



Delivering
Sustainable
Futures

Plantation

Modern Slavery and Human Trafficking Statement

FY2018 (July – December)



Plantation

Sime Darby Plantation

Modern Slavery and Human Trafficking Statement FY2018 (July - December)

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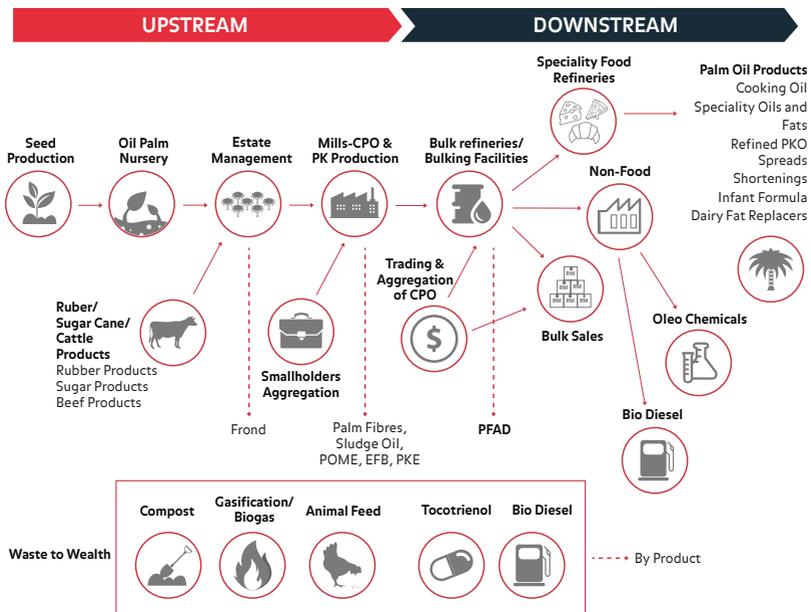
This statement is published in accordance with the Modern Slavery Act 2015 of the United Kingdom (Section 54). The period of reporting for this statement is for the six months ended 31 December 2018. This statement serves as a progress report following key actions taken subsequent to the Modern Slavery and Human Trafficking Statement FY2018.

OUR ORGANISATION, STRUCTURE AND SUPPLY CHAIN

About Sime Darby Plantation

Sime Darby Plantation is the world’s largest oil palm plantation company by planted area, producing about 4% of the global Crude Palm Oil output. We are also the world’s largest producer of Certified Sustainable Palm Oil (CSPO), accounting for around 20% of market share of world production by volume.

As a globally integrated plantation company, Sime Darby Plantation is involved in the full spectrum of the palm oil value chain, from upstream to downstream activities, R&D, renewables and agribusiness. Our upstream operations, consisting predominantly of oil palm cultivation, harvesting and milling, are located across Malaysia, Indonesia, Papua New Guinea, the Solomon Islands and Liberia. Our downstream business, spanning across 16 countries worldwide including the United Kingdom, involves the manufacturing as well as the sales and marketing of oils and fats products, oleochemicals, palm oil-based biodiesel, nutraceuticals and other derivatives. Sime Darby Plantation is also involved in rubber and sugarcane plantations, as well as cattle rearing



Further details of our company can be found in our website - www.simedarbyplantation.com

OUR COMMITMENT, POLICIES, PROCEDURE AND GOVERNANCE

Commitment and Governance: Human Rights Charter and Human Rights Task Force

At Sime Darby Plantation, we believe that it is our responsibility as a corporation to respect and protect the rights of people within our sphere of influence, which includes our employees, contract workers, third party operators, business partners, and communities surrounding our estates.

We integrate the responsibility to respect human rights into our culture to foster and support appropriate behaviours, beliefs and values. These values are encapsulated in our Human Rights Charter (the Charter)¹, which outlines our commitment towards the prevention of modern day slavery and human trafficking.

In the Charter, we endeavour to adhere to the standards and practices that are aligned with international principles², subject to the restrictions of the governing laws and regulations of the countries and territories in which we operate. When there is a conflict between local and international norms and/or standards, we aspire to uphold the higher standards, whenever possible.

