



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

NEAR-TERM TARGET VALIDATION REPORT

Sime Darby Plantation Berhad

30 November 2023

Partner Organizations



In collaboration with





ABOUT THE SCIENCE BASED TARGETS INITIATIVE

The Science Based Targets initiative (SBTi) is a global body enabling companies and financial institutions to set ambitious emissions reduction targets in line with the latest climate science. The SBTi's goal is to accelerate businesses across the world to support the global economy to halve emissions before 2030 and achieve net-zero before 2050.

The initiative is a collaboration between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF) and one of the We Mean Business Coalition commitments. The SBTi defines and promotes best practice in science-based target setting, offers resources and guidance to reduce barriers to adoption, and independently assesses and approves companies' targets.

SBTi GLOBAL MOMENTUM BY THE NUMBERS



Data collected in 31/12/2022

A vertical photograph on the left side of the page shows a person standing on a grassy hill, looking out over a large lake and distant mountains under a clear sky. The foreground is filled with golden-brown grass.

INTRODUCTION

This report presents the results and recommendations of the submitted targets assessed against the SBTi Criteria and guidance. This includes an overview of the GHG emissions sources and inventory, target setting methodologies and ambition, emissions included in the target boundary, and company-specific feedback from the validation process, if applicable. A detailed overview of the criteria is provided in the appendix. The approved target language, which will be listed on the SBTi website and should be used in all company communications, is as follows:

Sime Darby Plantation Berhad commits to reduce absolute scope 1 and 2 GHG emissions 42% by 2030 from a 2020 base year.* Sime Darby Plantation Berhad also commits that 79% of its customers and suppliers by emissions covering purchased goods and services, capital goods, fuel and energy related activities, upstream and downstream transportation and distribution, and processing of sold products will have science-based targets by 2027.*

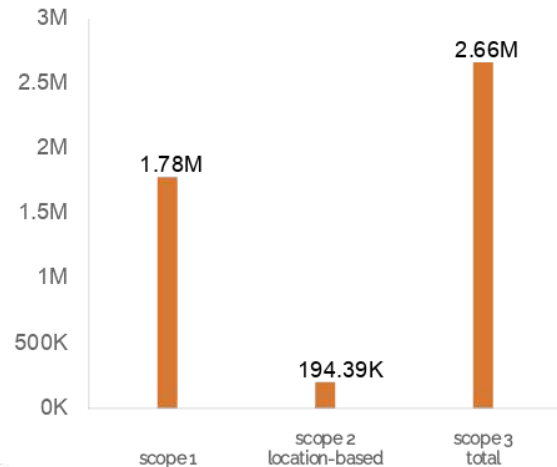
*The target boundary includes land-related emissions and removals from bioenergy feedstocks.

The SBTi's Target Validation Team has classified Sime Darby Plantation Berhad's scope 1 and 2 target ambition and has determined it is in line with 1.5C trajectory.

