



Plantation

GROUP BIODIVERSITY POLICY STATEMENT

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Sime Darby Plantation (SDP) has a strong legacy of environmental stewardship. We are committed to having a positive impact on the environment and have made significant strides in safeguarding the environment. We believe that businesses have a fundamental responsibility to conserve nature and ensure its sustainable usage through effective conservation and management of lands and waterways.

SDP's Responsible Agriculture Charter (RAC) articulates our firm commitment to No Deforestation, No new development on Peat and No Exploitation (NDPE). We continue to review and improve our commitment to NDPE, and responsible agricultural practices as outlined in the RAC to ensure that we can continue to minimise any harm that may result from our operations.

In alignment with the strategic vision and global roadmap outlined in the Global Biodiversity Framework (GBF) by the United Nations Convention on Biological Diversity (CBD) through 2030, SDP firmly supports the conservation, protection, and sustainable management of biodiversity and ecosystems. Guided by the targets set for businesses, SDP's biodiversity strategy is focused on preserving and enhancing biodiversity, aiming to foster its resilience and its thriving nature.

Scope and Approach

Our commitments extend to areas within and beyond our concession land, including any High Conservation Value (HCV), High Carbon Stock (HCS) and set-aside lands. Through our Responsible Sourcing Guidelines, we ensure that our commitments to biodiversity conservation are upheld throughout our supply chain, including third-party suppliers' operations that we source directly or indirectly from. We are dedicated to minimising instances of non-conformance by implementing prompt and appropriate corrective actions.

We recognise the inherent value of forests and their biodiversity content, as well as the scarcity of natural resources and threats posed by climate change. Our commitment is focused on achieving the following goals:

- Rehabilitation of ecosystems and their values - where deforestation or conversion has occurred - to their prior conditions guided by the Remediation and Compensation Procedures (RACP). The RACP was established in 2014 to address land clearance and plantation development undertaken without prior High Carbon Value (HCV) assessments since November 2005.
- Reforestation through large-scale tree planting initiatives to enhance biodiversity and ecosystem services.
- Establishment of buffer zones to provide added protection for wildlife in forested areas. Best management practices are implemented to conserve peatland and prevent soil erosion.
- Adequate land-use planning, including setting aside areas for conservation that takes into consideration wildlife survival needs and proper management to provide resilient landscapes for wildlife.
- Addressing human-wildlife conflicts within plantation boundaries, including the prohibition of hunting of all species through implementation of evidence-based practices and building tolerance to promoting coexistence.
- Achieving 100% deforestation-free operations across our entire supply chain by 2025.

We will continue to regularly monitor, assess, and transparently disclose our risks, dependencies and impacts on biodiversity. This includes assessing the impacts of our operations, products and services on biodiversity and reporting on our progress.

We will continuously engage with our employees, communities, and suppliers to provide them with the support and training in implementing our commitments.

To accelerate action, we will foster partnerships and joint initiatives to ensure efficient use of resources and knowledge. This includes forming collaborations within our supply chain for collective action.

Review

This statement shall be read together with the RAC as a complete approach to our sustainability commitments. It shall be reviewed regularly to ensure that it is updated to meet stakeholder requirements and practical in its implementation.

We will report our performance and progress quarterly to the Board Sustainability Committee and disclose progress to external stakeholders through our Annual Integrated Reports and Sustainability Reports, where available.

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Group Managing Director
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