The Charter articulates our commitments in:

- Providing equal opportunities,
- Respecting freedom of association,
- Eradicating exploitation,
- Ensuring favourable working conditions,
- Enhancing safety and health,
- Respecting community rights,
- Protecting the rights of children and vulnerable people; and
- Eliminating violence and sexual harassment.

Sime Darby Plantation continues to monitor and verify the progress of human rights initiatives within our operations through our Human Rights Task Force. Members of this task force comprise of representatives from various key departments that are fundamental in upholding human rights and the task force reports its progress to the Plantation Leadership Committee, Sustainability Committee and the Board of Directors.

¹ The Sime Darby Plantation Human Rights Charter can be found at the Sime Darby Plantation Website at <http://www.simedarbyplantation.com/sites/default/files/sustainability/sime-darby-human-rights-charter.pdf>

² Which includes, among others, the International Labour Organisation (ILO) core labour standards and relevant industry standards

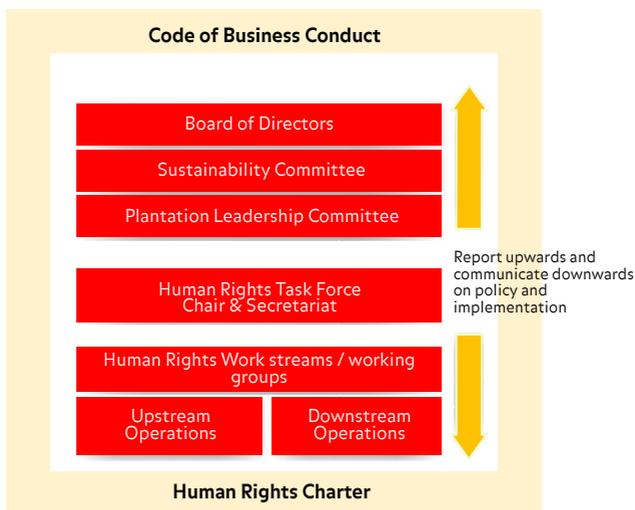


Diagram: Work Streams / Working Groups

Policies: Code of Business Conduct (COBC) & Vendor COBC

The Code of Business Conduct (COBC) articulates our business core values and acts as guidance to outline the standards of behaviour required. The COBC applies to all directors and employees of the Group, including employees on secondment to joint ventures, affiliates or associates. Counterparties are also expected to comply with the COBC while our business partners are encouraged to adopt similar principles and standards of behaviour.

The Vendor COBC on the other hand, provides guidance on the standards of behaviour required from all vendors of Sime Darby Plantation, and applies to all vendors of Sime Darby Plantation when conducting work for the Company, and all vendors' subsidiaries, affiliates and other parties that they have appointed to conduct work for Sime Darby Plantation.

The Group Procurement Policies and Authorities require our vendors to undergo a due diligence process and periodical performance evaluation to ensure compliance to their contractual obligations that are related to human rights.

IMPACT ASSESSMENT AND MITIGATION PLANS

For the year under review, we continue to implement recommended improvement plans and continue to monitor progress. We evaluate the outcomes from the action plans to ensure we reduce human rights risks to people.

On-going: Enhancing Workers Experience by Upholding Freedom of Movement

Since April 2018, we have successfully implemented our passport return programme to all 125 estates and 33 mills in Malaysia. The procedure for safe keeping provides workers with the opportunity to decide how and where they want their passports to be kept. Various engagement sessions have been conducted for workers to fully understand their options and exercise their freedom of choice.

We will continue to monitor and evaluate the effectiveness of the programme to identify areas for improvement.

On-going: Responsible Recruitment Practices in the Plantation Upstream Operations in Malaysia

During this period, we continue our work to improve recruitment practices of our migrant workers in upstream operations in Malaysia. This includes our support and involvement in various studies, research and advocacy for policy change with key national level and international stakeholders. We seek to address issues surrounding the recruitment process that affect our workers; particularly, unreasonable costs of recruitment leading to possible debt by workers in some countries of origin.

Direct hire

Sime Darby Plantation selects and recruits workers directly in the respective countries of origin. This includes participating in socialisation roadshows to attract potential candidates.

