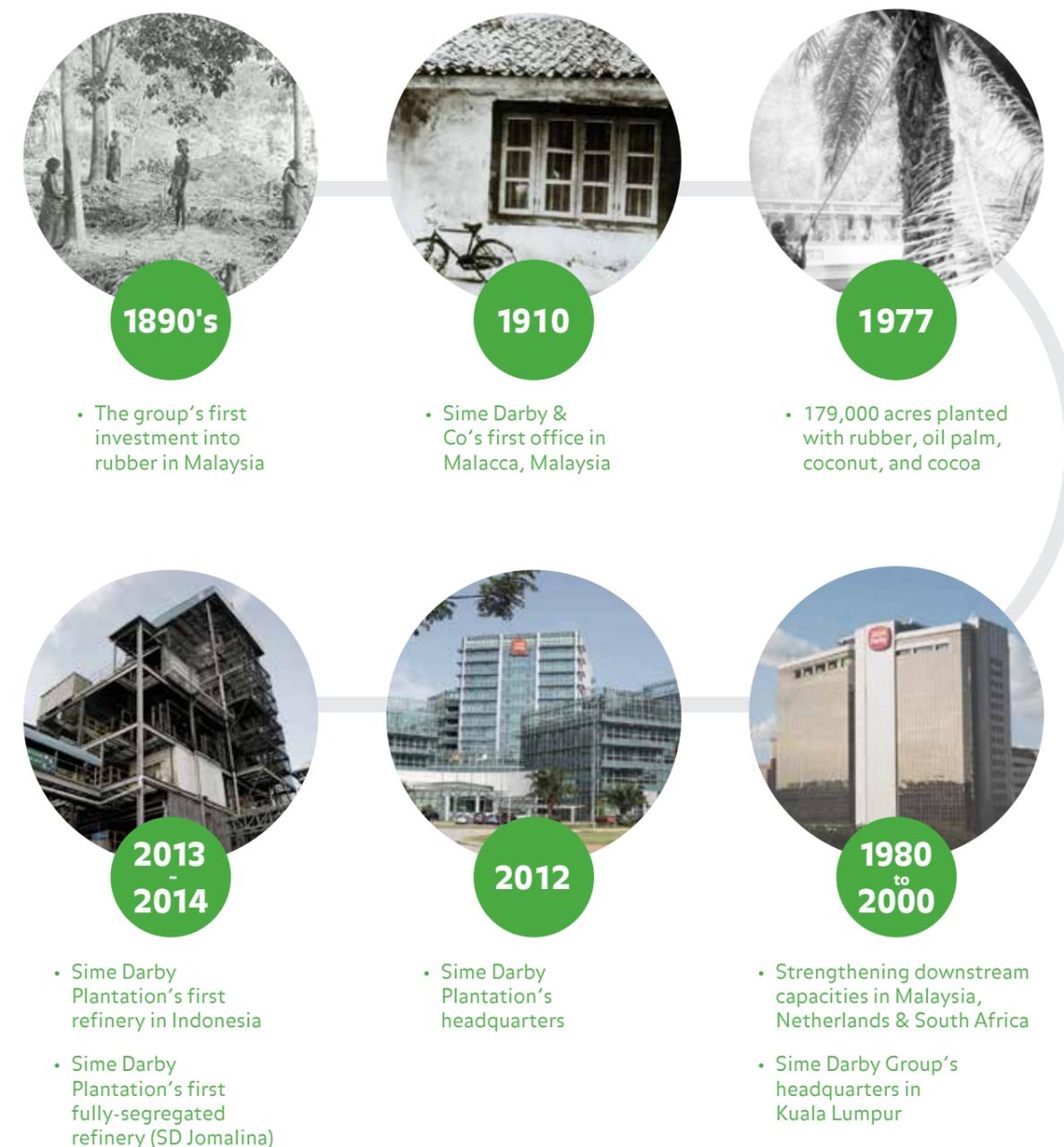
Value Distributed (RM '000)

Employees:		
Employee costs	1,804,700	1,842,800
Government:		
Corporate tax	438,700	339,900
Providers of Capital:		
Finance costs	22,800	28,300
Non-controlling interests	67,600	64,200
Reinvestment and Future Growth:		
Depreciation and amortisation	523,100	512,800
Retained earnings	1,539,900	1,528,700
Total Value Distributed	4,396,800	4,316,700

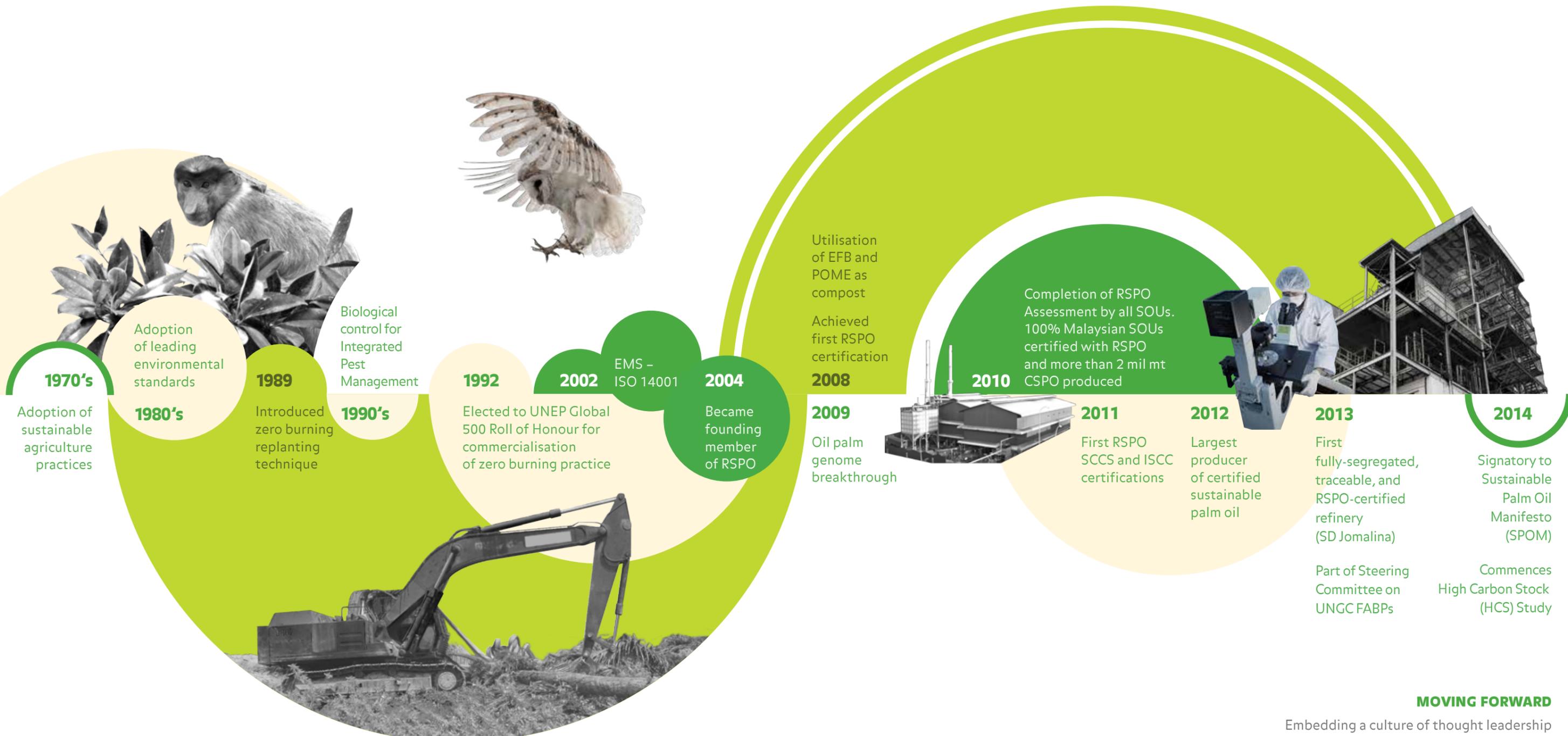
OVER A CENTURY OF SUSTAINED GROWTH...

More than 100 years ago, pioneering entrepreneurs established rubber plantations in Malaya, most of which were later converted to oil palm.

Among those pioneers were Alexander Guthrie, Daniel and Smith Harrison, Joseph Crosfield, William Sime and Henry d'Esterre, and Herbert Mitford Darby – founders of three great companies that today live on in Sime Darby Berhad.



SIME DARBY PLANTATION'S SUSTAINABILITY JOURNEY



MOVING FORWARD

Embedding a culture of thought leadership in Sime Darby Plantation towards becoming a powerful advocate of Plantation Sustainability



SUSTAINABILITY PERFORMANCE SNAPSHOT FY 2013/14

World's largest supplier of fully-segregated, traceable, and RSPO-certified palm oil

385,000
tonnes annual capacity

7 new ISCC

Certifications in FY 2013/14. All our operating units in Sabah and Sarawak have been ISCC-certified.

31%

Reduction on Lost Time Incident Frequency Rate (LTIFR) compared to FY 2012/13

20%

Reduction on Fatal Accident Rate (FAR) compared to FY 2012/13

Improved **Free, Prior & Informed Consent (FPIC) procedures**

for new developments implemented

10,063

Endangered, Rare, and Threatened (ERT) forest trees planted

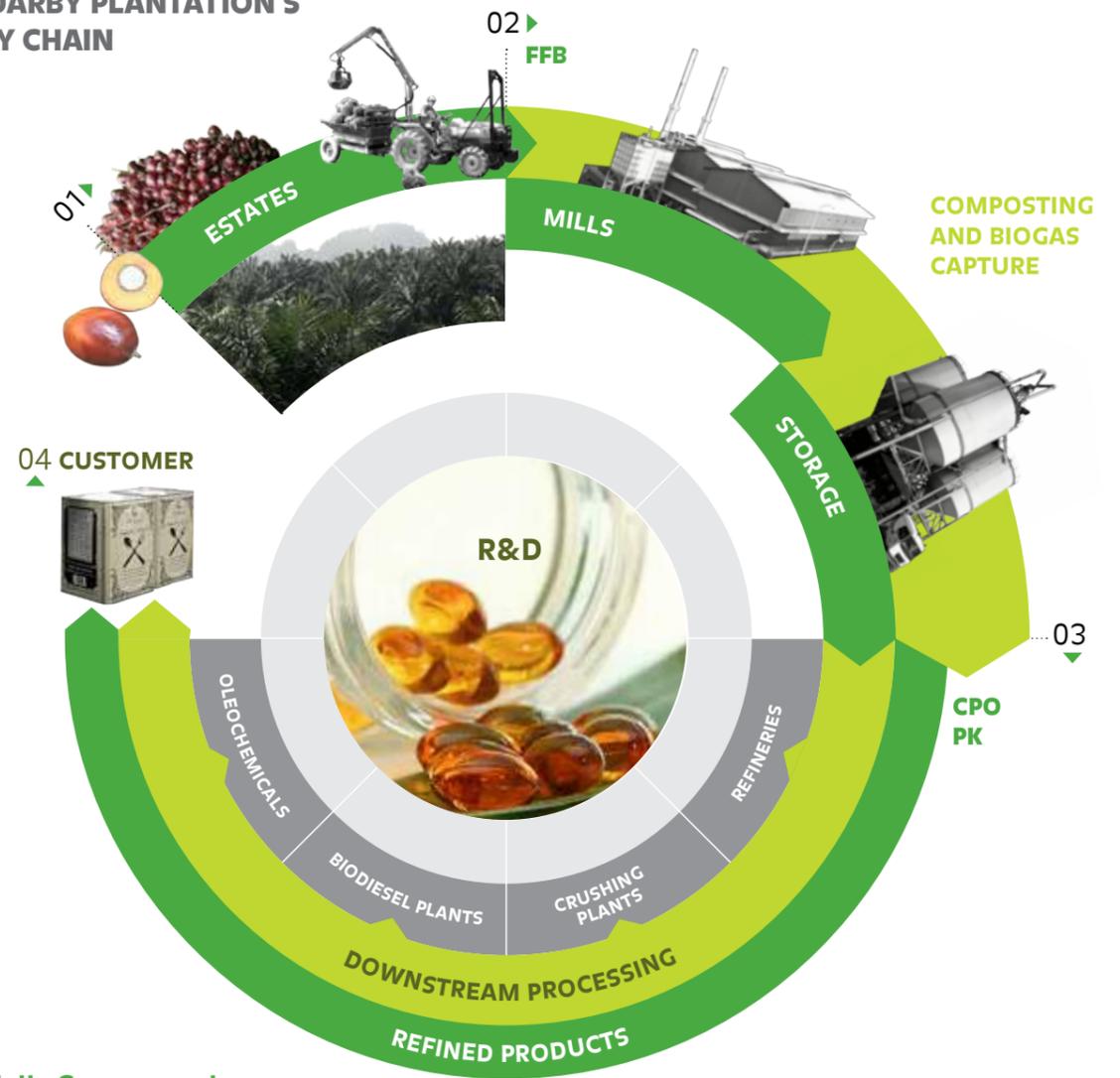
Issuance of **183,897**

Certified Emission Reductions (CER)

RM44.5 million

in Lean Six Sigma savings

SIME DARBY PLANTATION'S SUPPLY CHAIN



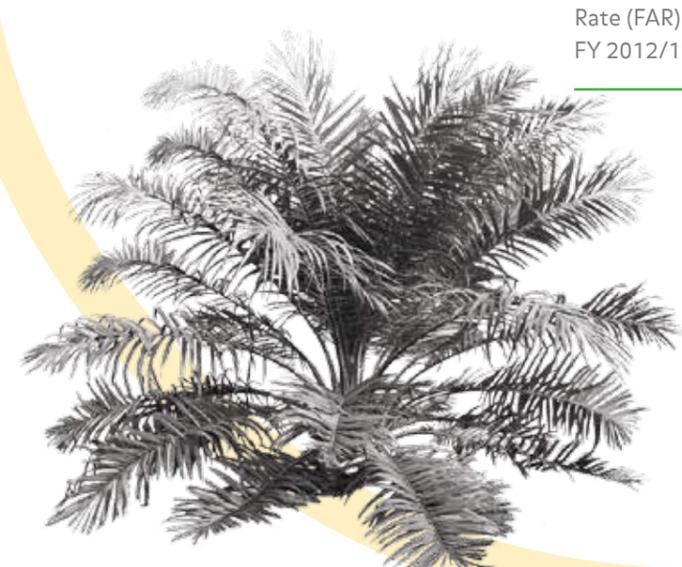
Fully Segregated Supply Chain

for Sustainable CPO

With a capacity of **385,000** tonnes annually, every shipment of palm oil through our fully segregated supply chain is completely traceable down to its supplying estate and mill

This means that consumers can be completely assured that all the palm oil used in their products is from sustainable sources

	Estates	Mills	Downstream Processing
Key Initiatives	Biodiversity protection, ERT tree planting, field audits, 5S implementation, organic fertiliser application	Biogas capture, continuous improvement initiatives including LSS and 5S, emission controls, oil extraction rate (OER) enhancement	Sime Darby Innovation Centres create specialised solutions for customers in diverse markets
R&D Efforts	Seeds development, biotechnology applications, plantation advisory services	Processing technology, waste management, advisory services	Anti-obesity oils and fats, enzymatic rearrangement to reduce chemical usage, Vitamin E production



VALUES, GOVERNANCE & ETHICS

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VALUES, GOVERNANCE & ETHICS

Our Core Values:

- INTEGRITY
- RESPECT & RESPONSIBILITY
- EXCELLENCE
- ENTERPRISE



SUSTAINABILITY PRINCIPLES AND VALUES



Delivering Economic Growth

- Generate respectable profits without sacrificing long-term economic value creation
- Continuously improve operational efficiency and sustainable production

Respect for the Environment

- No deforestation of primary and virgin forest; zero peatland planting
- Promote global environmental responsibility through strict compliance to statutory guidelines and regulations

- Encourage the development and use of environmentally friendly designs and technologies
- Commit and devote resources towards the protection of wildlife ecosystem

Respect for Community

- Improve lives in countries we operate
- Respect fundamental human rights and social values
- Remediate instances of adverse human rights within our operations
- Endeavour to advance respect for human rights within our sphere of influence

Accountability & Transparency to Stakeholders

- Accountable and transparent to our stakeholders on the Division's sustainability, safety & health, and quality strategies, objectives and performance
- Good corporate governance and high ethical values
- Engage with all stakeholders – including government, regulators, NGOs, and communities

The Sime Darby Group recognises sustainability as a key business differentiator and driver of the business.