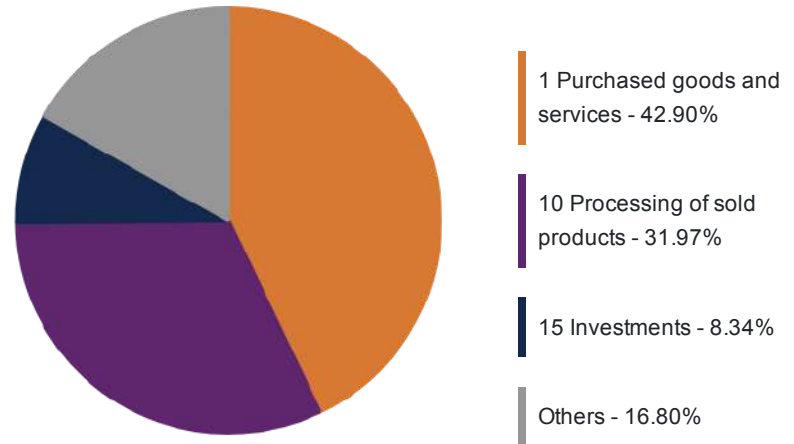
GHG INVENTORY OVERVIEW

Sime Darby Plantation Berhad has submitted one GHG inventory for review by SBTi's Target Validation Team. In the calendar year of 2020 the company has reported total of 4,631,575 GHG emissions (tCO₂e) in the full minimum boundary (scopes 1, 2 and 3). Sime Darby Plantation Berhad has reported no emissions outside of minimum boundary. Additionally, Sime Darby Plantation Berhad has reported emissions from the combustion, processing and distribution phase of bioenergy and the land use emissions and removals, associated with bioenergy feedstocks. The full breakdown of Sime Darby Plantation Berhad's GHG inventory, including optional and biogenic CO₂ emissions, is provided below.

TOTAL GHG EMISSIONS (tCO₂e) 2020



SCOPE 3 BREAKDOWN BY CATEGORY



2020 GHG INVENTORY

		Minimum boundary emissions	Share of total emissions (location-based scope 2)	Share of total emissions (market-based scope 2)	Percentage excluded from inventory	Outside minimum boundary (optional)	Bioenergy emissions	Bioenergy removals	Biogenic total
SCOPE 1 & 2	Scope 1	1,775,438.00	38.33%	N/A	0.80%	N/A	2,650,747.00	2,650,747.00	0.00
	Scope 2 location-based	194,392.00	4.20%	N/A	N/A	N/A	6,438.00	6,438.00	0.00
	Scope 2 market-based	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
SCOPE 3	1. Purchased goods and services	1,141,795.00	24.65%	N/A	1.79%	N/A	N/A	N/A	N/A
	2. Capital goods	210,433.00	4.54%	N/A	N/A	N/A	N/A	N/A	N/A
	3. Fuel- and energy-related activities	45,090.00	0.97%	N/A	N/A	N/A	25,643.00	N/A	25,643.00
	4. Upstream transportation and distribution	107,083.00	2.31%	N/A	2.56%	N/A	7.00	N/A	7.00
	5. Waste generated in operations	8,835.00	0.19%	N/A	N/A	N/A	N/A	N/A	N/A
	6. Business travel	4,312.00	0.09%	N/A	N/A	N/A	N/A	N/A	N/A
	7. Employee commuting	27,917.00	0.60%	N/A	N/A	N/A	N/A	N/A	N/A
	8. Upstream leased assets	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	9. Downstream transportation and distribution	13,574.00	0.29%	N/A	N/A	N/A	N/A	N/A	N/A
	10. Processing of sold products	850,882.00	18.37%	N/A	N/A	N/A	N/A	N/A	N/A
	11. Use of sold products	18,960.00	0.41%	N/A	N/A	N/A	272,710.00	272,710.00	0.00
	12. End-of-life treatment of sold products	10,887.00	0.24%	N/A	N/A	N/A	N/A	N/A	N/A
	13. Downstream leased assets	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	14. Franchises	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	15. Investments	221,977.00	4.79%	N/A	N/A	N/A	7,550.00	N/A	7,550.00

OVERVIEW OF NEAR-TERM SCIENCE-BASED TARGETS

Sime Darby Plantation Berhad has submitted 2 near-term targets for review by the SBTi. All targets have been assessed against the SBTi's quantitative and qualitative criteria, along with the Target Validation Protocol. For approval, a company's targets must comply with all applicable requirements. The following is an overview of the approved targets:

Target wording	Public?	Base year	Most recent year	Target year	Type	Target value	Method used
Sime Darby Plantation Berhad commits to reduce absolute scope 1 and 2 GHG emissions 42% by 2030 from a 2020 base year.	Yes	2020	2020	2030	Absolute	42.0%	Absolute contraction
Sime Darby Plantation Berhad also commits that 79% of its customers and suppliers by emissions covering purchased goods and services, capital goods, fuel and energy related activities, upstream and downstream transportation and distribution, and processing of sold products will have science-based targets by 2027.*	Yes	2020	2020	2027	Engagement	79.0%	Supplier engagement

