



Managing Private Sector for FLR

Forest and Landscape Restoration Conference, Manila

25-27 Feb 2019

RISE



Plantation

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Case Study- Forest and Landscape Restoration by SDP

Business Overview

Integrated Plantation Company Involved in the Entire Palm Oil Value Chain

Upstream



Oil palm estate



Mill

Oil palm, rubber & sugarcane estates

- Developing, cultivating and managing oil palm, rubber and sugarcane plantation estates

Milling of FFB and processing & sales

- Milling of FFB into CPO and PK
- Processing and sales of rubber and sugarcane

Others

- Cattle rearing and beef production

Downstream



Refinery



Food application

Bulk and refined oils & fats

- Production and sales of refined oils and fats (which includes specialty and end-user oils and fats)

Oleochemicals, biodiesel products & derivatives

- Production and sales of oleochemicals, biodiesel products and derivatives

Others



High-yielding genome seeds



Renewables

R&D

- Focused on yield and productivity improvements, increasing revenue streams and developing sustainable practices while pursuing innovative strategies

Renewables business

- Development of green technology and renewable energy which includes biogas and composting

Agribusiness

- Provision of agriculture products and services

World's Largest Oil Palm Plantation Company with More Than 600,000 Hectares of Planted Area

~600,000 hectares

World's Largest Oil Palm Plantation Company (by planted area)

20% *of Global CSPO Production Capacity¹*

*Leader in Sustainability –
World's Largest Producer of CSPO*

2.65 mn MT

*FY18 Total CPO Production
(~4% of Global Market Share²)*

248

Estates

72

Mills

11

Crushing Plants

(inclusive of soy crushing plant)

4 mn MT p.a.

Total Refining Capacity (12 Refineries)

Market Leading R&D

*Edison Award 2017 under the Energy and Sustainability category
(Genome Select Oil Palm Project)*

We are the world's largest oil palm plantation company by oil palm planted area with total landbank of more than 987,000 hectares across Malaysia, Indonesia, PNG & Liberia



¹ Estimated based on global planted area of 21.5 mn ha worldwide

² Based on global CPO production of 67.9 mn MT in 2017

Note: Figures as at 30 Jun 2018

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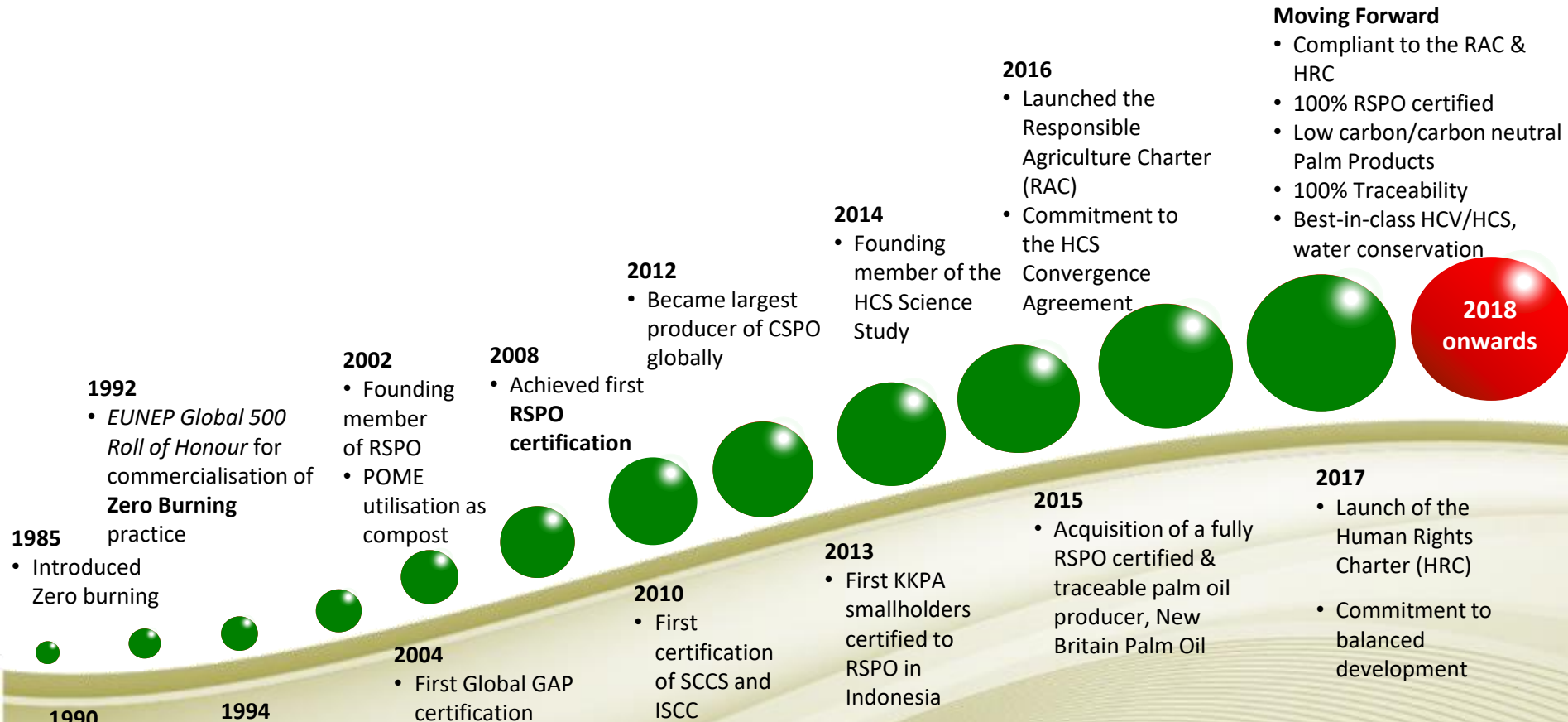
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Our Journey to Sustainability