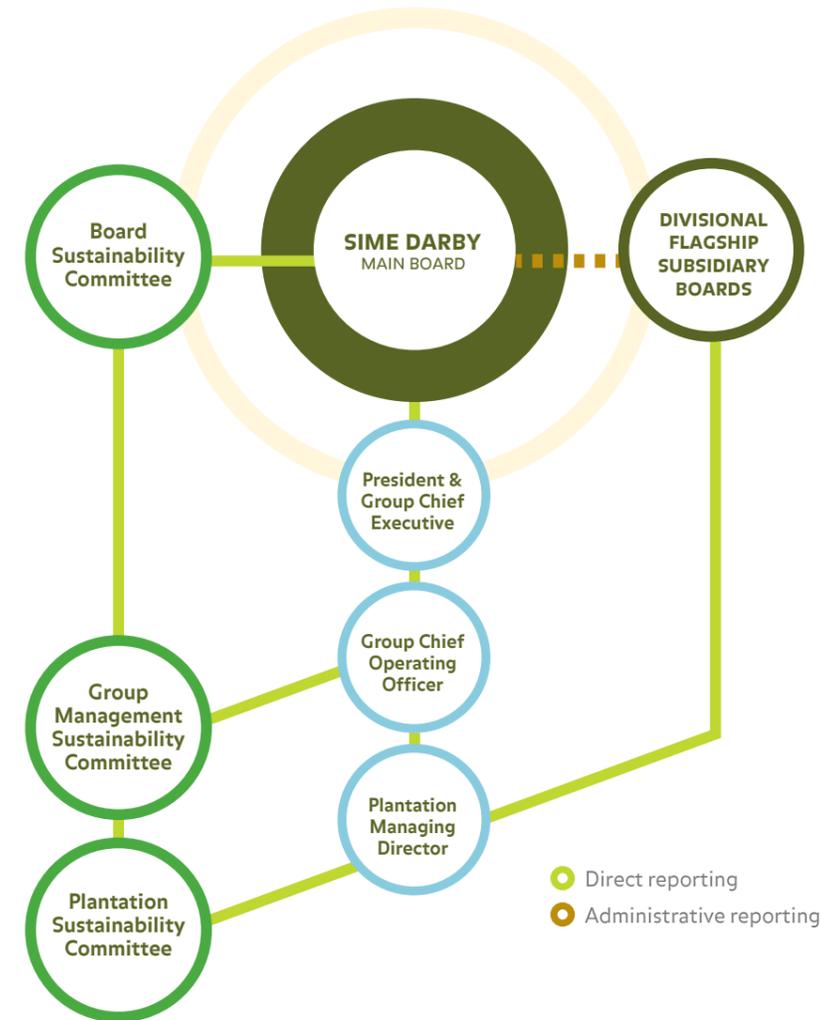


Sustainability Governance

The Main Board is accountable for sustainability strategy and performance while our Group Chief Executive has overall management responsibility for sustainability; and the Group Chief Operating Officer is responsible for overall operational sustainability performance.

The Plantation Division is led by our Managing Director (MD) who plays an active role in our sustainability direction and performance. The MD sets the agenda for sustainability initiatives and drives business units towards industry-leading performance.

The Plantation Division's Flagship Board assumes accountability for the Division's sustainability strategy and performance. The MD heads the Plantation Sustainability Committee and is a member of the Group Management Sustainability Committee which reviews overall sustainability direction. The Plantation Sustainability Blueprint is reviewed annually with inputs from business units and receives final approval from the MD. The Blueprint guides our strategic actions in delivering sustainability performance.



Anti-Corruption

Sime Darby Plantation has a zero-tolerance approach towards bribery and corruption in any form and is committed to behaving professionally, fairly, and with integrity in all our business dealings throughout our operating areas. We regularly engage with external agencies to support efforts to eradicate corruption, including with the Malaysian Anti-Corruption Commission (MACC) and Transparency International-Malaysia (TI-M). We also conduct regular training sessions to raise awareness among employees in eliminating corruption.

Human Rights

Sime Darby's respect for fundamental human rights is enshrined within our Group Policies and Authorities, which governs all Sime Darby's operations and our Code of Business Conduct, which outlines the standard of behaviour expected of Sime Darby Directors, employees, counterparts, and business partners. The Division subscribes to the principles of the Roundtable on Sustainable Palm Oil (RSPO) where human rights is a key part of sustainability certification. We are signatories to the UN Global Compact's Food & Agriculture Business Principles (FABP) in which human rights is enshrined in Principle 4: Respect Human Rights, Create Decent Work and Help Communities

To Thrive. A summary of our UNGC FABP commitments can be found in the Disclosures section of this Report.

Grievance and Whistle-Blowing Policy

We aim to address any grievance or complaints that may arise in the course of employment or with stakeholders affected by our operations as soon as feasibly possible and with the highest ethical standards. Our Grievance Policy provides a framework for non-discriminatory and fair treatment of all cases involving all parties. The whistle-blowing processes ensure that all stakeholders are able to report actual, potential, or suspected wrongdoings anonymously without facing repercussions.

Risk Management

KEY PLANTATION SUSTAINABILITY-RELATED RISKS AND MITIGATION MEASURES

Risk	Description	Mitigation Measures
Safety and Health	Major accidents due to non-compliance to policies and procedures that may lead to death or severe injury	<ul style="list-style-type: none"> Environment, Safety & Health (ESH) and Emergency Response policies & procedures established and implemented ESH performance monitoring & reporting implemented Regular safety training, dialogues & roadshows, and dedicated OSH departments / committees <p><i>Further details can be found in the Safety & Health section of this Report.</i></p>
Local Community Grievances	Challenges arising from local community grievances due to real or perceived concerns that may lead to operational disruptions and loss of goodwill	<ul style="list-style-type: none"> Establishment of clear Free, Prior & Informed Consent (FPIC) procedures Grievance mechanisms implemented and issues resolved Regular engagement with stakeholders <p><i>Further details can be found in the Local Communities section of this Report.</i></p>
Climate Change	Impacts from climate change i.e. rainfall patterns, water scarcity, drought may adversely impact operations	<ul style="list-style-type: none"> Water and soil conservation efforts Flood mitigation measures Reduction in operational carbon emissions as part of national and international reduction efforts R&D efforts into resilient planting material (e.g. drought-resistance) <p><i>Further details can be found in the Carbon Management section of this Report.</i></p>
Plant Disease Outbreak	The potential threat of disease outbreak and/or pests either not being identified in a timely manner or not being mitigated effectively could potentially result in significant tracts of plantation being affected and/or being wiped out.	<ul style="list-style-type: none"> Breeding & utilisation of disease tolerant planting materials Regular on-site monitoring and control vis-à-vis pests and disease outbreak at estates <p><i>Further details can be found in the Research & Development section of this Report.</i></p>



Stakeholder Engagement & Material Disclosures

At Sime Darby Plantation, stakeholder engagement is recognised as an integral part of our sustainability strategy and continual improvement efforts. Stakeholders are engaged at various platforms and help us gauge our performance in meeting expectations and provide feedback. Our key stakeholder groups have been identified through our activities in the palm oil sector and include shareholders, customers, employees, non-governmental organisations, industry groups, and government agencies.

Our engagement approach varies from formal to informal, but all issues are given due consideration

and evaluated on the impact they make on both Sime Darby and the stakeholder. Sime Darby conducted an external stakeholder engagement survey in 2013, to gauge feedback and determine gaps in our previous reporting. A better understanding of issues material to stakeholders was derived from this survey, which resulted in the development of the Deep Dive into Plantation that was the core of Sime Darby's Group Sustainability Report 2013.

Our key stakeholder groups are listed in the following page, along with an overview of our engagement activities in FY 2013/14 and the key topics and concerns raised.

KEY STAKEHOLDER GROUPS AND TYPES OF ENGAGEMENTS CONDUCTED IN FY 2013/14

Stakeholder group	Examples	Types of engagement	Sustainability topics discussed
Customers	Major consumer goods players, end consumers	Engagement survey, periodic meetings, negotiations, exhibitions, tradeshow, customer visits	Deforestation, human rights, welfare, local communities, biodiversity, RSPO commitments, peat, carbon emissions
Employees	Division staff	Annual employee engagement survey, Human Resources Open Day, Sime Darby Volunteers Programme, Sports & Recreation events	Welfare, safety at the workplace, sustainability direction
Non-governmental organisations	Local and international social and environmental NGOs	Meetings, direct correspondence via email, telephone conversations	Free, Prior, and Informed Consent (FPIC), expansion plans, environmental issues, non-discrimination, gender equality, child protection, benefits and compensation
Industry groups	RSPO, MPOA, MPOB	Working groups, meetings	Green technology, RSPO & MSPO developments, carbon emissions
Government agencies	DOE, DOSH, Regulatory Agencies	Periodic meetings, on-site inspections, correspondence on regulations	Compliance, regulations
Local communities	Indigenous people and communities in our operational areas	Regular on-site meetings with project affected communities and smallholders, annual RSPO Roundtable meetings, documented responses to smallholder concerns through RSPO grievance channels	Land rights, land access, FPIC, fire and haze management



This Report focuses on key issues deemed material to the Plantation Division and contains disclosures on a number of aspects that are of essence in understanding our business and the impacts therefrom.

The process to determine material issues is as follows:

- Creating a long-list of issues from internal resources including strategy blueprints, sustainability blueprints, issues arising from internal communications and management reports; and external resources including news articles on the industry in general and the organisation specifically
- Engaging with stakeholders and collating queries received via various channels
- Analysing the results of the stakeholder engagement survey conducted in 2013
- Drafting a list of material aspects
- Objectively rating each aspect by its importance to internal and external stakeholders and its degree of impact to the internal and external environment
- Drafting the final shortlist of material issues with consensus from the sustainability Reporting Working Group

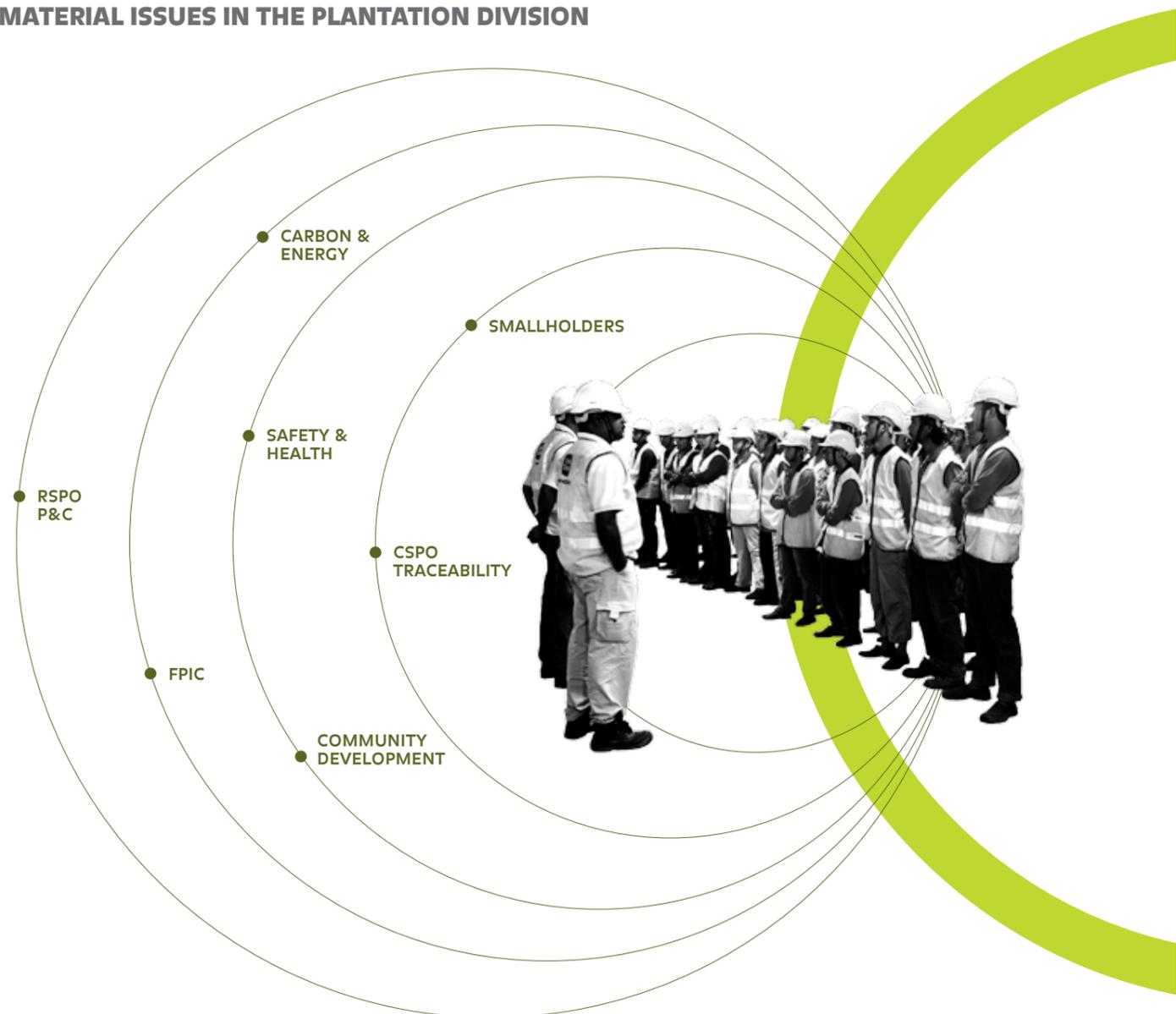
The list of material issues to plantation highlighted in this Report includes:

- The concern on **traceability and transparency** of the certified products along the supply chain and the role Sime Darby plays in supporting smallholders who are part of the Division's supply chain
- Our policies on **human rights** with regard to obtaining the consent and engaging local communities in developing new areas. The progress we have made in implementing the commitments we have agreed upon with affected communities
- Our practices in relation to **peat land management, high conservation value (HCV) and high carbon stock (HCS)** areas. Our commitment towards avoiding deforestation and our land expansion practices
- Our **responsible sourcing** policies where the commitment on sustainability forms part of evaluation extended to vendors and subcontractors
- **Environment, Safety, and Health (ESH)** issues where more effective initiatives are expected towards achieving zero accidents and incidents



In the last financial year, further efforts were made to engage **internal stakeholders** and define issues of interest on which deeper detail is sought. Our employees have placed importance to safety at the workplace, work-life balance, and clearly articulated employment benefits.

MATERIAL ISSUES IN THE PLANTATION DIVISION



RSPO Principles & Criteria

Compliance to RSPO P&C and our commitment towards certified products

Free, Prior, and Informed Consent (FPIC)

Respect for land rights, indigenous people's rights

Safety & Health

Measures taken to reduce incidents

Community Development

Assistance to communities, CSR efforts

Smallholders

Support for smallholder certification, capacity building

CSPO Traceability

Ensuring full segregation and traceability along our supply chain for refined products

Carbon & Energy

Commitment towards reducing emissions and waste, energy efficiency

Sustainability Strategy

PLANTATION SUSTAINABILITY STRATEGY ROADMAP

Strategic Goals	FY 2012/13 – FY 2013/14	FY 2014/15 – FY 2015/16	FY 2016/17 – FY 2017/18
Actively leverage on the sustainability agenda for value creation throughout the palm oil value chain	<ul style="list-style-type: none"> Identify and monitor key carbon reduction initiatives Enhance and maximise carbon reductions by 15% from 2009 baseline through composting projects 	<ul style="list-style-type: none"> Strategic reduction plans to reduce carbon emissions by 30% from 2009 baseline 	<ul style="list-style-type: none"> Strategic reduction plans to reduce carbon emissions by 60% from 2009 baseline
	<i>Headline target of 40% reduction in operational carbon emissions by 2020</i>		
	<ul style="list-style-type: none"> Establish methane capture and biogas power plants in phases across Upstream operations in Malaysia and Indonesia 		
	<ul style="list-style-type: none"> Prepare smallholders to meet segregated supply requirements 	<ul style="list-style-type: none"> Certify all supplying smallholders according to RSPO Principles & Criteria 	<ul style="list-style-type: none"> Maintain and support smallholder certification
	<ul style="list-style-type: none"> Achieve 100% RSPO certification for Upstream operations Implement ISCC certification in up to 30% of Upstream SOUs Obtain RSPO SCCS certification for 90% of refineries based on market demand and feasibility 	<ul style="list-style-type: none"> Maintain existing certifications and approach 100% ISCC and RSPO SCCS certifications for Upstream and Downstream operations 	
	<ul style="list-style-type: none"> Expand CSPO strategic marketing plan with key fast-moving consumer goods (FMCG) players Engagement with customers on common sustainability agenda 	<ul style="list-style-type: none"> Full implementation of strategic marketing plan for CSPO and other certified palm products with at least 5 major FMCG players Partner with customers in collaborative projects on sustainability 	
	<ul style="list-style-type: none"> Explore new technologies on waste-to-wealth, healthier products, operational efficiency 		

Strategic Goals	FY 2012/13 – FY 2013/14	FY 2014/15 – FY 2015/16	FY 2016/17 – FY 2017/18
	<ul style="list-style-type: none"> Implement forest rehabilitation and tree planting projects towards 1 million Endangered, Rare, and Threatened (ERT) trees by 2020 		<ul style="list-style-type: none"> Explore opportunities for bio-banking and Reducing Emissions from Deforestation and Forest Degradation (REDD+) pilot schemes
Effective risk management	<ul style="list-style-type: none"> Enhance sustainability risk identification, assessment, and control processes where relevant Review Free, Prior, and Informed Consent (FPIC) framework, develop system for continuous improvement Embed FPIC considerations in feasibility studies for new investments/ concessions 	<ul style="list-style-type: none"> Develop and implement models for shared economic growth in local communities 	
	<ul style="list-style-type: none"> Support establishment of Smallholder Acceleration and REDD+ Programme (SHARP) 	<ul style="list-style-type: none"> Continue to support SHARP and explore opportunities to leverage on network 	
	<ul style="list-style-type: none"> Develop an NGO engagement and collaboration framework Prepare stakeholders engagement strategy to manage social and environmental issues 		
Sustainability thought leadership	<ul style="list-style-type: none"> Continue enhancing policies and procedures to maintain high ethical standards and values Continue to play leading role in development of oil palm and rubber plantation sustainability schemes including RSPO Explore and actively participate in RSPO and other global platforms focused on sustainable agriculture 		
Effective internal and external sustainability reporting	<ul style="list-style-type: none"> Effective and transparent sharing of sustainability targets and activities across the Division Support development and publishing of Group and Plantation Sustainability Report 		<ul style="list-style-type: none"> Support integrated reporting on sustainability throughout the palm oil value chain
Instil a performance culture	<ul style="list-style-type: none"> Commitment to Lean Six Sigma strategy; up to RM 24 mil targeted benefits from LSS initiatives 	<ul style="list-style-type: none"> Institutionalise Lean Six Sigma; up to RM96 mil targeted benefits from LSS initiatives 	<ul style="list-style-type: none"> Sustain Lean Six Sigma transformation; up to RM 126 mil targeted benefits from LSS initiatives in FY 2016/17