To ensure candidates are fully aware of the terms and conditions of work, prior to acceptance, materials such as videos, presentation slides and briefings are conducted in local languages. Candidates are required to provide written consent to confirm their voluntary acceptance of the job offer.

Direct hiring of workers allows for better control and management of the process. We work closely with our agents to have better oversight of sub-agents in the supply chain. Where we may leverage, Sime Darby Plantation endeavours to influence the market to instill responsible recruitment practices.

We recognise that long-term solutions will require multi-stakeholders involvement and government interventions. We will continue to engage and work with our stakeholders to jointly seek solutions to resolve the underlying issues facing recruitment of migrant workers.

In Indonesia, Sime Darby Plantation owns around 280,000 hectares of land with 70 estates and 23 mills. As of December 2018, we employ over 31,000 people and provide housing, healthcare and schools for their dependants.

This year, we continue to work on prevalent issues in our Indonesia operations and monitor implementation of improvement plans from our various assessments. On-going consultation with workers and other stakeholders are being conducted to address challenges pertaining to union capacity, casual workers vulnerability, working conditions, as well as health and safety in our estates.

MONITORING, DISCLOSURE AND REPORTING

Our business operations are subject to periodical internal audits, which include assessment of human rights risk areas to ensure the effectiveness of our policies and procedures.

Human rights violations, if any, can be reported through our Whistle Blowing Channel and Grievance Procedures. The Whistle Blowing Channel can be accessed via e-form, email or telephone and guarantees a secured avenue for employees, counterparts, business partners and individuals to report.

Action Taken: Enhancing our grievance mechanism

As part of our continuous improvement initiative, we will be focussing on improving our grievance channels to be more effective by making it accessible to all, allowing greater reach and providing a rights-based approach.

In November 2018, an enhanced helpline for our plantation workers employed at our estates in Malaysia was launched. The goal of the helpline is to provide an effective avenue for workers to report on working conditions, recruitment, safety and other issues that might affect them directly or indirectly via a technology-enabled communication channel.

The helpline allows workers to choose the channel they feel most comfortable with, whether via SMS, Facebook Messenger or a toll-free number, staffed 7 days a week at peak call times, with messaging options for off-hours. The system's multi-language capability is expected to enhance communications, thus raising further understanding, accessibility and promoting trust in the use of the helpline among workers of different nationalities.

The helpline not only provides an effective channel for our workers to raise any issues they may have, but more importantly ensures these issues are handled via clear protocols with consistent attention to follow-up and resolution to the fullest extent possible. Independent monitoring by a third party will accord a higher level of accountability for us to act on our workers' grievances.

This collaborative approach together with Nestlé leverages on the worker voice system co-developed by Responsible Business Alliance's (RBA) Responsible Labour Initiative, and by ELEVATE which implements the world-class Amader Kotha helpline in Bangladesh. The enhanced helpline strengthens existing established grievance procedures and whistle blowing channels which are already available to all of our employees and external parties.

CAPACITY BUILDING

In Sime Darby Plantation, we invest in capacity building and education of our employees so that they are empowered to carry out their tasks and responsibilities well. For the year under review, we continued to build the capacity of personnel/duty bearers on the ground serving key support functions for vulnerable groups such as migrant workers, women and children.

STAKEHOLDER ENGAGEMENT

Sime Darby Plantation is committed to strengthen our engagement with NGOs, industry bodies and civil society to ensure continuous improvement in our own operations and extended supply and value chains.

This year, we proceeded to develop on-going solutions to overcome complex and common human rights challenges. We continue to maintain good relations and engage in constructive dialogues with multiple stakeholders. They include local and international non-governmental organisations, as well as international development agencies which focus on issues surrounding human rights.

BOARD APPROVAL

The Board of Directors of Sime Darby Plantation Berhad and New Britain Oils Limited have endorsed this statement of commitment at their respective board meetings.



Tan Sri Dato' Mohd Bakke Salleh

Executive Deputy Chairman & Managing Director

On behalf of Sime Darby Plantation Berhad



Andrew Worrall

Managing Director

On behalf of New Britain Oils Ltd