- Pioneered the Zero Burning Policy in 1985
- One of the founding members of RSPO
- Largest producer of CSPO: Malaysia 100%, PNG 100% & Indonesia 96% certified
- No deforestation of primary and virgin forest
- No new development on peatlands
- No development of HCS areas, once defined
- Committed to Environmental and Social Principles – HCV, Human Rights & FPIC

Sime Darby Plantation pursues sustainability in a way that **creates value to the organisation**



Our Sustainability Purpose



People

Contribute to a better society



Respect and uphold fundamental human rights



Engage and empower communities towards inclusive development



Provide a safe and healthy working environment



Planet

Minimise environmental harm



Protect and conserve biodiversity and ecosystems



Reduce climate change impacts and enhance resilience



Promote responsible consumption and production



Prosperity

Deliver sustainable development



Instil a culture of integrity and operational excellence



Promote supply chain transparency and sustainability



Adopt and enhance leading quality and sustainability standards

Disclose • **E**ngage • **E**mpower • **P**rotect • **E**nhance • **R**espect

Sustainability – Committed to Good Agriculture Practices



CERTIFICATION STATUS

As at 30 June 2018

Target

R
S
P
O



Plantation

97%

RSPO-certified



100%
MALAYSIA



96%
INDONESIA



100%
PNG & SI

Target to be **100%**
RSPO-certified

M
S
P
O



Plantation

100%

MSPO-certified

I
S
P
O



Plantation

96%

ISPO-certified

Target to be **100% ISPO-**
certified by early 2019

High Carbon Stock (HCS) Commitment

As a signatory to the **Sustainable Palm Oil Manifesto**, we are committed to implementing leading industry practices around **High Conservation Value and HCS** in new developments

Responsible Agriculture Charter (RAC)

Launched in Sep'16, the RAC is a summary of SDP's commitments surrounding:

- Human rights & social development
- The environment
- Corporate integrity

Human Rights Charter (HRC)

Sime Darby launched its Human Rights Charter to articulate its **commitment in respecting human rights** in line with the United Nations Guiding Principles on Business and Human Rights