Strategic Goals	FY 2012/13 – FY 2013/14	FY 2014/15 – FY 2015/16	FY 2016/17 – FY 2017/18
	<ul style="list-style-type: none"> Enhance Best-in-class Plantation Environment, Safety and Health (ESH) framework through Self Regulation & Accident Prevention Culture 	<ul style="list-style-type: none"> Implement ESH Management Systems and enhance risk control in key risk areas 	<ul style="list-style-type: none"> Best-in-class Plantation ESH Management Systems implementation
	<ul style="list-style-type: none"> Enhance compliance to ESH policies and legal requirements in Upstream and Downstream operations 	<ul style="list-style-type: none"> Achieve 100% compliance to ESH policies and legal requirements in Upstream and Downstream operations throughout global operations 	<ul style="list-style-type: none"> Achieve strong ESH “Entrenched Culture”
	<ul style="list-style-type: none"> Establish, build, and implement Behavioural-based Safety (BBS) Programmes and ESH competency among Line Management 		

STRATEGIC ACCOMPLISHMENTS IN FY 2013/14

Strategic Goals	Accomplishments	FY 2015/16 Targets
Actively leverage on the sustainability agenda for value creation throughout the palm oil value chain	<p>Carbon Reduction Strategy:</p> <ul style="list-style-type: none"> Additional 5 biogas plants in FY 2013, for a total of 10 plants in progress 25% reduction by 2016 achievable; to follow 40% reduction target by 2020 	<ul style="list-style-type: none"> Strategic reduction plans to reduce carbon emissions by 60% from 2009 baseline
	<p>Certifications:</p> <ul style="list-style-type: none"> RSPO: Achieved 100% certification for Upstream Malaysia. 23 of 25 Indonesian mills have been certified. First Indonesian smallholder certification has been completed. Supplying smallholder in Sabah is being prepared for certification RSPO SCCS: SD Jomalina Refinery is SDP’s first refinery with fully segregated CSPO supply ISCC: All Upstream and Downstream operating units in Sabah & Sarawak have been ISCC certified 	<ul style="list-style-type: none"> Maintain existing certifications and approach 100% ISCC and RSPO SCCS certifications for Upstream and Downstream operations
Effective risk management	<p>Free, Prior, and Informed Consent (FPIC):</p> <ul style="list-style-type: none"> PT MAS: 11 of 14 demands from Project Affected Community (PAC) in PT MAS have been resolved LIBERIA: Sime Darby Plantation Liberia (SDPL) and Zodua Clan signed a Memorandum of Understanding (MoU) on June 28, 2013, providing additional strength to SDPL’s FPIC process 	<ul style="list-style-type: none"> Develop and implement models for shared economic growth in local communities

Strategic Goals	Accomplishments	FY 2015/16 Targets
Sustainability Thought Leadership	<ul style="list-style-type: none"> RSPO Malaysian National Interpretation (MY-NI) based on RSPO P&C 2013 Sime Darby representatives have been nominated as task force members. The major/minor categories for the indicators in the P&C document are being finalised RSPO Working Groups SDP is a member of the RSPO Complaints and Grievance Panel, Compensation Task Force for the development of the RSPO Compensation Procedures. GTM & PSQM is participating in the CSPKO Working Group for e-Trace UNGC Food & Agriculture Business Principles (FABP) First Communication on Progress (COP) on translating FABPs into actions Development of Malaysian Sustainable Palm Oil (MSPO) Certification SDP has participated in the MSPO Certification document review process 	<ul style="list-style-type: none"> Continue to play leading role in development of oil palm and rubber plantation sustainability schemes including RSPO
Effective internal and external sustainability reporting	<p>Sustainability Reporting :</p> <ul style="list-style-type: none"> Publishing Sime Darby Plantation's first Sustainability Report, complementing the Sime Darby Group Annual Report 2014 	<ul style="list-style-type: none"> Transparent disclosures through publication of Group and Plantation Sustainability Report
Instil a performance culture	<p>LSS Strategy:</p> <ul style="list-style-type: none"> Achieved savings of RM 44.5 mil in FY 2013/14 	<ul style="list-style-type: none"> Sustainable Continuous Improvement Projects (CIP) to drive savings of up to RM 96 mil align to LSS Strategy
	<p>ESH Framework:</p> <ul style="list-style-type: none"> Fatal Accident Rate (FAR) = 3.1 (a 20% reduction from FY 2012/13) S.I.M.E. Card = More than 35,000 cards, exceeding target of 30,000 cards in FY 2013/14 	<ul style="list-style-type: none"> Fatality Cases = 0 Fatality Rate = 0 S.I.M.E. Card = 45,000 cards

SUSTAINABILITY AT SIME DARBY PLANTATION

35 Sustainable Palm Oil Manifesto & High Carbon Stock (HCS) Study





From its beginnings in the tropical jungles of West Africa, today it is planted commercially around the tropical belt, from Papua New Guinea to South America.

SUSTAINABILITY AT SIME DARBY PLANTATION

Palm oil today is the world's most-consumed edible oil, present in numerous products including cooking oil, spreads, toiletries, and increasingly, biofuels.

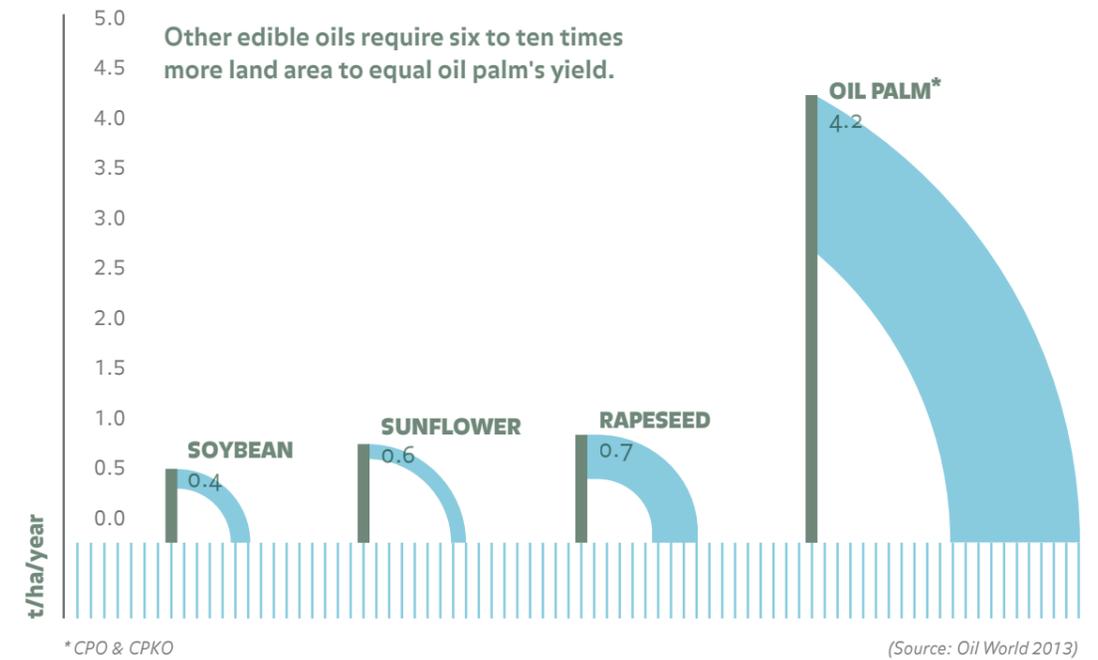


We view palm oil as an intrinsically sustainable product, enhanced by the sustainability actions as described in this Report. Palm oil is the only widely-available edible oil that can provide for the needs of billions of consumers worldwide using the least amount of land area. This is clear when compared to other edible oil crops, where the oil palm produces six times as much crude palm oil (CPO) from one hectare of land versus its nearest competitor.

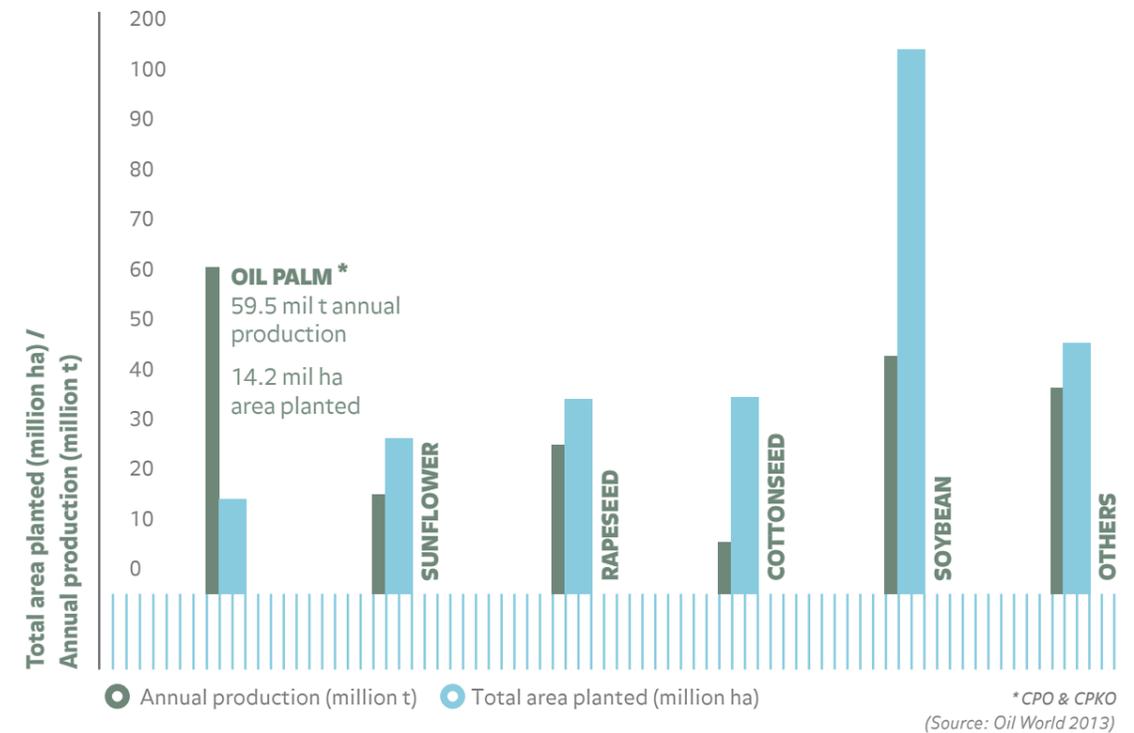
In December 2012, Malaysian oil palm accounted for less than 2% of the total 258.9 million hectares planted with the 10 major oilseed crops globally. Yet, this 2% supplied 10% (18.8 million tonnes) of global vegetable oils and fats output in 2012¹.

¹Source: Oil World 2013

COMPARISON OF AVERAGE OIL YIELD FOR MAJOR OIL SEEDS IN THE WORLD



COMPARISON OF PLANTED AREA AND ANNUAL PRODUCTION FOR MAJOR OIL SEEDS IN THE WORLD



Palm oil production and refining has become one of the most important economic sectors in Malaysia and Indonesia, and can play the same role in growing the economies

of other developing nations. The industry provides meaningful employment and long-term opportunities for millions of people. The establishment of the RSPO has

further strengthened the industry's commitment on sustainability with more and more planters coming on board for certification.

Sustainable Palm Oil Manifesto & High Carbon Stock (HCS) Study



In July 2014, Sime Darby Plantation became signatory to the Sustainable Palm Oil Manifesto, an initiative that sets higher standards for growers, traders, end users, and other stakeholders in addition to the RSPO Principles and Criteria. Other signatories included four other oil palm planters, IOI Corporation Bhd, Kuala Lumpur Kepong Bhd, Musim Mas Group, and Asian Agri, along with global traders, Apical and Cargill.

In signing the Manifesto, all signatories agreed to no deforestation, creating traceable and transparent supply chains, and protecting peat areas, while ensuring economic and social benefits for the local people and communities where oil palm is grown.

The Manifesto calls for enhancements to the RSPO P&C with three specific objectives:

- To build traceable and transparent supply chains;
- To accelerate the journey to no deforestation through the conservation of High Carbon Stock (HCS) forests and the protection of peat areas regardless of depth
- To increase the focus on driving beneficial economic change and to ensure a positive social impact on people and communities.

In September 2014, we further enhanced our commitment to sustainability by halting all development pending the results of a 12-month study on HCS areas.

The HCS Study is a component of the Sustainable Palm Oil Manifesto and is being conducted by a technical committee of 8 scientific experts led by leading environmentalist Sir Jonathon Porritt, sustainability advisor to Sime Darby, and eminent forest ecologist Dr John Raison. When completed, the study will help us make decisions on land conversion for oil palm plantings with reliable information on carbon emissions from Land Use Change & Sequestration (LUCS) and related socio-economic considerations.

ASSURING OUR PRACTICES

37 Sustainability Certifications

ASSURING OUR PRACTICES

Sustainability Certifications

TOTAL STRATEGIC OPERATING UNITS (SOU)* CERTIFIED:
57



CERTIFIED SUSTAINABLE PALM OIL (CSPO):
2,142,773 MT



CERTIFIED SUSTAINABLE PALM KERNELS (CSPK):
490,836 MT



* Each SOU represents a crude palm oil (CPO) production centre comprising an oil mill and its supplying estates.

100% Malaysian SOUs certified
92% Indonesian SOUs certified

385,000 tonnes total capacity
• 2 fully segregated supply lines



In the last financial year, three Strategic Operating Units were certified, namely;

- **PT Sajang Heulang**
Mustika Mill, Indonesia
- **PT Laguna Mandiri**
Betung Mill, Indonesia
- **PT Bhumireksa Nusa Sejati**
Mandah Mill, Indonesia

Roundtable on Sustainable Palm Oil (RSPO) Certification

As founding members of the RSPO, we continue to support and uphold the RSPO Principles & Criteria as a benchmark and assurance of sustainable planting of oil palm. By certifying almost all of our estates,

the RSPO badge has become a key differentiator of Sime Darby palm oil products and is sought after in all markets; for quality and sustainability. The RSPO has enabled us to ensure that our plantations and palm oil mills are run to exacting standards in terms of community development, safety and health standards, and sustainable agro-management practices which limit the use of chemicals and provide controls against excessive carbon emissions.

Sebamban

The entire KKPA (1-5) in Sebamban is now fully RSPO-certified covering a total area of **16,639 ha** with a total production capacity of 347,749 MT of Fresh Fruit Bunches (FFB)

The Mustika Mill is a fully-segregated palm oil mill obtaining all its FFB supply from the KKPA smallholders

Supporting Smallholders in Achieving RSPO Certification

Oil palm smallholders are a key part of the palm oil supply chain, providing an estimated 40% of world palm oil production. The RSPO defines smallholders as oil palm growers with less than 50 hectares of cultivated land and are mostly family-run, with some sustenance farming to support basic needs. Sime Darby supports efforts to assist smallholders in increasing

yields, improve agro-management practices, and eventually achieve RSPO certification; that would lead to greater market access, improved livelihoods and better standards of living.

In Indonesia, we develop and manage more than 42,000 ha of outgrower programmes on behalf of cooperative schemes, improving the livelihoods of more than 25,000 families. In these managed areas, individual smallholders are allocated share certificates for oil palm developments in concession areas in exchange for income from the profits generated and work opportunities for local communities. To further improve market access and to enhance sustainable practices

in these areas, we are intent on certifying all of these schemes under the RSPO Smallholder Certification Scheme through engagement activities, facilitation, and support in terms of training and consultation.

Sime Darby Plantation's outgrower scheme in Sebamban, South Kalimantan, Indonesia is known as the Member's Primary Co-operative Credit scheme or Kredit Koperasi Primer Anggota (KKPA). In July 2013, the KKPA 2, 3, and 5 became our first smallholder scheme estates to be RSPO-certified with the Mustika Palm Oil Mill while KKPA 1 & KKPA 4 Estates were certified in the same month with the Angsana Mini Mill and Angsana Mill respectively.

SCCS Full Segregation

A number of sustainable supply chain mechanisms exist for palm oil, including identity preserved, mass balance, and book & claim using GreenPalm certificates. The fully segregated and traceable model provides the highest degree of assurance that all palm oil products are from sustainable sources.

