

Dear friends and colleagues,

Today, I am pleased to introduce Sime Darby's Responsible Agriculture Charter. This Charter reflects our commitment to best practice and continuous improvement in all our undertakings, to embody the values of sustainable development with all those who are part of our family, whose lives we touch in some way, and to the planet we call home. It is a commitment to future generations that we will use responsibly, the resources we have today so they can continue enjoying the quality of life we want for our children and theirs beyond them.

With the world's population set to reach 9.7 billion in 2050, we believe that responsible agriculture plays a critical role to ensure food security needs are met, without the destruction of essential natural habitats and ecosystems. We also believe that responsible agriculture can provide a pathway to alleviate rural poverty and improve livelihoods sustainably.

This Charter marks an important juncture in Sime Darby's sustainability journey. It captures commitments made as far back as the 1980s and our continuing efforts since then. It includes the foundational Principles & Criteria of the Roundtable on Sustainable Palm Oil (RSPO), as well as, the aspirations and commitments for our course ahead. In particular, we publicly state our aspirations and commitments that form the basis of our attempt to address the continuing challenges around no-deforestation, no-peat and no-exploitation, across all our agricultural commodities. As I have stated before, when Sime Darby makes a commitment, we will work tirelessly to achieve it and are open to working with stakeholders to ensure the best outcome.

We understand there are stakeholders who feel we have not been ambitious enough in the commitments and targets in this Charter. Especially those related to community livelihoods, labour standards, peat restoration, transparency, as well as, the pace of implementation. We recognise their frustration and understand their position. We seek their patience and support. There are many complex issues and inter-relationships that need to be unravelled in order for us to resolve many of the challenges that are facing us. These include working with small farmers to find a balanced outcome in their quest to achieve a better standard of living for their families, allowing them access to global markets, as well as, navigating the challenges posed by environmental stewardship. As a company we face, every day, the challenges of balancing the hopes and aspirations of governments, nations and communities, against the greater need for environmental stewardship and the achievement of social equity.

We believe that open sharing, honest discussions and objective collaboration are key to addressing these complex issues. Towards this end, we would also like to express our intention to apply for membership to the Palm Oil Innovation Group (POIG). POIG is a collective of progressive palm oil companies and brands, together with environmental and social NGOs that are working to push the boundaries of current requirements of the RSPO and other standards. We recognise that we may not be successful in our attempt to join POIG, but feel that it is worthwhile to try.

In many ways, this Charter represents a new starting point for Sime Darby. It will be reviewed periodically to further define material areas of work, include emerging issues, and expand our ambition. To enable this process of continuous improvement, we will ensure that an appropriate framework for monitoring, reporting and validation is in place.

Validation will include open channels for stakeholders to provide their feedback, and forums for these views to be discussed. Sime Darby's Responsible Agriculture Charter forms the foundation for our actions today. The views of our stakeholders are critical building blocks for a Charter that delivers on the needs of tomorrow.

I welcome your feedback and the opportunity to work with you to ensure we achieve our joint goal of creating value for all our stakeholders.

Yours sincerely,



Mohd Bakke Salleh
President & Group Chief Executive
Sime Darby Berhad