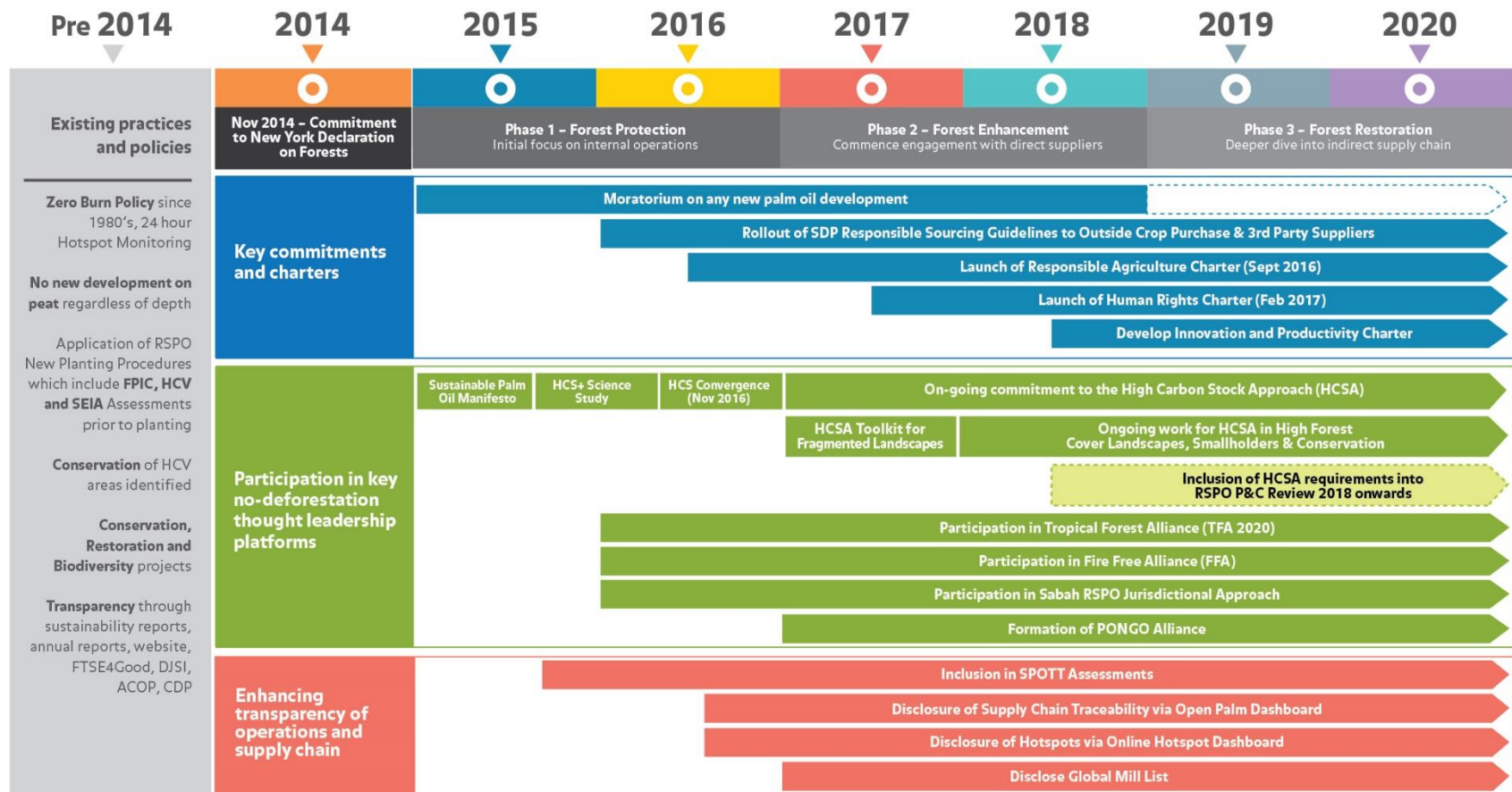
Innovation & Productivity Charter (IPC)

The charter states our **aspirations across the value chain in achieving prosperity**, via enabling high levels of productivity in delivering sustainable development

Sime Darby Plantation : Roadmap to No Deforestation

Our Approach and Progress to No Deforestation in our Supply Chain

Guiding Principles: New York Declaration on Forests
The Declaration pledges to halve the rate of deforestation by 2020, to end it by 2030, and to restore hundreds of millions of acres of degraded land