In October 2013, we established our first fully-segregated and traceable refinery with the certification of SD Jomalina in Malaysia that takes its supply solely from certified mills which in turn take FFB solely from certified estates. The refinery has a production capacity of 330,000 tonnes of certified products annually. This achievement is in addition to our first fully-certified supply

The RSPO Supply Chain Certification System equips refineries with the capability to implement traceability of crude palm oil supply to supplying mills and estates through the RSPO e-Trace system and allows for the production of fully-segregated certified palm oil products.

chain at the SD Unimills refinery in Rotterdam, the Netherlands that processes 55,000 tonnes of CSPO annually from our certified estates in Sabah.

38 of our 59 mills in Malaysia and Indonesia are now fully segregated, processing only RSPO-certified FFB, bringing our fully-segregated CSPO capacity to 1.42 million tonnes. In total, 9 of our 14 downstream business units have been RSPO Supply Chain Certification System (RSPO SCCS) certified, meaning that these units are capable of having fully segregated supply chains in the future. Depending on market demand, RSPO SCCS is planned to be rolled out at all our downstream units in the future.



385,000 mt

fully-segregated traceable supply chain capacity for refined products

1,420,000 mt

fully-segregated traceable supply chain capacity for certified crude palm oil (CSPO)

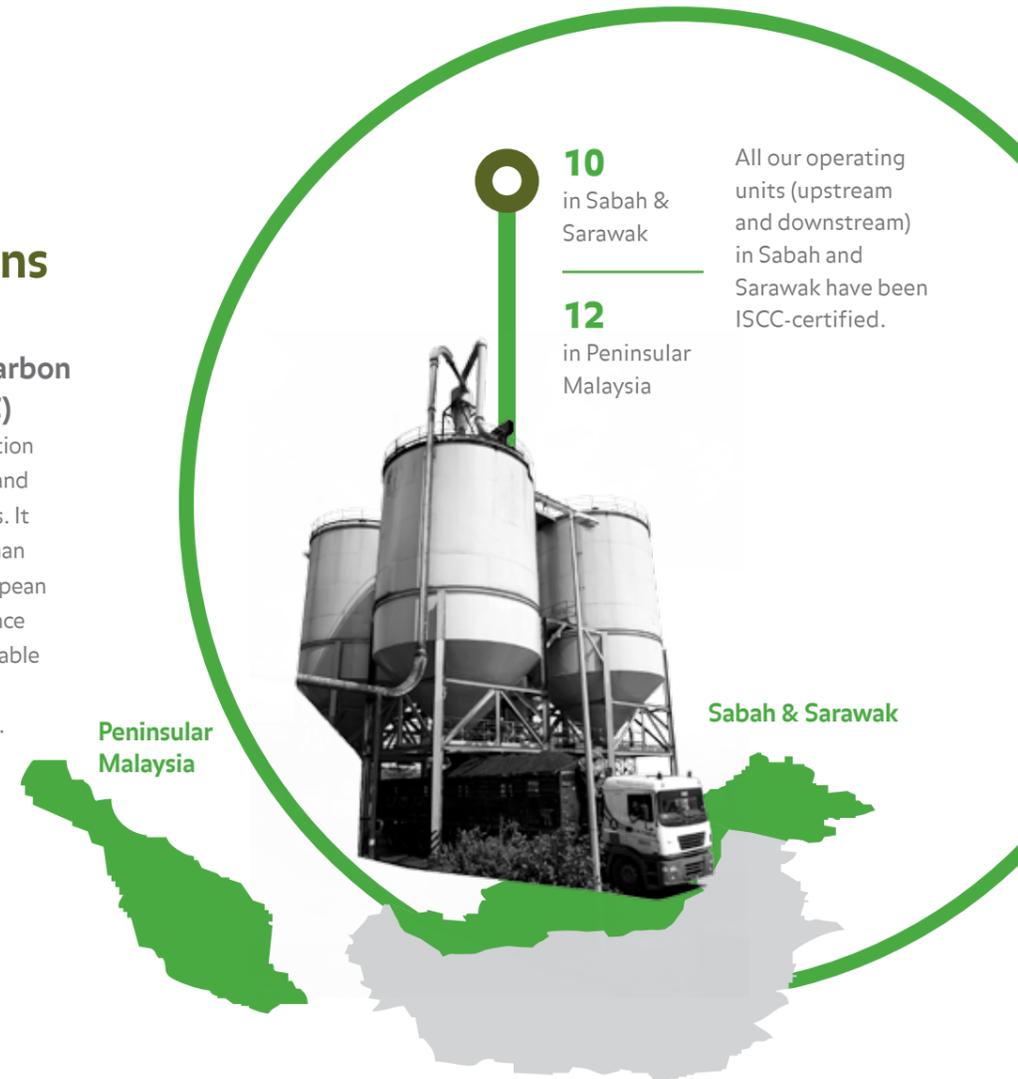
9

downstream business units certified through RSPO SCCS

Other Certifications

International Sustainability & Carbon Certification (ISCC)

ISCC is a leading certification system for sustainability and greenhouse gas emissions. It is recognised by the German government and the European Commission as a compliance mechanism for EU Renewable Energy Directive (RED) requirements for biofuels.



Indonesian Sustainable Palm Oil (ISPO) Certification

The ISPO is a mandatory certification scheme adopted by the Indonesian government that aims to improve sustainable practices and reduce greenhouse gas emissions in the Indonesian oil palm industry. The scheme is based on existing Indonesian laws and regulations, and aims to facilitate compliance by producers.

In the last financial year, three Strategic Operating Units were certified, namely;

- PT Paripurna Swakarsa**
Pondok Labu Mill, Indonesia
- PT Laguna Mandiri**
Rantau Mill, Indonesia
- PT Swadaya Andika**
Selabak Mill, Indonesia

In line with our sustainability goals, we contribute our experience and expertise in a number of industry groups that seek to enhance and raise sustainability standards while actively engaging with stakeholders.



Participation in Standards Development

RSPO Executive Board

We are an Executive Board member (representing the Malaysian Palm Oil Association) and active participant in the RSPO Principle & Criteria Review task force.

The agreed version of P&C from the RSPO Task Force was approved during the Extraordinary General Assembly (EGA) on 25 April 2013.

RSPO Malaysian National Interpretation

We are assisting in the Malaysian National Interpretation (MY-NI) review for the P&C to establish indicators and guidance appropriate to the country commenced in July 2013. Four meetings have been held in finalising the draft.

Two of Sime Darby's representatives have been nominated as task force members. SDP is also assisting the task force as Secretariat.

RSPO Liberian National Interpretation

1st Steering Committee meeting of Liberia RSPO National Technical Working Group (NTWG) was held on 15 October 2013, at Fauna & Flora Office, Congo Town, Monrovia. SDP's representative is one of the members.

Malaysian Sustainable Palm Oil Standard

SDP is part of the Technical Working Committee of the MSPO on drafting the MSPO Standard.

UNGC Food & Agriculture Business Principles

As a panel member of the UNGC, Sime Darby has been instrumental in originating the idea, co-sponsoring of the FABPs process, and being a

part of the Steering Committee and Core Advisory Group in developing the FABPs.

** Our first Communications on Progress (COP) on the FABPs can be found in the Disclosures section of this Report*

Other Involvements

SDP is a member in the RSPO Complaints and Grievance Panel, Dispute Settlement Facility Panel and also a member of the Human Rights Working Group and Emissions Reduction Working Group.

SDP is also participating in the Biodiversity and High Conservation Value Working Group, and Compensation Task Force for the development of the RSPO Compensation Procedures.

SDP is participating in the CSPKO Working Group for the RSPO e-Trace system.

CARING FOR OUR PEOPLE

43 Safety and Health

47 Our Employees

52 Working with our Local Communities

CARING FOR OUR PEOPLE

Safety and Health

KEY FIGURES

35,000
S.I.M.E. cards produced in FY 2013/14

31%
Reduction on LTIFR compared to FY 2012/13

20%
Reduction on FAR compared to FY 2012/13

850
drivers trained to date
*On-site Training for Tractor Drivers



“Come to work Safely, Do your work Safely, and Return to your loved ones Safely”

Datuk Franki Anthony Dass

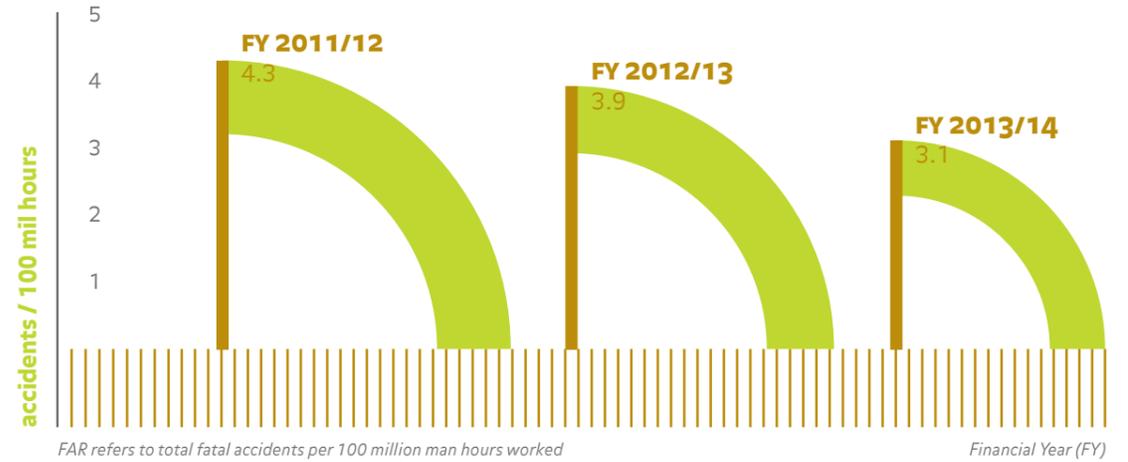


Providing our internal stakeholders an assurance of a safe and conducive working environment is the utmost objective of the organisation. This concerns not only our workers and employees but also their families, contractors who work for us, and local communities who may be impacted due to our operations. Analysis of past environment, safety and health (ESH)-related issues demonstrates that our main operational sources of ESH risks are from Transport & Machinery, Harvesting, and Engineering & Construction.

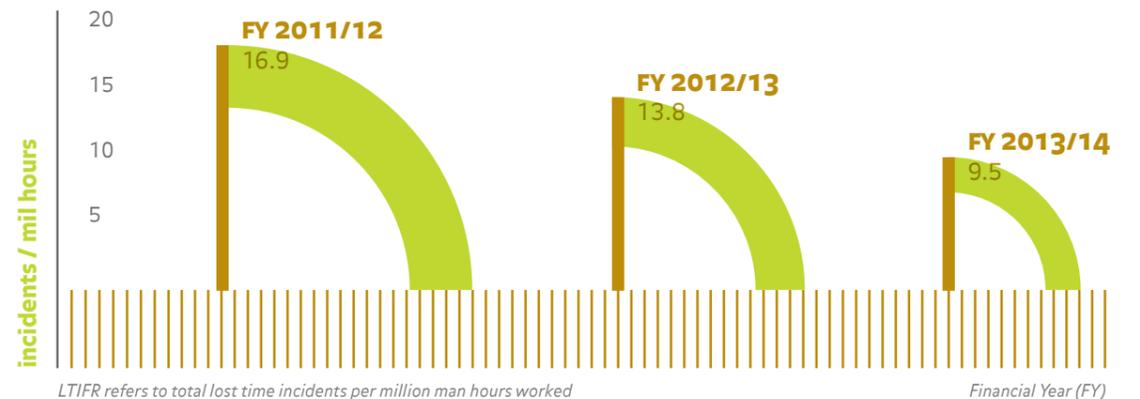


FY 2013/14 PERFORMANCE AT A GLANCE

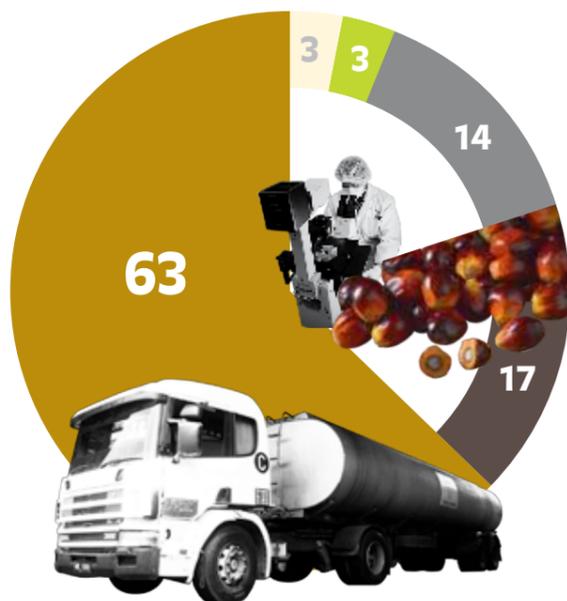
FATAL ACCIDENT RATE (FAR)



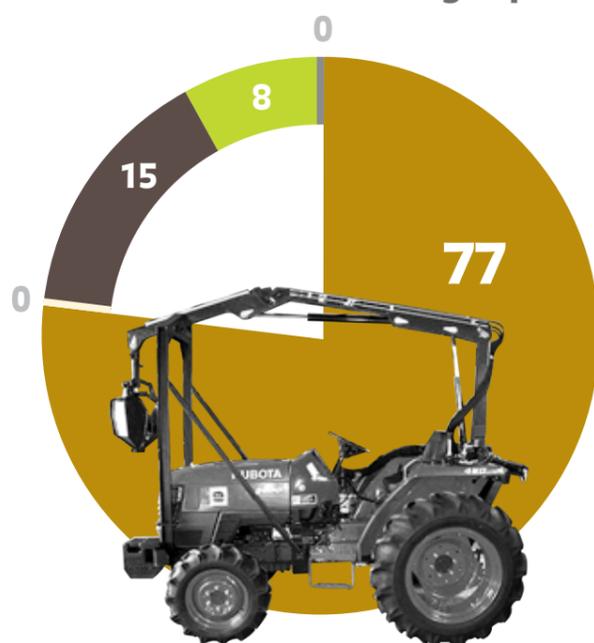
LOST TIME INCIDENT FREQUENCY RATES (LTIFR)



DISTRIBUTION OF CASES BASED ON OPERATIONAL RISKS SINCE FY 2010/11



DISTRIBUTION OF CASES BASED ON OPERATIONAL RISKS FOR FY 2013/14



- Transport
- Harvesting
- Chemical
- Engineering & Construction
- Others

The Sime Darby Plantation ESH strategy supports our ultimate goal of ZERO HARM through continuous and structured efforts in key risk areas.

Phase 1 (FY 2011/12 – 2013/14) of the strategy focused on the enhancement of key risk controls in the following areas:

- Transport & Machinery Safety
- Engineering Safety
- Contractor Safety
- Harvesting Safety
- Chemical Safety

Case Studies

Improving Transport and Machinery Safety

From planting, milling right up to the refining of palm oil into various products, the utilisation of transportation and machinery is something that cannot be avoided. The safety of our people during these operations is our key focus.

We look at two main factors in ensuring safety during operation of machinery or transport; the equipment aspect and the human aspect. We strive to ensure all our machinery and equipment are in proper working condition and are equipped with adequate safety features. For instance, all of our tractors are equipped with rollover protection structures (ROPs), which provide increased protection to our drivers during accidents by providing a support structure in cases of overturning or rollovers.

The human aspect is one which we especially focus on as a machine is only as safe as the operator that uses

it. Our SOPs on machinery operation are continuously reviewed and improved where possible to ensure the highest standards of safety are met. We have also trained more than 850 local and foreign machinery drivers, 30 of whom have successfully qualified as trainers.

S.I.M.E. Programme: Involving Employees in Accident Prevention

Our estates, mills, and refineries are assessed twice annually to ensure compliance to our safety requirements. However, we firmly believe that self-regulation and accident prevention are key in embedding ESH culture in our operations. The S.I.M.E. (Spot, Intervene, Modify, Execute) programme enhances this goal.

The S.I.M.E. programme is a Behavioural-based Safety (BBS) programme intended to nurture the accident prevention culture and encourage employee participation. Employees are encouraged to produce cards when they witness unsafe acts in the

workplace. These cards are then compiled and analysed as a basis for improvement. This programme is considered a success with more than 35,000 cards produced in FY 2013/14 compared to 11,000 cards in the previous year.

Achieving Zero Chemical Safety Incidents

We had no cases of chemical safety incidents in FY 2013/14, a drop from 3 cases since FY 2011/12. This was due to a concerted effort to ensure that all workers adhere to enhanced procedures for trunk injections which are an agronomic practice. The development of the 5 Golden Rules for Chemical Safety, training by chemical suppliers as part of their Product Stewardship Programme, and provision of Permits to Work also contributed to this achievement. Our R&D centres are currently working on finding a safer chemical for trunk injections that will eliminate the use of one of the few remaining hazardous chemicals in our workplace.

Awards & Recognition

National & State OSH Awards

- Bukit Pelandok Estate was awarded with "Anugerah Ladang Cemerlang KKP Sektor Perladangan" for 2013 from Negeri Sembilan OSH Department, Malaysia

SD Kempas – Gold Class 1, 3 mills for Gold Class 2. A further 2 mills and 3 estates received Silver Awards.