Last Updated : 30 August 2018

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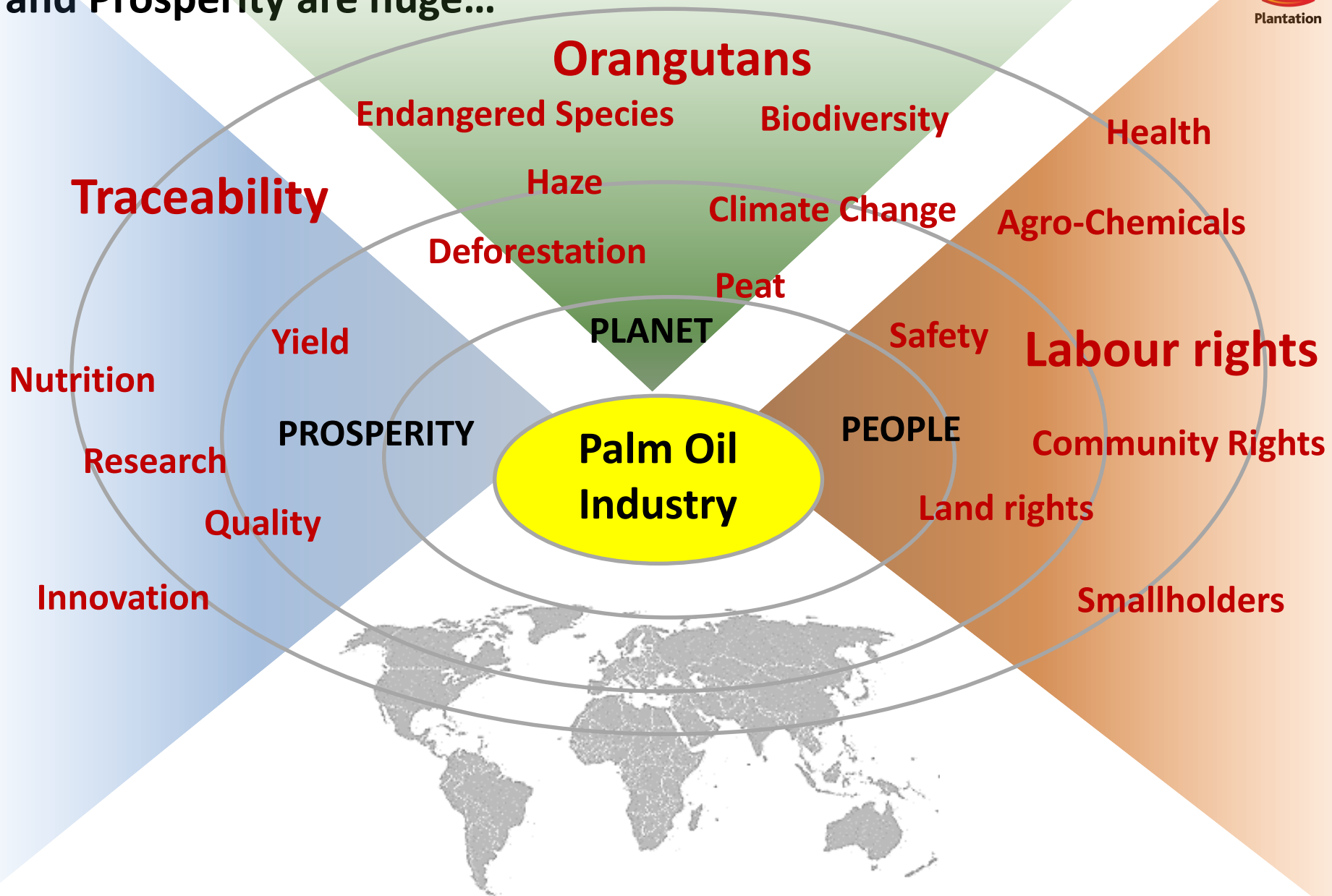
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Roles of Private Sectors in Forest and Landscape Restoration – SDP Perspective