National Zero Accident Awards by Kementerian Tenaga Kerja dan Transmigrasi Indonesia 2013 & 2014

- 10 operations (2 refineries, 5 mills and 3 estates) won MSOSH Awards 2013, an increase from 7 operations in previous FY. SD Jomalina – Gold Merit,

- 21 units received Zero Accident Award from the Indonesian National Labor Authority in FY 2013/14, an increase from 15 units in last FY

Prime Minister's Hibiscus Award (PMHA) 2013

- SD Kempas won Notable Award for environmental performance and GOLD Award for Environmental Special Project
- SD Jomalina won Notable Award for its environmental performance for the 3rd time

Our Employees



Sime Darby Plantation is currently supported by a **total manpower strength of 79,888**

- **42,320**
Malaysia
- **33,497**
Indonesia
- **2,915**
Liberia
- **350**
Thailand
- **338**
Vietnam
- **222**
Netherlands
- **115**
Singapore
- **105**
South Africa
- **24**
China
- **2**
India

By Gender

Male	62,203	78%
Female	17,685	22%
TOTAL	79,888	

By Job Type

Executive	3,049	4%
Non-executive	14,289	18%
General workers	62,550	78%
TOTAL	79,888	

* Correct as of 30 June 2014



Labour Practices

Sime Darby Plantation employs around 80,000 people in its locations worldwide. Our people are our most important assets and we strive to provide the best working conditions for them. In our plantations, we aim to provide the best-in-class housing and living amenities to workers and their families. As part of our sustainability strategy, we have embarked on a number of initiatives to enhance social welfare and protection to our people.

The Plantation Division is a major employer in Malaysia and employs a significant number of foreign workers. Through our commitment towards being an employer of choice, we ensure that equal opportunities exist for all and do not tolerate discrimination on any grounds. The Division supports organisations such as Malayan Agricultural Producers Association (MAPA) and other plantation worker unions.

Number of employees covered under collective bargaining

FY 2012/13	FY 2013/14
67,522	71,303

We do not employ children. However, children may be found living on our Plantation Division's estates with their parents who are employees of the Company. Our Child Protection Policy (CPP) programme has been developed to raise awareness about child safety, wellbeing, and protection.

We do not use forced or compulsory labour. We obtain permission from our foreign workers via a signed letter of consent in their native language, for all documentation requests.

Our human resources policy enshrines the following:

- Non-discrimination on the grounds of colour, race, religion, ethnicity, national origin or gender
- Zero tolerance towards physical or verbal discriminatory harassment in the workplace
- Protecting the rights of employees to be treated with dignity and respect
- Respecting the rights of employees to freedom of association
- Ensuring grievance channels are available



Gender Committee

- Facilitates **women development** at the workplace & in the community
- Creates **conducive environment** for work-life balance
- Promotes social well-being** within the plantation community
- Promotes active participation** of female workers
- Peer to peer **learning platform**

The Gender Committee is an initiative at our upstream operations involving estates and mills where women are provided a platform to develop and participate in enhancing safety and health, education, and skills. The Gender Committee organises awareness sessions on breast cancer, financial planning and retirement, and organises community gatherings and events.

An important element of the Gender Committee is a grievance platform where workers who are facing issues at the workplace are able to disclose and report with privacy and without fear. A specially-formed unit has been assigned to investigate and receive reports from affected women and handle them with discretion and in accordance with set procedures.



Sime Darby Plantation's child protection policy ensures that children of employees who live within our housing complexes are provided adequate protection and care.

Child Protection Policy

We ensure that our operations do not employ children and provide awareness training to all employees on the importance of child protection. We seek to prevent any occurrence of mistreatment of children and make available an easily accessible avenue to identify and correct any cases where the policy has been violated.

- Precaution**
 - Awareness
 - Identification
 - Prevention
- Operations**
 - Media & IT
 - Training of employees
 - Events and activities
 - Sustain child-safe environment
 - Code of Business Conduct
- Reporting**
 - Working together with authorities
- Monitoring & Evaluation**
 - Recommendation of process improvement



Our BEST trainees describe their experiences so far in the company:

The Building Estates' Sustainability & Transformation (BEST) initiative seeks to increase our talent pool in our estates through the training of young school-leavers in the cultivation of oil palm. The flagship programme, the Estate Assistant's Structured Training (EAST), saw the graduation of 99 trainees who have been placed in estates all over Malaysia as estate assistant managers.



Three graduates of the programme received the following awards for their performance

Best Outstanding Award

David Jude Pereira

Best Field Performance Award

Abbas bin Ab. Kahdim

Best Academic Performance Award

Puah Hooi San

What made you decide on this programme?

David:

"My mother was a clerk at the Incorporated Society of Planters (ISP), therefore I spent most of my afternoons in the library of ISP reading on plantations and how they were managed. A life away from the maddening crowd and bright lights, living in the quiet serenity of thousands of hectares. Responsible for maintaining and sustaining the economic backbone of Malaysia. When I was presented with the opportunity to join the largest plantation company in the world to live the life that I had always been inspired by, there was no way I was going to let this golden opportunity pass".

What interests you about the oil palm industry?

Abbas:

"The resilience of the industry despite continual pressures and the reaction the industry has taken to enhance sustainability from within. I was also interested in the oil palm's unique characteristics, especially its yield that is greater than competing oil crops. This factor alone will, I believe, account for the future sustainability of palm oil, as to expand production and continue to feed the world, palm oil will require the least amount of additional land".

How did the training structure and programmes help you in your current tasks?

Puah:

"We were exposed to every facet of the industry in our training, from the Field Days every Wednesday where we were exposed to actual environments in the estates, to the academic modules focused on varied operations including nursery, replanting, integrated pest management and the IT systems. Our exposure was at operations all over Malaysia, which really helped us in preparing physically and mentally for the planter's routine".

What are your thoughts on the future of the plantation industry?

David:

"The continued success of the palm oil industry can serve the Malaysian economy well. It will be key to earn profit without compromising on protection of the environment, utilising resources efficiently, enhancing skill of employees".

Abbas:

"The industry needs to remain competitive and adaptable to the ever-changing business environment. The use of mechanisation would increase efficiencies in the industry and reduce the need for labour".

Puah:

"With the attractive benefits and sustained demand for palm oil, I believe the industry will continue attracting the best talents and continue its success".



Working with our Local Communities

In all of our operations, we strive to make a positive impact on communities and seek to protect the rights and needs of local and indigenous populations. We provide employment, raise living standards, and assist communities through training and development. We have carried out external and internal social impact assessments for all our plantations, including those in Liberia

and Indonesia which have yet to be RSPO-certified.

We always seek to gain the Free, Prior and Informed Consent (FPIC) of local communities before embarking on any new development. In the past financial year, we have improved our FPIC processes by working with independent consultants and ensured transparency in our dealings with communities.

OUR FPIC PROCESS

Identify and engage with community representatives

If the community rejects the idea of a plantation in the area, we will not enter

Participatory mapping, SEIA assessments and HCV assessments with local community

We present the risks and benefits of a plantation to the local community. If the community decides that the risks outweigh the benefits, we will not enter

Once consent has been obtained, we will engage NGOs if necessary to arrive at a consensus on outcomes with the local community.

We agree on compensation, benefits and legal arrangements on the proposed plantation

A new plantation is established with participatory monitoring and a grievance resolution mechanism in place.

We only begin operations once agreement has been reached with local communities

Securing Growth through Sustainability

Liberia

KEY FIGURES

220,000
hectares total concession area

44,000
hectares to be developed for local outgrowers

Free, Prior, and Informed Consent (FPIC)
procedures in place

PROGRESS IN FY 2013/14

12,661
hectares of developed area

10,142
hectares planted with oil palm and rubber

3,000 jobs created

7 schools
providing education for 5,000 students

12-classroom
junior high community school for 322 students

2 community clinics
40,000 residents



453 PAC farmers

in all 17 Project Affected Communities (PAC) townships received 12-months worth of technical assistance and seeds to set up rice, corn, and vegetable plots on 50 hectares of land adjacent to their villages.

Provided

USD500,000

in scholarships (through Yayasan Sime Darby) to enhance educational opportunities for Liberian students.



In September 2011, a complaint was received by the RSPO in regard to our operations and expansion in Matambo estate in Liberia. We immediately stopped operations in the area in question and proceeded to engage the affected communities, with a meeting in December 2011. We agreed that an independent assessment be carried out to review the FPIC process. The complaint was withdrawn in January 2012, after which we engaged The Forest Trust as third-party consultants who helped us draw up a revised FPIC process and strengthen our complaints and grievances resolution process. Today, we have established clear guidelines on resolving boundary disputes, local community grievances and established a Standard Operating Procedure in obtaining Free, Prior, and Informed Consent (FPIC) from affected communities.

These procedures are defined in our Land Acquisition Reference Manual, which we launched in 2014. We continue working with local NGOs and the community, and have employed two full-time FPIC specialists for our Liberian operations. The establishment of this capacity has been instrumental in securing land rights for an additional 6,900 ha of land with two local communities, the Zodua Clan in Grand Cape

Mount County and the residents of the Senjeh District in Bomi County. This has been accomplished with active participation from the Government of Liberia and local and international NGOs who have been witnessing and facilitating the negotiation process.

We continue to work with all key stakeholders under the framework of the Sustainable Partnership Initiative (SPI) which was established in 2013. This multi-stakeholder forum comprises Sime Darby, local communities, the Government of Liberia, the United Nations Mission in Liberia (UNMIL), and the World Bank, who meet regularly to foster constructive dialogue between SDPL and local communities. SPI has proved to be invaluable in guiding SDPL on the best approach in managing social and environmental issues.

Sime Darby's experience in Liberia was a subject of an April 2014 report issued by Oxford Economics titled "Making FDI work for Sub-Saharan Africa: Lessons from Liberia". It was highlighted that large-scale agriculture represents the most significant economic opportunity for the people of Liberia but in order to transform this opportunity into reality, all stakeholders must adopt a constructive attitude and work together.

Ebola Outbreak: Our Actions

The US Centre for Disease Control (CDC) has called the 2014 Ebola outbreak the largest Ebola outbreak in history and the first in West Africa. Liberia has been the hardest hit country in the region.

Sime Darby contributed RM500,000 to the International Federation of the Red Cross (IFRC) and Liberian Red Cross (LRC) to support the expansion of their awareness programmes to various counties including Grand Cape Mount and Bomi, where Sime Darby Plantation Liberia (SDPL) operates. This includes on-ground collaboration to extend facilities and training to SDPL employees, their families and the surrounding communities. SDPL is also working closely with authorities and the Government of Liberia through efforts to contain the outbreak.

We have evacuated most expatriate employees, with some key personnel temporarily based in a neighbouring country. We are continuing essential operations at our planted areas. None of our expatriate and local employees have been affected by Ebola.

We have also developed a response and contingency plan to cope with the situation. Further updates can be found on our website.

We have operated in Liberia since the award of a 220,000 hectare concession area by the Liberian government in 2009.

The expansion in Liberia is part of our overall growth strategy where we see the potential of Liberia and its people and have undertaken the necessary steps to build a sustainable business in the country. Over the past few years, we have worked to improve on our procedures and taken actions to correct any of our prior shortcomings.

We currently operate an area of 12,661 hectares of which 10,035 hectares have been planted with oil palm and 107 hectares with rubber.

OUR OPERATIONS IN LIBERIA

Area	Oil Palm (ha)	Rubber (ha)	Total (ha)
Bomi	3,179	-	3,179
Lofa	1,996	-	1,996
Matambo	2,868	-	2,868
Grand Cape Mount	1,992	-	1,992
Senjeh	-	107	107
Total	10,035	107	10,142

Our subsidiary, PT Mitral Austral Sejahtera (PT MAS) manages 10,959 hectares of plantation land in a concession area in the Sanggau district in West Kalimantan province, Indonesia.

PT MAS

Resolving the Claims of Plasma Farmers



Sime Darby Plantation took over management control in 2007, a decade after the plantation was established, assuming responsibility for the 2,054 plasma farmers in the area who run 30% of the total land bank or 3,320 hectares.

Plasma farmers are smallholders who receive technical assistance, advice and access to market from palm oil companies operating in Indonesia.

At PT MAS, the 'nucleus plasma' plots were developed by SDP adjacent to our plantation land. We purchase the FFB produced from these smallholders and process them at our mills, providing them an income stream and enabling their capacity as planters.

In August 2007, 14 legacy claims had been submitted to PT MAS from affected communities in the plasma areas in relation to land rights, distribution of smallholder plots, and community infrastructure. The claims were lodged through the Sarikat Petani Kelapa Sawit, a union for the farmers. In November 2012, a report was lodged with the RSPO on the 14 unresolved claims, after which we committed to voluntarily reporting on the resolution progress on a quarterly basis with the RSPO.

At the request of the communities, SDP has agreed to limit engaging third party consultants to

conduct studies and provide recommendations for social management and community engagement plans. Sime Darby Plantation has for the past two years conducted direct engagements with the community leaders every two months. These regular meetings have resulted in an effective standardised grievance resolution mechanism. It has also expanded our involvement beyond the original 14 claims and assist the community in enhancing their skills and livelihoods.

In June 2013, 7 out of the 9 affected communities agreed with Sime Darby Plantation that 11 out of the 14 claims had been resolved. In April 2014, further progress was made with the resolution of a 12th claim, on scholarships for children in the affected community. We agreed with the affected community on the criteria and mechanism of awarding of bursaries to deserving students in the area.

We have also conducted direct engagement with the other two communities and we believe that we can arrive at a consensus with the affected communities through this approach. We have made significant progress in resolving the complex range of issues raised, and we hope to attain more in the coming year.

CARING FOR THE ENVIRONMENT

57 Biodiversity & Conservation

59 Carbon Management

CARING FOR THE ENVIRONMENT



The areas from which we produce palm oil, mainly Malaysia and Indonesia, are recognised as having among the highest rates of biodiversity in the world.

Biodiversity & Conservation

Both countries maintain more than 50% forest cover in wildlife reserves and regulations provide for adequate buffer zones and the maintenance of wildlife reserves adjacent to planted areas. We strictly adhere to both national and RSPO guidelines on biodiversity conservation by carrying out environmental assessments in our areas of operation. We have also embarked on biodiversity restoration projects and actively support the efforts of Yayasan Sime Darby (YSD), our philanthropic arm, in biodiversity-related CSR efforts. More information on YSD projects can be found in the Yayasan Sime Darby Annual Report 2014.

Borneo Rhino Sanctuary

YSD has committed RM11.4 million since 2009 to support the restoration of wild rhino populations in Sabah, through its work with the Borneo Rhino Alliance (BORA) and the Sabah Wildlife Department (SWD). The sanctuary currently houses three critically endangered Sumatran rhinos, Tam, Puntung, and Iman.

Stability of Altered Forest Ecosystems (SAFE) Project

The SAFE Project stands among the world's largest ecological

experiments. Located in the rainforests of Malaysian Borneo, the project will make major contributions to sustainable palm oil management and conservation of biodiversity in agricultural landscapes. The Project was made possible through YSD's commitment of RM30 million over 10 years since 2010.

Bornean Sun Bear Conservation Centre (BSBCC)

The BSBCC rescues sun bears that were once kept as pets and rehabilitates them as part of an effort to hopefully release them back to the wild. YSD's contribution of RM2.1 million to BSBCC has enabled the renovation of the existing bear house into an awareness and educational centre.

Belum-Temengor Forest Complex (BTFC)

The BTFC is home to all 10 hornbill species in Malaysia, making it an Important Bird Area recognised by BirdLife International and its partner, the Malaysian Nature Society (MNS). Through its commitment of RM1.2 million, YSD supports efforts by MNS to conserve and increase awareness on the threatened hornbills of BTFC.



Case Studies

ULU SEGAMA MALUA: Orang Utan Sanctuary

KEY FIGURES

5,400 hectares
of degraded forest area

Sime Darby Plantation has planted

2,018 hectares
as part of rehabilitation efforts

Since 2009, Sime Darby Plantation and Yayasan Sime Darby, our philanthropic arm, has been working with the Sabah state government on the restoration of 5,400 hectares of degraded forest area in the northern Ulu Segama Malua area.

The restoration project entails an outlay of RM 25 million over 10 years and focuses its efforts on replanting forest tree species to create a habitat for the orang utans of Ulu Segama Malua.

The area is a forest complex that had been degraded in the past with logging activities resulting in the loss of habitats for wildlife where fast growing indigenous tree species have been planted at areas where standing stock is absent or inadequate.

At the end of the reporting period, we had successfully planted more than 2,000 hectares or 37% of the area. The activities are ongoing until 2018.

We also work together with the Sabah Forestry Department's Wildlife Department to actively monitor populations and movement of wildlife in the area. Through this exercise, we have recorded the presence of species including the bearded pig, sambar deer, pig-tailed macaque, orang utan, common porcupine, lesser mouse deer, malayan weasel, and hairy nosed otter in the area.

CASE STUDIES

SOCIAL & ENVIRONMENT: ERT Planting Project

The Jentar Nursery project began operations in September 2013 as a nursery to breed Endangered, Rare, and Threatened (ERT) forest tree species as part of our initiative to conserve and enhance our set-aside areas including river buffer zones and steep slopes, among others.

To date, the forest tree nursery houses almost 48,000 seedlings comprising of 47 species. Out of the total, 25 species are listed as Endangered, Rare, and Threatened (ERT) whilst another 22 species are forest trees which are endemic to the adjacent Krau Wildlife Reserve.

The first phase of planting activity was done at the Bukit Angin site near the Kerdu Estate in January 2014. A total of 10,063 trees have been planted as at the end of FY 2013/14

The reduction of carbon emissions is an important part of our sustainability strategy wherein we recognise our role in managing climate change impacts and doing the most we can to reduce global warming.