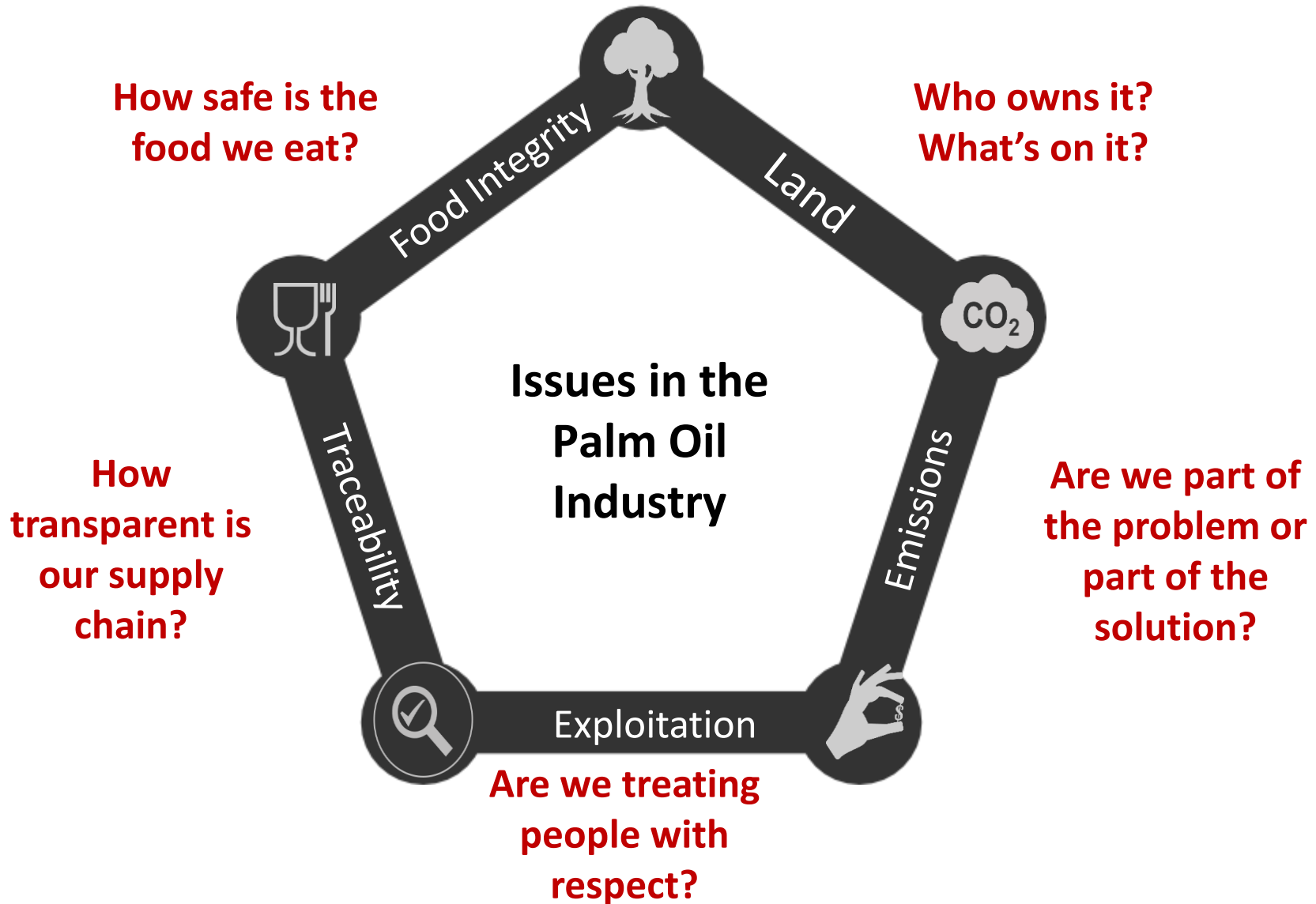
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Case Study- Forest and Landscape Restoration by SDP

The number of issues falling within People, Planet and Prosperity are huge...



... however, it boils down to 5 key areas



Roles of Private Sectors (SDP) in Forest and Landscape Restoration

- **Flawlessly** implement sustainability standards
 - Legal requirements (eg. Riparian, slope areas)
 - RSPO, MSPO, ISPO, SAN
 - No Deforestation, No Peat, No Exploration (NDPE) Commitment, HCV, HCS
- **Lead** in development of new standards and approaches
 - Yield optimization through Genome Select
 - Zero Burning, Peatland Management
 - Hotspot and deforestation monitoring via satellites
- **Inclusion of stakeholders and communities** in delivering sustainable development
 - Landscape approach (eg. PONGO Alliance)
 - Jurisdiction approach - Sabah
 - Community Oil Palm – Liberia
 - Corporate for conservation
- Identify and manage **supply chain sustainability risks**
 - Responsible Sourcing Guidelines
 - Outside Crops Program & Smallholder Program