Carbon Management

Introduction

The palm and rubber trees we cultivate in our estates in Malaysia, Indonesia, and Liberia are susceptible to a myriad of environmental factors. Global warming may impact us in many ways and we have recognised this risk and taken steps to manage and mitigate the possible effects. In the past decade, our research has shown rising sea levels at our Carey Island estates that has increased the risk of erosion and flooding. A number

of our estates are at coastal areas which may be particularly at risk to rising sea levels.

Carbon Inventory

In 2012, we embarked on a two-phase plan to identify, monitor and reduce our carbon emissions throughout our operations. Engaging an external consultant, we created a carbon monitoring tool that enabled us to calculate our carbon emissions on a periodic basis, and identify hotspots that would enable us to reduce those emissions.

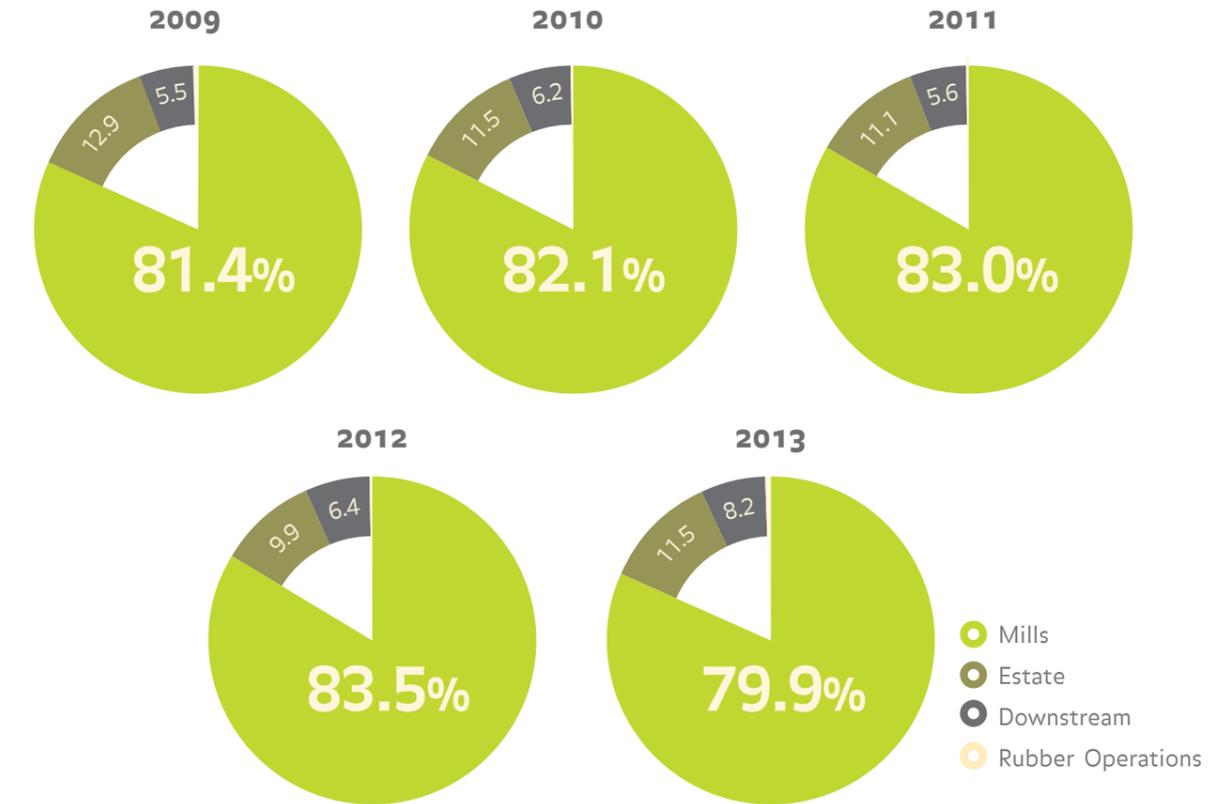
Choosing the year 2009 as the baseline year for emissions, it was found that the Plantation Division emitted 2.6 million tonnes of carbon dioxide equivalent through its estates, mills, and refineries. The methodology used was the GHG Protocol for Corporate Accounting, which utilises World Resource Institute (WRI) and Intergovernmental Panel on Climate Change (IPCC) methodologies and emission factors.

UPSTREAM EMISSIONS INTENSITY 2009-2013



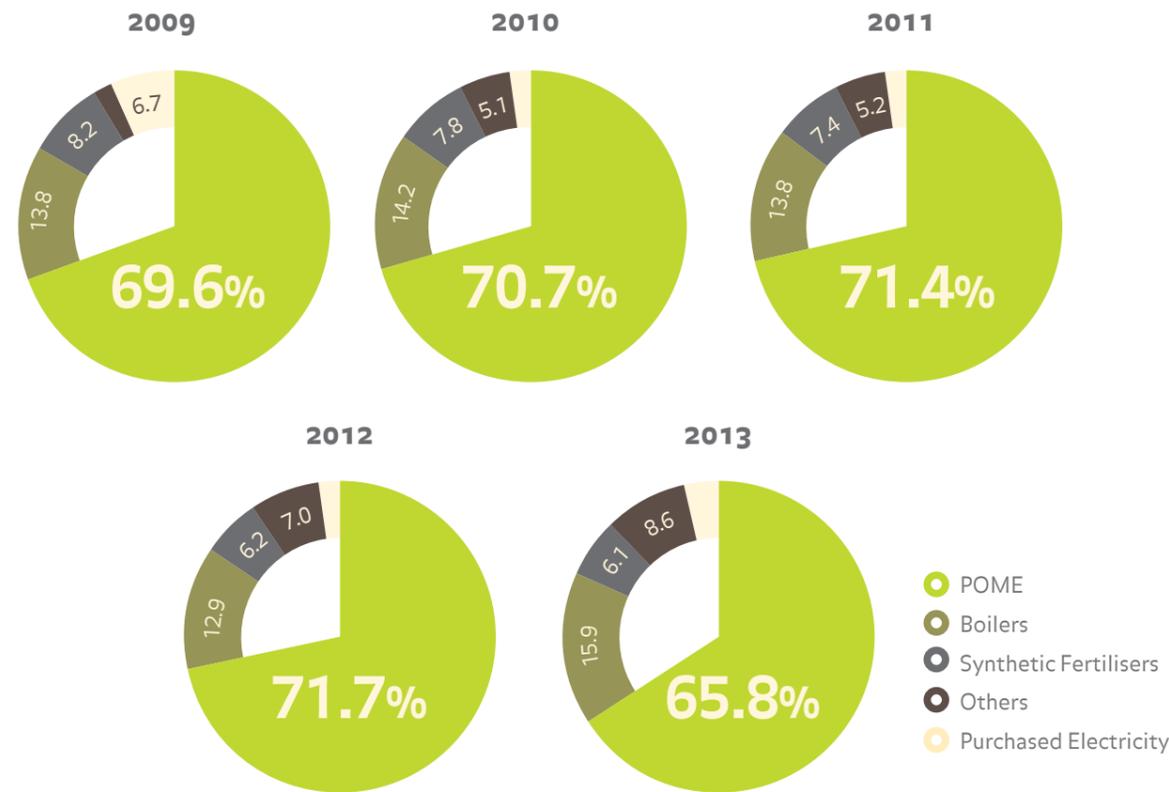
Greenhouse Gas Emissions

ANNUAL EMISSIONS BY BUSINESS UNIT



Business Unit	2009	2010	2011	2012	2013
Estates	12.9%	11.5%	11.1%	9.9%	11.5%
(tCO ₂ -e)	332,611	263,956	285,007	293,944	268,584
Mills	81.4%	82.1%	83.0%	83.5%	79.9%
(tCO ₂ -e)	2,106,332	1,892,421	2,123,366	2,472,206	1,861,426
Downstream	5.5%	6.2%	5.6%	6.4%	8.2%
(tCO ₂ -e)	142,222	142,847	143,812	188,986	191,784
Rubber Operations	0.2%	0.2%	0.2%	0.2%	0.3%
(tCO ₂ -e)	5,827	4,486	6,155	4,845	6,566
Total	2,586,992	2,303,710	2,558,340	2,959,980	2,328,360

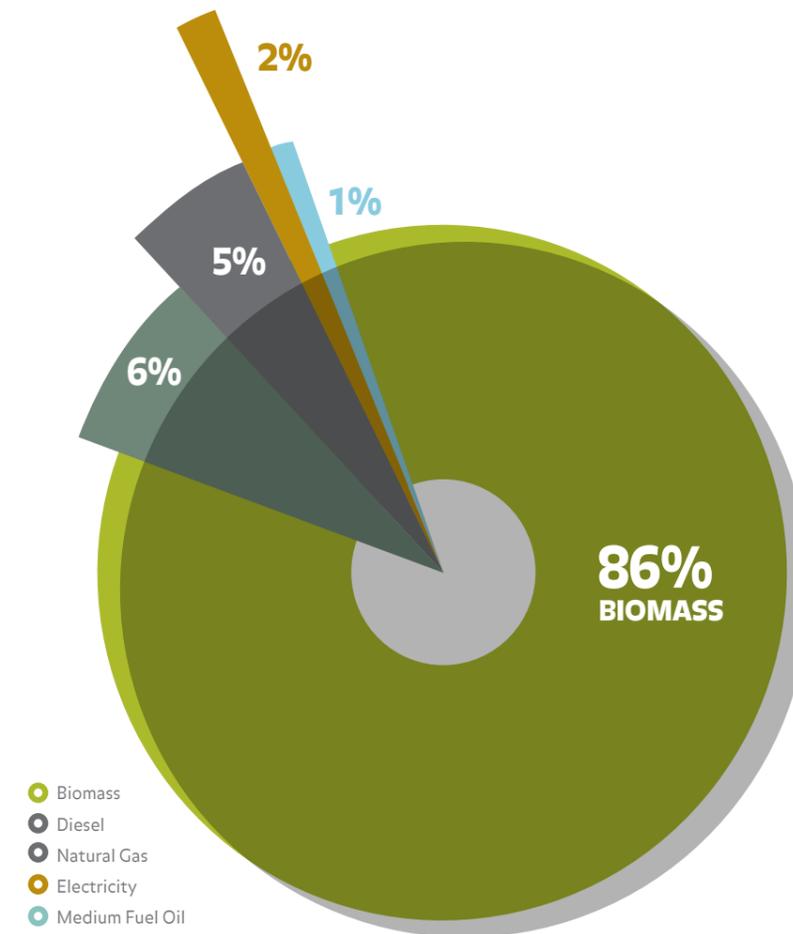
ANNUAL EMISSIONS BY SOURCE



Emission Source	2009	2010	2011	2012	2013
Palm Oil Mill Effluent (POME)	69.6%	70.7%	71.4%	71.7%	65.8%
(tCO ₂ -e)	1,799,617	1,629,373	1,826,392	2,121,035	1,532,760
Boilers	13.8%	14.2%	13.8%	12.9%	15.9%
(tCO ₂ -e)	356,291	326,245	353,950	383,025	370,395
Synthetic Fertilisers	8.2%	7.8%	7.4%	6.2%	6.1%
(tCO ₂ -e)	212,955	179,856	189,875	183,784	142,516
Others	1.7%	5.1%	5.2%	7.0%	8.6%
(tCO ₂ -e)	174,236	116,949	133,770	208,090	200,770
Purchased Electricity	6.7%	2.2%	2.1%	2.2%	3.5%
(tCO ₂ -e)	43,894	51,287	54,352	64,046	81,920
Total	2,586,992	2,303,709	2,558,340	2,959,979	2,328,360

ANNUAL PLANTATION EMISSIONS BY SCOPE

Scope	2009	2010	2011	2012	2013
Scope 1 (tCO ₂ -e)	2,500,954	2,211,641	2,457,461	2,827,396	2,165,386
Scope 2 (tCO ₂ -e)	86,067	92,067	100,879	132,583	162,973
Total	2,586,992	2,303,709	2,558,340	2,959,979	2,328,360



Biomass

A Green Energy Source

Our baseline study also quantified the usage of green or renewable energy in our operations. More than 85% of our energy usage is from the combustion of oil palm waste, mainly mesocarp fibre and kernel shells. The palm oil industry has long been known as having self-sufficient milling operations, as the power and heat generated from these waste products is more than enough to cover the energy needs of palm oil mills.

For perspective, to replace biomass as a clean energy source an estimated additional 7 million litres of diesel would be required, entailing an additional 1.9 million tonnes of carbon emissions.

Biogas

Driving Carbon Reductions

Biogas is the main driver of carbon emission reductions under our Carbon Reduction Strategy. Biogas plants capture methane emitted from anaerobic wastewater treatment ponds that would otherwise be released into the atmosphere. We have estimated that the establishment of biogas

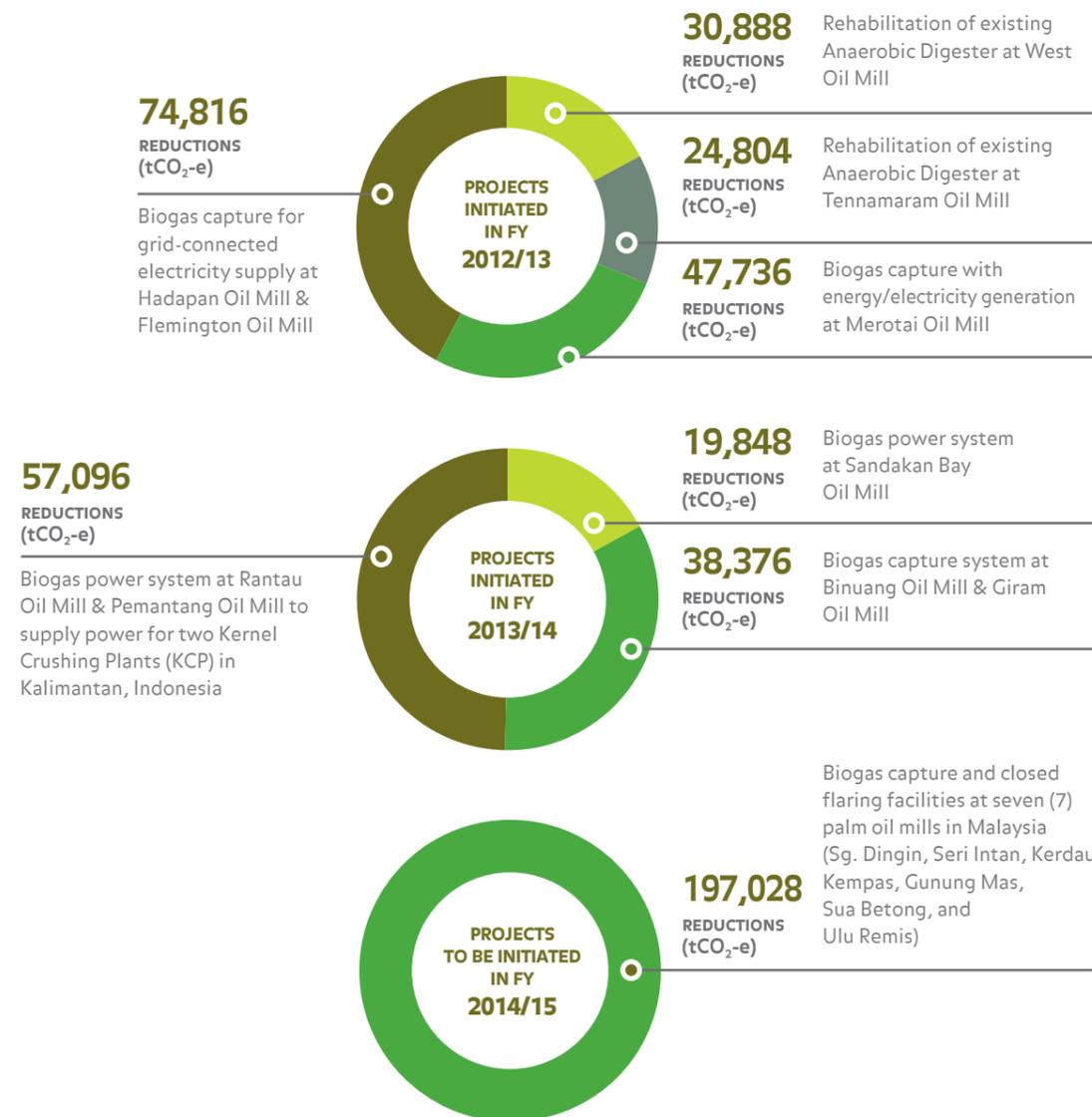
plants at 50% of our current mills in Indonesia and Malaysia would enable us to reduce our total operational emissions by 40% by 2020.

Our first biogas plant was built in 2009 at the West Oil Mill in Carey Island, our research hub in Malaysia. We also have an installation at the Tennemaram Oil Mill in Selangor, Malaysia which was one of the first plants where an open flaring system was installed. An open flare system

ensures that there is no direct release of methane, which is 25 times more damaging than carbon dioxide.

We have identified 17 mills in total where biogas will be implemented up to 2015. The mid-term target is to achieve 25% reduction in carbon emissions by 2016, for which an additional 9 plants would need to be identified.

PLANNED BIOGAS IMPLEMENTATION:



Clean Development Mechanism

A Successful Partnership with Denmark

Sime Darby Plantation operates four composting plants that are registered under the UN's Clean Development Mechanism (CDM) that were jointly developed with Denmark as our Annex 1 partner. The projects generated Certified Emission Reductions (CER) from 2010 to end-2012, culminating in

the delivery of more than 180,000 CERs to Denmark. The four successful projects are among the first of its kind in Asia to achieve issuance of CERs. The projects continue to be in operation as part of our Carbon Reduction Strategy, along with 18 other composting plants.

"The cooperation between the Danish Energy Agency and Sime Darby Plantation on the four CDM composting projects began in 2008. We worked together with Danish Energy Management (DEM) to register the projects and – as some of the very first composting projects in Asia – the carbon reductions were verified and approved by the United Nations Framework Convention on Climate Change (UNFCCC). It was very rewarding to follow the development of the projects over the years of close cooperation with Sime Darby Plantation and we are very glad to see that Sime Darby still continue with the CDM projects we initiated."

Mr. Anton Beck

Director, Danish Energy Agency, Danish Ministry of Climate, Building and Energy, Copenhagen

The Clean Development Mechanism (CDM)

is a programme that allows for developed countries to make investments in carbon-reducing technologies in developing countries.

The Kyoto Protocol sets limits on the emissions of developed countries (listed in Annex 1) based on baseline emission data.

CDM credits are known as **Certified Emission Reductions (CER)** and are generated from projects in developing countries (listed in Annex 2) and are then either purchased by Annex 1 countries for compliance purposes or traded on regional exchanges, the most prominent of which is the **EU Emissions Trading System (ETS)**.

CDM has been instrumental in creating a net reduction in worldwide emissions with more than **1 billion CERs** generated and traded since its creation; a significant step in the fight against global warming.



Sime Darby Renewables

Re-defining the traditional oil palm industry

OUR VISION

Create a portfolio of sustainable businesses in the industrial biotechnology space to tap into the vast uncharted territories along the oil palm value chain

OUR ENABLERS



MAIN PRODUCTS	CO-PRODUCTS
UPSTREAM	
• Fresh fruit bunches	• Fronds and trunks
MIDSTREAM	
• Crude palm oil	• Empty fruit bunches and fibres
• Palm kernel oil	• Mill effluents
	• Kernel cakes and shells
DOWNSTREAM	
• Palm olein	• Fatty acid distillates
• Palm stearin	• Soap stocks and sludge oil
	• Glycerine

INDUSTRY



OUR FOCUS
BIO-CHEMICALS
NUTRACEUTICALS
BIO-ENERGY
TECHNOLOGY
 Proprietary technologies with extensive pilot/ demo scale completed and the capability to utilise palm-based feedstock

Investments in Renewables

Sime Darby Renewables was established in 2014 and is a unit under Sime Darby Plantation created to leverage on the potential value-added benefits along the oil palm value chain that moves beyond the current and traditional range of palm oil products.

Sime Darby Renewables strives to co-invest with reputable strategic partners to ensure successful commercialisation of our cluster of companies. In line with this aim, in Q2 2014, we acquired a significant stake in Verdezyne Inc., a California-based industrial biotechnology company with proprietary technologies to competitively produce chemicals intermediates derived from sustainable materials.

Verdezyne began operations in 2005 and has chosen Malaysia as its manufacturing hub, obtaining BioNexus status in September 2013. Its first commercial plant, with an annual capacity in excess of 13,000 metric tons, is expected to create around 140 knowledge-based jobs in the fields of R&D and engineering.

The initiative with Verdezyne was launched in a ceremony witnessed by Malaysian Prime Minister YAB Dato' Sri Mohd Najib Tun Haji Abdul Razak and United States President Barack Obama. Sime Darby was represented by Tan Sri Dato' Seri Mohd Bakke Salleh while Verdezyne was represented by its President and CEO Dr. E. William Radany, PhD.

CARING FOR OUR FUTURE

67 LSS & Continuous Improvement
 71 Research and Development



CARING FOR OUR FUTURE



LSS & Continuous Improvement

KEY FIGURES

FY 2013/14:
RM16 million
targeted savings

RM44.53 million
in actual savings

RM60.82 million
Cumulative savings since
FY 2012/13

348
trained executives

17
have been successfully certified as Black Belts

5
being externally certified by the American Society for Quality (ASQ) & 1 from Amelior (Belgium)

Continuous efforts in elimination of wastage and inefficiency throughout our operations is key to our sustainability journey.



We believe that the utilisation of continuous improvement tools such as Lean Six Sigma (LSS) is a mutually-beneficial situation for the organisation and the environment as it addresses the issue of wastage of valuable resources; thus reducing cost, time, and negative effects to the environment.

We have trained 17 Black Belts (BB) and 348 Green Belts (GB) to date with a majority coming from our downstream operations. Projects driven by our BB's and GB's are managed, reported and tracked through our Sustainability Management System (SMS) which is an online monitoring and management system for ESH, LSS and Carbon management related matters. To date, 592 LSS projects have been completed.



SIX SIGMA

FOCUS GROUP
Managers, Executives
Data Driven Continuous
Improvement Programme

LEAN EVENTS "work-out"

FOCUS GROUP
All Employees
Team Base Improvement

KAIZEN "waste elimination"

FOCUS GROUP
All Employees
Individual Base Improvement

Nuri Edible Oil Cost Savings through Fuel Switching

The Nuri Edible Oil (SD NEO) refinery consumed a total of 5.6 million litres of light fuel oil (LFO) for its boilers for steam generation. High utilisation of this expensive resource not only caused high processing costs, but high carbon emissions from its operations.

By simply replacing LFO with natural gas, SD NEO was able to reduce **65%** of its fuel costs or **RM7.58 million** in savings. It also managed to reduce its carbon emissions by an estimated 25% from this effort alone.



SD Morakot

Increasing Yields and Reducing Emissions

Improvement sometimes requires increased investments. We believe that these investments be it monetary, time or effort are justified and will be repaid in the long run. SD Morakot successfully increased their Refined Palm Olein yield to 67.9% by utilising Lean & Six Sigma tools with investments for the improvement realised in the first 70 days of operation post-improvement.

This led them to a verified cost savings of **RM1.64 million**

This improvement also reduced their carbon emissions for Refined Palm Olein down to **1.16 kg CO₂e/ litre;** the 2nd lowest in Thailand.



Future Plans

With our target set for RM 32 million total savings for FY 2014/15, our focus has shifted from downstream to our upstream operations in Malaysia & Indonesia.

Our training programmes have increased with the targeted number of trained GB's at 139 people; 105 of which are from upstream operations alone. Number of BB's trained are also set to increase with a target of 10 internally and externally certified BB's for the FY. We also plan to further the commitment of top management by training 80 LSS Champions from Upstream, HR, IT, Engineering, R&D, and Procurement.



Research and Development

Our R&D activities encompass the entire value chain of oil palm, rubber, and other food and non-food products.

Sime Darby Plantation's R&D capabilities have been built over years of experience from our founding companies, Sime Darby, Guthrie, and Golden Hope. Among the industry milestones delivered through our research include the introduction of integrated pest management (IPM) which reduces the use of chemicals to eradicate pests, the zero-burning technique, a sustainable way of clearing land for replanting, and the introduction of Calix 600, a high-yielding oil palm seed, which can reduce the amount of land needed to expand production of palm oil.



Our research and development centres worldwide

Malaysia

- Sime Darby R&D Centre, Banting, Selangor
- Sime Darby R&D Centre, Carey Island, Selangor
- Sime Darby Biotech Laboratory, Lukut, Negeri Sembilan
- Sime Darby R&D Office, Sabah
- Sime Darby R&D Office, Sarawak
- Sime Darby Technology Centre, Serdang, Selangor
- Innovation Centre Asia (Sime Darby Kempas Sdn Bhd), Kempas, Johor

Indonesia

- Minamas Research Centre, Sumatera

The Netherlands

- Innovation Centre Europe (Sime Darby Unimills)

South Africa

- Innovation Centre Africa (Sime Darby Hudson & Knight)



OUR R&D FOCUS IS ON THREE MAIN AREAS:

YIELD/ PRODUCTIVITY IMPROVEMENTS

- Elite planting materials
- Develop best practices
- Productivity improvements
- Advisory, audit and training

INCREASE REVENUE STREAMS

- Planting materials market leader
- High value oils & fats products
- Exploit value of co-products
- Commercial patent strategy

SUSTAINABLE PRACTICES

- Develop green technologies and products; reduce chemicals
- Reduce GHG emissions
- Improve & sustain soil fertility

Case Studies

Alternative Wastewater Treatment Systems

Palm oil mill effluent (POME) is the major organic waste source in the Plantation Division. In 2013 alone, our palm oil mills produced almost 3 million tonnes of POME, of which a portion was treated at our composting plants, and the remaining through traditional treatment systems. We are exploring new ways of treating our POME and improving on existing treatment systems.

Our pilot waste water treatment systems seek to reduce the Biochemical Oxygen Demand (BOD) load of the POME before it reaches the final discharge point, which is usually rivers or streams nearby. We ensure that our wastewater discharge is below 100ppm and in some cases below 20ppm, a very low value that ensures no harm is caused to riverine

flora and fauna. Reducing this BOD load is a challenge as raw POME has a BOD value of 50,000 ppm.

Our pilot plants utilise three different methods of treatment, and have been successfully deployed in East Malaysia. Among the technologies used is a decanter system and a screw press system, both of which work to remove solids from the POME and discharge the wastewater at a much lower BOD level.

We are also exploring an innovative way of reducing the volume of wastewater that we discharge; the mist evaporator system. Following on from the work of our research partner, this system allows for POME to be separated into fine mist particles, that are easily evaporated in direct sunlight by spraying upwards at a designated area. By further improving this technology, we hope to eventually eliminate wastewater discharge outside our mills.



Benefits from Palm Genome Research

In almost a century of oil palm plant breeding, generations of plant breeders have done a remarkable job in improving palm oil yield to the current levels. Despite the impressive gains made in oil palm yield by years of work by agronomists, work is constrained by the slow generation time of the palm.

Technologies such as next-generation sequencing platforms and marker selection strategies helps accelerate this process. In addition to increasing yield, certain phenotypical traits could facilitate the effective breeding selection of useful agronomic traits such as disease resistance, drought tolerance and nutrient uptake efficiency, thus allowing palms to be more adaptable to varying climatic conditions and geographical locations. In addition, these would allow the palms to reduce the use of GHG emitting inorganic fertilisers as well as be productive in drought prone areas.



DISCLOSURES

75 Awards & Recognition

80 UNGC FABPs – Communication on Progress

86 Global Reporting Initiative (GRI) Content Index

Awards & Recognition

Description	Obtained from	Received by	Date received
Bukit Pilah Estate accorded 'Best Managed Estate' award	Ministry of Plantation Industries and Commodities	• Bukit Pilah Estate	26-Oct-13
Sime Darby Jomalina certified by RSPO as the First 'Fully Segregated Producer of Certified Sustainable Palm Oil' Refinery	RSPO	• Sime Darby Jomalina	18-Oct-13
Morakot Industries Public Company Limited presented with the 'Good Performance & Service Award 2013'	Berli Jucker Food Limited	• Morakot Industries Public Company Ltd	29-Nov-13
Prime Minister's Hibiscus Award FY 2012/2013 for Special Project Award – Gold	Prime Minister's Hibiscus Award	• Sime Darby Kempas	24-Jan-14
Prime Minister's Hibiscus Award FY 2012/13 for Notable Achievements in Environmental Performance	Prime Minister's Hibiscus Award	• Sime Darby Kempas • Sime Darby Jomalina	23-Jan-14
McDonald's Asia Pacific, Middle East & Europe Award (APMEA) 2014 - 'Best Sustainable Supply' Award	McDonald's Corporation	• Morakot Industries Public Company Ltd	10-Feb-14
Sime Darby Plantation Awarded the 'Caring Employer 2013' Recognition by the Indonesian Embassy	Embassy of the Republic of Indonesia in Malaysia	• Sime Darby Plantation	28-Feb-14
Colgate-Palmolive Thailand Limited recognised SD Morakot in 2013 for having supplied customised blended palm oil since 2010	Colgate-Palmolive Thailand Limited	• Morakot Industries Public Company Ltd	21-Mar-14
Sime Darby Plantation recognised by Malaysia Book of Records as the 'Largest Producer of Certified Sustainable Palm Oil'	Malaysia Book of Records	• Sime Darby Plantation	30-Apr-14

Description	Obtained from	Received by	Date received
National Zero Accident Award for Indonesian operations	Ministry of Manpower and Transmigration, Republic of Indonesia	<ul style="list-style-type: none"> • Aneka Persada Estate • Pinang Sebatang Estate • Blang Simpo Estate-1 • Blang Simpo Estate-2 • Blang Simpo Mill • Sekunyir Estate • Teluk Siak Estate • Teluk Siak Mill • Rantau Panjang Estate • Rantau Panjang Mill • Bumi Ayu Estate • Sekunyir Mill • Napal Estate • Pemantang Mill • Karang Ringin Estate • Rantau Mill • Mangun Jaya Estate • Angsana Mill GPI Plasma • Angsana Mini Mill • Minamas Research Center 	26-May-14
Zero Accident Award 2013 (Province Award)	Province Level (Central Kalimantan/ South Kalimantan)	<ul style="list-style-type: none"> • Sekunyir Mill • Angsana Mill • Angsana Mini Mill • Rantau Mill 	26-May-14

Description	Obtained from	Received by	Date received
Zero Accident Award 2013 (District Level Award)	Kabupaten Kotim-Kalteng	Pematang Mill	26-May-14
Anugerah Ladang Cemerlang KKP Sektor Perladangan bagi tahun 2013	JKKP N. Sembilan	Bukit Pelandok Estate	06-May-14
Indonesian Sustainable Palm Oil Certification	KISPO	PT Paripurna Swakarsa (PSA) – Pondok Labu Mill	10-Dec-13
First RSPO Certification for Smallholders Scheme in Indonesia	RSPO	KKPA 1, 2, 3, 4, & 5 and Mustika Mill	02-Jul-14
RSPO Certifications gained in FY 2013/14	RSPO	<ul style="list-style-type: none"> PT Laguna Mandiri (LMI) - Betung Mill PT Bhumireksa Nusa Sejati (PT BNS) - Mandah Mill 	01-Apr-14
MSOSH 2012 Occupational Safety and Health (OSH) Award Gold Merit Award – Excellent OSH Performance	MSOSH under the Manufacturing & Chemical Sectors (Downstream Operation) and Agricultural Sectors (Upstream Operation)	Sime Darby Jomalina	12-Sep-13
MSOSH 2012 Occupational Safety and Health (OSH) Award Gold Class I Award – Very Good OSH Performance	MSOSH under the Manufacturing & Chemical Sectors (Downstream Operation) and Agricultural Sectors (Upstream Operation)	Sime Darby Kempas	13-Sep-13
MSOSH 2012 Occupational Safety and Health (OSH) Award Gold Class II Award – Very Good OSH Performance	MSOSH under the Manufacturing & Chemical Sectors (Downstream Operation) and Agricultural Sectors (Upstream Operation)	<ul style="list-style-type: none"> Merotai Mill Elphil Mill Tennamaram Mill 	14-Sep-13

Description	Obtained from	Received by	Date received
MSOSH 2012 Occupational Safety and Health (OSH) Award Silver Award – Good OSH Performance	MSOSH under the Manufacturing & Chemical Sectors (Downstream Operation) and Agricultural Sectors (Upstream Operation)	<ul style="list-style-type: none"> Merotai Estate Bukit Badak Estate Hadapan Mill Jabor Mill Salak Estate 	15-Sep-13
International Sustainability and Carbon Certification (ISCC) certificates awarded in FY 2013/14	ISCC, Germany	<ul style="list-style-type: none"> Giram Mill Binuang Mill Melalap Mill Sandakan Bay Mill Kunak Bulking Installation Simit Bulking Installation Port Klang Installation Nuri Edible Oil 	26-Aug-13 25-Aug-13 01-Jul-13 12-Sep-13 19-Dec-13 16-Dec-13 04-Dec-13 03-Nov-13
Kosher Certification	Kashrut London Beth Din (KLBD)	<ul style="list-style-type: none"> Nuri Edible Oil 	25-Sep-13
Unilever Sustainability Agriculture Code	Unilever	<ul style="list-style-type: none"> Sime Darby Beverages 	10-Feb-14
5S Quality Environment Management System	Malaysian Productivity Corporation (MPC)	<ul style="list-style-type: none"> Seri Intan Mill Flemington Mill Sengkang Estate Labu Estate New Labu Estate 	19-May-14 17-Mar-14 29-Aug-13 26-Nov-13 09-Dec-13

Description	Obtained from	Received by	Date received
5S Quality Environment Management System	MPC	• Sua Betong Estate	10-Dec-13
		• PD Lukut Estate	19-Dec-13
		• Siliau Estate	23-Dec-13
		• Tampin Linggi Estate	23-Dec-13
		• Sungei Bahru Estate	24-Dec-13
		• Padang Buloh Estate	27-Mar-14
		• Bk Cheraka Estate	23-Dec-13
		• Bk Pelandok Estate	01-Jan-14
		• Kempas Merlimau Estate	28-Jan-14
		• Ulu Remis Estate	18-Mar-14
		• Pekan Ropel Estate	9-Apr-14
		• Tun Tan Estate	06-Jan-14
		• Rasan Estate	05-Mar-14
		• Pekaka Estate	06-Mar-14
		• Chartquest Estate	12-May-14
		• Samudera Estate	16-Apr-14
		• Pagoh Estate	29-Apr-14
		• Bukit Selarong Estate	09-Jun-14
		• Tanah Merah Estate	27-Jun-14
		• Serkam Estate	27-Jun-14



United Nations Global Compact (UNGC) Food & Agriculture Business Principles

The United Nations Global Compact (UNGC) launched the voluntary Food and Agriculture Business Principles (FABPs) on 22 September 2014 at the High Level Meeting on UN Collaboration with Private Sectors – Partnerships to achieve Global Food Security for Post 2015 Development in New York, United States of America. The FABPs serve as a framework for principle-based collaboration of companies with the UN, governments,

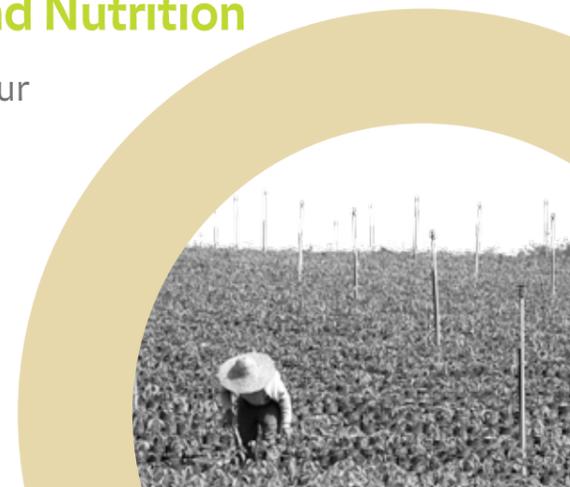
civil society, and other stakeholders. This is to align with the goals of UN as articulated in the Rio+20 outcome document, The Future We Want and the Post-2015 Development Agenda. As a member of the UNGC, Sime Darby has been instrumental in originating the idea, co-sponsoring of the FABPs process and being a part of the Steering Committee and Core Advisory Group in developing the FABPs.