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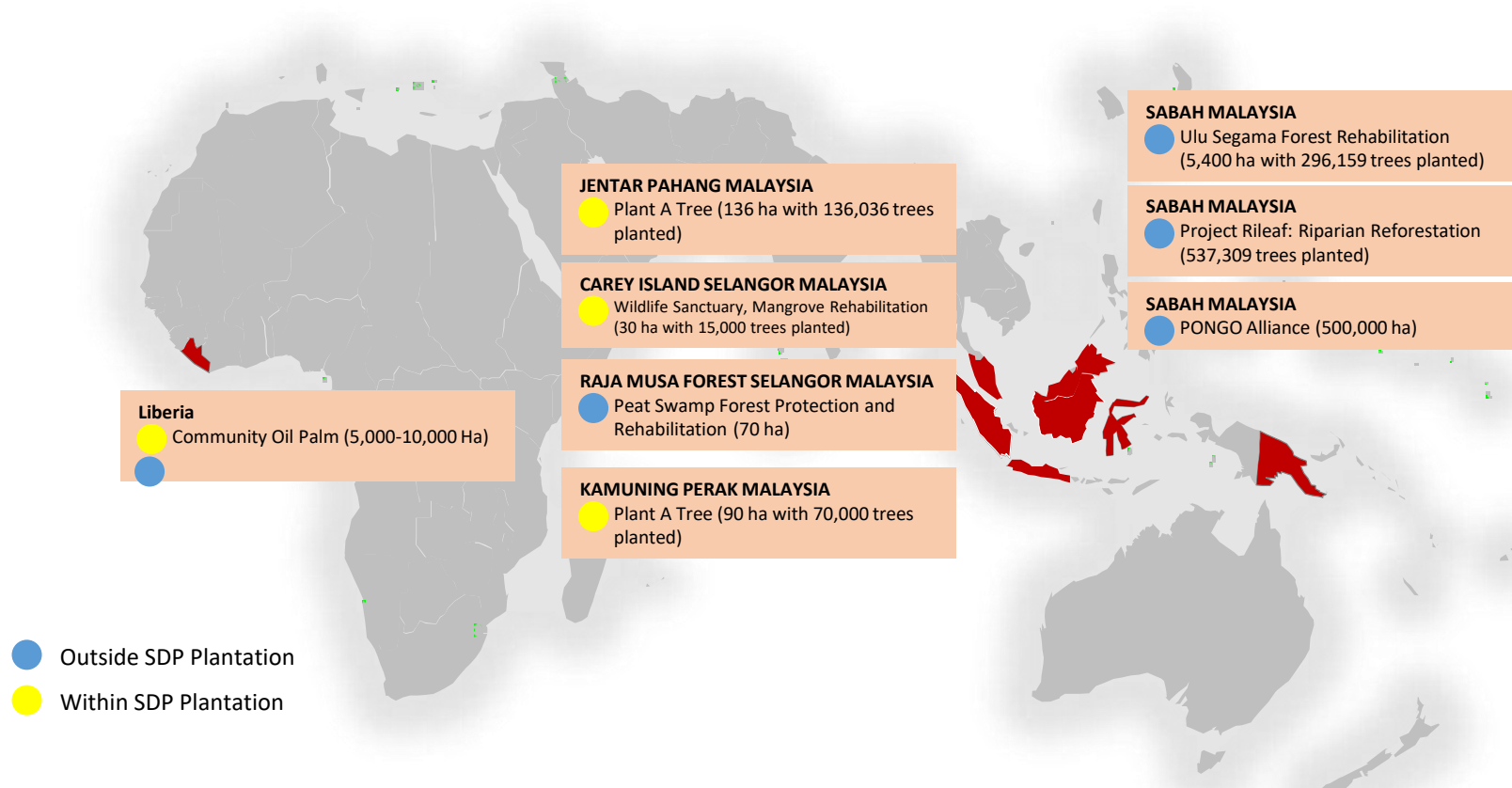
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Case Study- Forest and Landscape Restoration by SDP

Snapshot of SDP Forest and Landscape Restoration Projects



***We have set aside 51,765 ha of HCV and conservation areas for conservation.
More than 5,000 ha degraded land has been restored. More 1.5 million trees planted.***



Sime Darby Plant A Tree Programme



Funded by Sime Darby Foundation
5 years, 3 months (March 2013 to December 2018)

Overview:

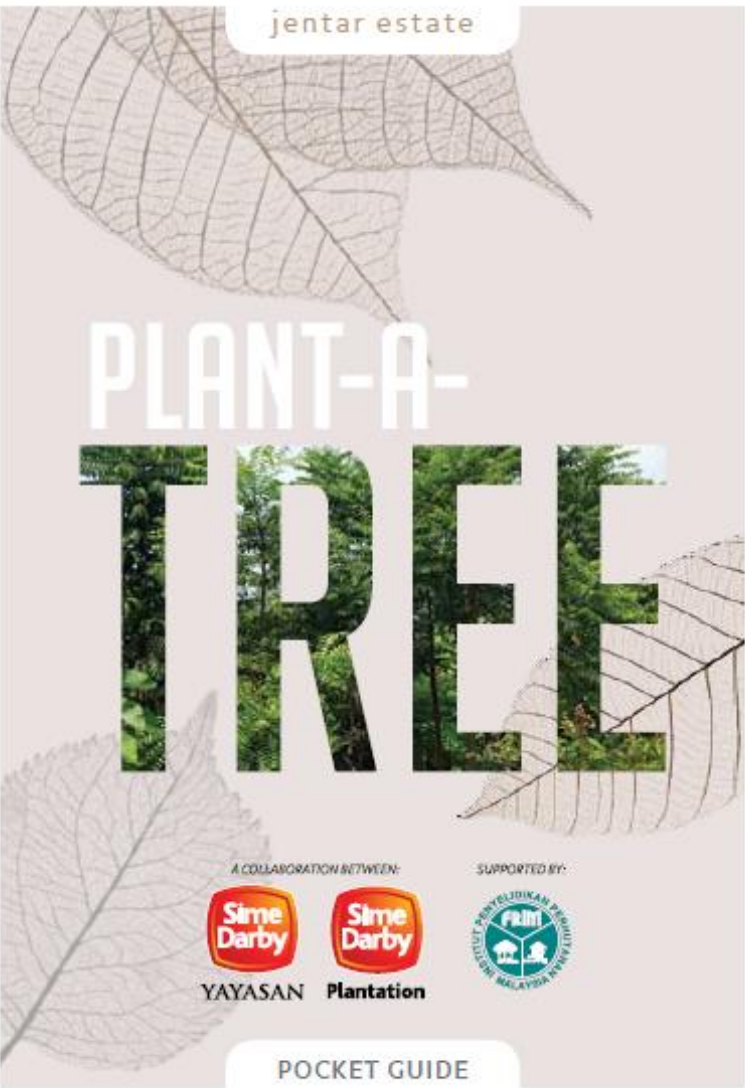
1. In support of Sime Darby's commitment to conserve and protect indigenous forest trees by planting and developing a gene bank of ERT forest species in Sime Darby Plantation estates.
2. Focus on **136 ha** located in Jentar Estate, Pahang.
3. Objectives:
 - a) **Preserve the Endangered, Rare and Threatened (ERT) trees.**
 - b) To create an ERT tree **arboretum** for future generations.
 - c) To **increase biodiversity value**

Achievement:

1. A total of **136,036 trees** comprised of **80 ERT species** had been planted at the Sime Darby estate in Jentar.
2. Collaboration between PSQM and FRIM on technical and strategic planning in conserving the species.



Plant A Tree Pocket Guide



Critically Endangered (CR) Species

Shorea acuminata
(Dipterocarpaceae)



Meranti Rambai Daun
(Local Name)



Bukit Angin



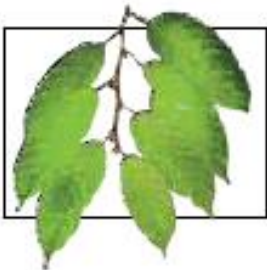
Critically Endangered
(IUCN 2001)



The tree has droopy branches, large semi-persistent stipules, unequal-sided leaves and purple-red flowers.



January 2015



GPS (DD):
3.613644
102.261590



Carey Island Wildlife Sanctuary and Mangrove Rehabilitation

Overview:

1. Forest species – RTE species seeds collection on going. As to-date a total of 7,500 seedlings are being raised at the nursery
2. Collaboration with Selangor Forestry
3. 30 ha with 15,000 trees planted





Reforestation and Rehabilitation of the Orangutan Habitat in Northern Ulu Segama

In collaboration with the Sabah Forestry Department (SFD)
10 years (December 2008 to November 2018)

Overview:

1. Ulu Segama has one of the **highest concentration of Orangutans** in Borneo.
2. Objectives:
 - a) To restore an area covering **5,400 ha, replanting in highly degraded** secondary forest due to several occurrences of logging and forest fires.
 - b) **Enhancing biodiversity** - focusing on plant species that are considered **important as food source and habitat for Orangutan** and other wildlife.