PRINCIPLE 1

Aim for Food Security, Health and Nutrition

Sime Darby views food security as part of our sustainability mandate and recognises the role that affordable, nutritious, and accessible edible oils play in the diets of consumers worldwide.

To cater for growing populations and future demand, we are focused on increasing yields from our existing plantations. The health and nutritional needs of consumers are also fulfilled through our research efforts and process controls.



Yield & Productivity	Food Safety	Health & Nutrition
<ul style="list-style-type: none"> • Calix 600 High-yielding planting materials • High Density Planting To increase output per area planted • Oil palm genome research Quantum leap innovation in planting materials 	<ul style="list-style-type: none"> • HACCP standards Ensuring clean processing facilities • Customer Focused requirements and audits 	<ul style="list-style-type: none"> • Enzymatic Rearrangement (ERA) Non-chemical based method in refining edible oils • Diacylglycerol oils (DAG) Anti-obesity oil • Vitamin E extracts from palm oil

PRINCIPLE 2

Be Environmentally Responsible

We recognise the impact that our plantings may have on the natural environment in the areas that we operate in, which are predominantly in tropical areas with rich biodiversity and natural resources.



WE REITERATE THAT WE HOLD STRONGLY TO OUR COMMITMENT TO ZERO DEFORESTATION AND AVOIDANCE OF PEAT AREAS.

Most of our estates in Malaysia were opened in the early part of the 20th century and thus have undergone multiple rounds of replanting.

Through our agro-management practices, we have ensured that our planting areas have retained soil organic matter and have minimal

impact to surrounding areas of high biodiversity and cultural significance.

Biodiversity

- No deforestation policy
- Environmental Impact Assessment (EIA)
- High Conservation Value (HCV) Area
- High Carbon Stock (HCS) Study
- Conservation set-aside areas
- Riparian reserve management
- YSD/CSR related projects
- ERT tree planting

Climate Change and Managing Waste

- Target to reduce upstream operational emissions by 40% by 2020, from 2009 levels
- Palm oil mill co-product utilisation and management
- Zero burning replanting technique
- No new peatland planting policy
- Methane avoidance - composting
- Methane capture - biogas
- Integrated Pest Management (IPM)

Optimal Use of Soil and Water

- Soil management
- Legume cover crop (LCC) establishment and weed management
- Fertiliser management
- Water management

PRINCIPLE 3

Ensure Economic Viability and Share Value

We have always strived to maximise the positive impact our estates, mills and downstream processors have on communities and smallholders who live and work within our operations as well as those who are impacted by our operations.

To this end, we support efforts to improve livelihoods of smallholders by increasing their income through yield improvement, while supporting efforts to increase their market access through RSPO certification.



Supply Chain and Trade

- Certified Sustainable Palm Oil (CSPO) marketing efforts
- Fully-segregated supply chain for refineries
- Partnerships with suppliers/contractors

Small-scale Farmers and Co-ops

- Supporting smallholder schemes Malaysian Sustainable Palm Oil (MSPO) and Indonesian Sustainable Palm Oil (ISPO) implementation
- 25,000 families in the Plasma scheme in Indonesia with 8,000 families RSPO certified

Local Communities

- **Liberia**
Enhancing livelihoods through job creation, increasing GDP
- Sustainable Partnership Initiative (SPI)
- Smallholders Acceleration & REDD+ Programme (SHARP)
- Adaptation of outgrowers model for Liberia

PRINCIPLE 4

Respect Human Rights, Create Decent Work, and Help Communities To Thrive

As we expand into new areas, we are cognisant of the impacts and change we may bring to communities who have worked and lived in these areas and retain customs and traditions that are of significant value.



We have imposed strict controls on our approach to new concession areas and our dealings with local communities through guidelines that have been developed with inputs from recognised international social and environmental organisations.

THE FREE, PRIOR, AND INFORMED CONSENT (FPIC) OF COMMUNITIES LIVING IN OUR CONCESSION AREAS IS OBTAINED BEFORE ANY DEVELOPMENT BEGINS.

In our plantation operations, we seek to ensure that our workers are accorded a living wage and provide housing complexes with

facilities that enhance living standards. The safety and health of our workers is ensured with the provision of protective equipment,

preventive training and the inculcation of safety culture among all our employees.

Land Use and Rights	Workers' Rights	Safety & Health	Women and Children
<ul style="list-style-type: none"> New Planting Procedure (RSPO) Free, Prior and Informed Consent (FPIC) 	<ul style="list-style-type: none"> Central Housing Complex (CHC) Avoid retention of foreign workers' passports Exceeding minimum wage requirements Grievance mechanisms Careline team 	<ul style="list-style-type: none"> Spot-Intervene-Modify-Execute (SIME) Programme Safety and Health Management Programme (SHMP) Tractor Driver's Competency Course (TDCC) Harvesting safety programme 	<ul style="list-style-type: none"> Gender Policy Child Protection Policy Humana Learning Centres Child care facilities Regional nurses and wellness teams

PRINCIPLE 5

Encourage Good Governance and Accountability

We believe in being open and transparent to our stakeholders who include communities, employees, investors, and government regulators, among others.



As part of our commitment, we openly communicate with all parties who are impacted by our operations and the release of annual sustainability reports supports this. We have in place policies and guidelines that ensure transparency, responsibility, and accountability towards all stakeholders, regardless of size and stature.

Governance Structure	Code of Business Conduct	Leadership Programme	Transparency to Stakeholders
<ul style="list-style-type: none"> Strategic Sustainability Goals Management Sustainability Committee 	<ul style="list-style-type: none"> Internal audits Third-party assurances 	<ul style="list-style-type: none"> Development of leadership attributes across line management 	<ul style="list-style-type: none"> Sustainability reporting initiatives Investor relations roadshow

PRINCIPLE 6



Promote Access and Transfer of Knowledge, Skills and Technology

Sime Darby Plantation is an industry leader in developing and implementing improved agriculture practices, promoting and sharing the use of new technologies, and utilising data to improve operating efficiencies.

We participate in industry working groups to share our research and work towards improving the palm oil industry as a whole. Our process monitoring efforts have also helped us to identify areas for improvement and allow for the implementation of continuous improvement initiatives, including Lean Six Sigma projects.

Leading in R&D	Sime Darby Plantation Academy (SDPA)	Haze Prevention Programmes	Monitoring and Process Improvement
<ul style="list-style-type: none"> Developing new technology to improve yields, reduce usage of harmful chemicals RSPO working groups and task force and national interpretation MPOA working groups MPOB committees / Technical Advisory Committee 	<ul style="list-style-type: none"> BEST/EAST programme for school leavers 	<ul style="list-style-type: none"> Fire-fighting programme State-of-the-Art haze continuous monitoring and alert system 	<ul style="list-style-type: none"> Sustainability Management System (SMS) Lean Six Sigma projects

Global Reporting Initiative (GRI) Content Index

This Report has been prepared according to the 'In Accordance' – Core option as provided by the GRI Guidelines. The index shows each disclosure and relevant references within the Report.

GENERAL STANDARD DISCLOSURES

Disclosures	Description	Reference Section	Page
Strategy & Analysis			
G4-1	Statement by the highest decision-maker in the organisation on sustainability	Message from the MD	6
Organisational Profile			
G4-3	Name of the organisation	Sime Darby Plantation Sdn Bhd	-
G4-4	Primary Brands	<i>Sime Darby Group Annual Report 2014</i>	6
G4-5	Location	Overview of Sime Darby Plantation	9
G4-6	Coverage	Overview of Sime Darby Plantation	10
G4-7	Legal Ownership	<i>Sime Darby Group Annual Report 2014</i>	374
G4-8	Markets served	Overview of Sime Darby Plantation	10
G4-9	Scale	Overview of Sime Darby Plantation	10
G4-10	Employment ¹	Our Employees	47
G4-11	Collective bargaining	Our Employees	48
G4-12	Supply chain	Plantation Supply Chain	16
G4-13	Organisational changes ²	About this Report	4
G4-14	Precautionary approach	Risk Management	23
G4-15	Charters	Sustainability Certifications UNGC Food & Agriculture Business Principles	37 80
G4-16	Associations	Assuring Our Practices	41
Identified Material Aspects and Boundaries			
G4-17	Entities	<i>Sime Darby Group Annual Report 2014</i>	334
G4-18	Process to Define	Stakeholder Engagement & Material Disclosures	26
G4-19	List Material Aspects	<i>All identified aspects are material within Sime Darby Plantation. The external boundary for identified Aspects is described on page 25. There are no restatements of information provided in previous reports. There are no significant changes from previous reporting periods in the Scope and Aspect Boundaries².</i>	26
G4-20	Aspect Boundary		24
G4-21	Aspect Boundary		24
G4-22	Restatements		24
G4-23	Significant changes		24
Stakeholder Engagement			
G4-24	Stakeholder groups		25
G4-25	Basis for identification	Stakeholder Engagement & Material Disclosures	24
G4-26	Approach to stakeholder engagement		24
G4-27	Key topics, concerns		25

Disclosures	Description	Reference Section	Page
Report Profile			
G4-28	Reporting period		
G4-29	Date of previous report	About this Report	4
G4-30	Cycle		
G4-31	Contact point	Feedback Page	3
G4-32	Content Index	GRI Content Index	86
G4-33	External assurance	<i>Sime Darby Group Annual Report 2014</i>	404
Governance			
G4-34	Governance Structure	Sustainability Governance	22
Ethics			
G4-56	Organisational Principles & Values	Values, Governance, and Ethics	19

¹ Employee data is presented in line with Sime Darby Group reporting requirements.

We will endeavour to present employee information in accordance with GRI G4-10 in future reporting periods.

² There were no significant changes during the reporting period regarding the organisation's size structure, ownership or its supply chain. Changes to SD Jomalina refinery supply chain have been disclosed on page 39 in this Report.

SPECIFIC STANDARD DISCLOSURES

Material Aspects	Indicators	Reference Section	Reasons for Omission	Page
Economic				
Economic Performance	Disclosure on Management Approach (DMA)	<i>Sime Darby Group Annual Report 2014</i>		93,165
	EC-1	Financial Information, <i>Sime Darby Group Annual Report 2014</i> , <i>Yayasan Sime Darby Annual Report 2014</i>		11
Indirect economic impacts	DMA	Supporting Smallholders in Achieving RSPO Certification Liberia		38
				53
	EC-8	Supporting Smallholders in Achieving RSPO Certification Liberia		38
				53
Environment				
Energy	DMA	Carbon Management		59
		EN-3	Carbon Management	59
		EN-6	Biomass: A Green Energy Source	62
Biodiversity	DMA	Biodiversity and Conservation		57
		EN-12	Biodiversity and Conservation	57
Emissions	DMA	Carbon Management		59
		EN-15	Carbon Management	59
		EN-16	Carbon Management	59
		EN-18	Carbon Management	59
		EN-19	Carbon Management	59

Supplier Environmental Assessment	DMA	Assuring Our Practices		37
	EN-33	In Plantation Division's vertically integrated business model, all of its strategic operating units (SOUs) are subject to social impact assessment through RSPO certification. The approach is also being progressively rolled out to the Division's smallholders. Management plans are in place to address actual and potential negative environmental impacts at SOUs.	Our approach to supplier assessment is described in "Assuring Our Practices" but quantitative data is not provided. We will endeavour to present quantitative data in future reporting periods.	-
Social				
Labour Practices & Decent Work				
Occupational Safety & Health	DMA	Safety and Health		43
	LA-6	Safety and Health	Safety performance statistics are presented in line with Sime Darby Group reporting requirements. We will endeavour to present safety statistics in accordance with GRI LA-6 future reporting periods.	43
Human Rights				
Child Labour	DMA	Labour Practices		48
	HR-5	Labour Practices		48
Forced or Compulsory Labour	DMA	Labour Practices		48
	HR-6	Labour Practices		48
Indigenous Rights	DMA	Working With Our Local Communities		48
	HR-8	Liberia PT MAS		53 55
Human Rights Grievance Mechanisms	DMA	Working With Our Local Communities		48
	HR-12	Liberia PT MAS		53 55
Society				
Local Communities	DMA	Working With Our Local Communities		48
	SO-1	We have carried out external and internal social impact assessments for all our plantations, including those in Liberia and Indonesia that are yet to be RSPO-certified.		-
Supplier Assessment for Impacts on Society	DMA	Assuring Our Practices		37
	SO-10	See EN-33		-
Product Responsibility				
Marketing Communications	DMA	Assuring Our Practices		37
	PR-7	There were no incidents of non-compliance with regulations and voluntary codes concerning marketing communications of Sime Darby's CSPO product in FY 2014.		-

Glossary

BEST	Building Estates' Sustainability & Transformation
BORA	Borneo Rhino Alliance
BSBCC	Bornean Sun Bear Conservation Centre
BTFC	Belum–Temengor Forest Complex
CDM	Clean Development Mechanism
CER	Certified Emission Reduction
CPKO	Certified Palm Kernel Oil
CPO	Crude Palm Oil
CSPKO	Certified Sustainable Palm Kernel Oil
CSPO	Certified Sustainable Palm Oil
CSR	Corporate Social Responsibility
DOE	Department of Environment
DOSH	Department of Safety & Health
EAST	Estate Assistant's Structured Training
EFB	Empty Fruit Bunch
EMS	Environmental Management System
ERT	Endangered, Rare, and Threatened
ESH	Environment, Safety & Health
FAR	Fatal Accident Rate
FFB	Fresh Fruit Bunch
FMCG	Fast-moving Consumer Goods
FPIC	Free, Prior, and Informed Consent
FY	Financial Year
GHG	Greenhouse Gas
GRI	Global Reporting Initiative
HCS	High Carbon Stock
HCV	High Conservation Value
IPCC	Intergovernmental Panel on Climate Change
ISCC	International Sustainability & Carbon Certification
ISPO	Indonesian Sustainable Palm Oil
KKPA	Member's Primary Co-operative Credit scheme or Kredit Koperasi Primer Anggota

LSS	Lean Six Sigma
LTIFR	Lost Time Incident Frequency Rate
MACC	Malaysian Anti-Corruption Commission
MAPA	Malayan Agricultural Producers Association
MPOA	Malaysian Palm Oil Association
MPOB	Malaysian Palm Oil Board
MPOC	Malaysian Palm Oil Council
MSOSH	Malaysian Society for Occupational Safety & Health
MSPO	Malaysian Sustainable Palm Oil
MY-NI	RSPO Malaysian National Interpretation
NCOSH	National Council on Occupational Safety & Health
NGO	Non-governmental Organisation
OER	Oil Extraction Rate
OSH	Occupational Safety & Health
PK	Palm Kernel
POME	Palm Oil Mill Effluent
R&D	Research & Development
RED	EU Renewable Energy Directive
RSPO	Roundtable on Sustainable Palm Oil
SAFE	Stability of Altered Forest Ecosystems Project
SCCS	Supply Chain Certification System
SDP	Sime Darby Plantation
SDPL	Sime Darby Plantation Liberia
SMS	Sustainability Management System
SPI	Sustainable Partnership Initiative
SWD	Sabah Wildlife Department
UNFCCC	United Nations Framework Convention on Climate Change
UNMIL	United Nation Mission in Liberia
WHO	World Health Organisation
WRI	World Resources Institute
YSD	Yayasan Sime Darby