Achievements:

1. **295,159 trees were planted with 99 tree species**, native to the area and suitable for Orangutan habitat, as well as fruiting trees.
2. Reclassification of the area into a **Class 1 Forest Reserve**, hence protecting it from logging and other development activities.
3. Frequent sightings of Orangutans reported, **1 Orangutan per km² in 2011 to 3 Orangutan per km² in 2017**.
4. 129 species of birds including 5 species of hornbills were recorded.





Project RiLeaf: Riparian Reforestation and Oil Palm Sustainability in Kinabatangan



In collaboration with Nestle Malaysia and Sabah Forestry Department (SFD)
7 years (January 2014 to December 2020)

Overview:

- 1. RiLeaf: To reforest critical riparian reserves along the Kinabatangan River - plant and maintain a total of 1 million trees by 2020.**
2. In collaboration with local community, Komuniti Anak Pokok Kinabatangan (KAPOK) and Koperasi Pelancongan (KOPEL).
- 3. UpLeaf: An oil palm sustainability engagement programme for the local community and smallholders** aimed at promoting sustainable and responsible agricultural activities, in collaboration with WildAsia.

Achievement:

- 1. RiLeaf: 537,309 trees** have been planted and maintained.
- 2. UpLeaf: 177 members** received RSPO certification.





Peat Swamp Forest Protection and Rehabilitation in Raja Musa Forest Reserve



In collaboration with the Global Environment Centre (GEC) and Selangor State Forestry Department (SSFD)

5 years, 3 months (January 2014 to May 2019)

Overview:

- 1. Replanting of 20 ha** of peat swamp forest and **rehabilitating of another 30 ha** of adjacent areas of **degraded forest - enhance the biodiversity value** to the area.
- Enhancing **water management and fire prevention measures** in the forest reserve and adjacent lands including Sime Darby estates – 11 locals trained to patrol and monitor forest fires.
- 3. Supporting the livelihood of the local community** through the purchase of trees from community nurseries to be planted.
- Enhance services and technical support as well as advocacy to smallholders to improve productivity through sustainable land management.
- Enhance awareness and understanding of the peat swamp ecosystem among key stakeholders.
- 6. In collaboration with local community, Sahabat Hutan Gambut Selangor Utara (SHGSU)**

Achievement:

- A total area of **20 ha** has been planted **with 18,500 saplings**.
- 2. 69 canal** blocks were constructed for forest fire prevention.
- More than 40 villagers from 4 villages involved in various initiatives.
- Contributed to the Selangor State Peat Swamp Management Plan





Stability of Altered Forest Ecosystems (SAFE) Project



In collaboration with the South East Asia Rainforest Research Programme (SEARRP) of the Royal Society UK and Yayasan Sabah (YS)
10 years (February 2010 to January 2020)

Overview:

1. One of the **world's largest integrated ecological research** projects.
2. Objectives:
 - a) Collecting **baseline information** before land conversion process
 - b) Providing a **scientific basis for best agricultural practices** in relation to the protection of the rainforest ecosystem and biodiversity.
 - c) Determining the contribution of rainforest patches **towards sustainable plantation management.**

Achievements:

1. **194 projects** completed, in progress or being developed
2. **411 researchers, local and international,** participating in planning and carrying out projects
3. **169 recorded scientific outputs** that have been published
4. **Eight (8) PhD students have graduated (Two (2) Malaysian)**
5. **30 local Sabahans employed as Research Assistants**



Palm Oil NGO (PONGO) Alliance

“Making resilient landscapes for wildlife and people a reality”

Overview:

- New Alliance
 - 9 founding members: Growers, NGOs, other business
- Landscape approach
 - Kinabatangan, Sabah (500,000 ha)
 - Ketapang, Kalimantan
- Co-existence Model
 - to allow their lands to contribute space, habitat and foods for those rare species.
- Action on the ground
 - Land use planning, Orangutan fruit tree planting, Human-wildlife Conflicts, community outreach



Liberia- Community Oil Palm

Green growth for land use plan, also setting aside forests for sustainable management and conservation



- Rural income and employment
- Inclusive development
- Holistic approach, including food security, income diversification, regional development



PRODUCTION

- Protect forests for future livelihood;
- Enable REDD+ payments



PROTECTION

Partnerships & Platforms

2
5



Plantation

Shift



We cannot go at it alone.

We believe that for the more complex challenges, Sime Darby Plantation would need to seek out like minded organisations...

Thank you



Plantation