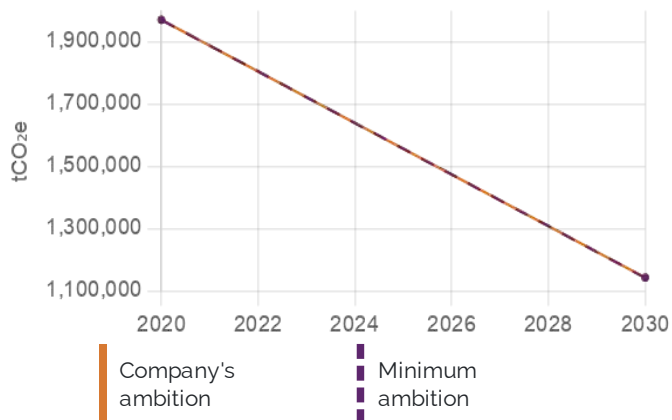
OVERVIEW OF NEAR-TERM SCIENCE-BASED TARGETS

Sime Darby Plantation Berhad commits to reduce absolute scope 1 and 2 GHG emissions 42% by 2030 from a 2020 base year.

Public: Yes

Temperature classification: 1.5°C

ABSOLUTE EMISSIONS



Target Coverage

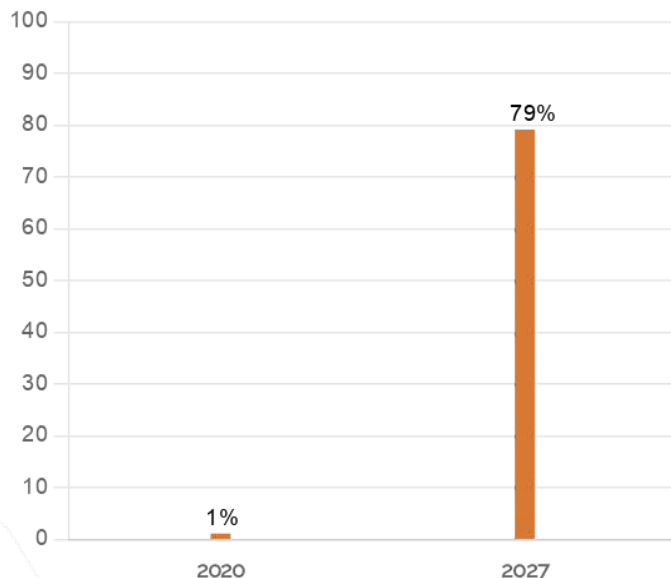
GHG Inventory breakdown	Minimum boundary emissions	Outside minimum boundary	Biogenic Total
Scope 1	100.00%	N/A	N/A
Scope 2 location-based	100.00%	N/A	N/A
Scope 3 total	N/A	N/A	N/A
1. Purchased goods and services	N/A	N/A	N/A
2. Capital goods	N/A	N/A	N/A
3. Fuel- and energy-related activities	N/A	N/A	N/A
4. Upstream transportation and distribution	N/A	N/A	N/A
5. Waste generated in operations	N/A	N/A	N/A
6. Business travel	N/A	N/A	N/A
7. Employee commuting	N/A	N/A	N/A
8. Upstream leased assets	N/A	N/A	N/A
9. Downstream transportation and distribution	N/A	N/A	N/A
10. Processing of sold products	N/A	N/A	N/A
11. Use of sold products	N/A	N/A	N/A
12. End-of-life treatment of sold products	N/A	N/A	N/A
13. Downstream leased assets	N/A	N/A	N/A
14. Franchises	N/A	N/A	N/A
15. Investments	N/A	N/A	N/A

OVERVIEW OF NEAR-TERM SCIENCE-BASED TARGETS

Sime Darby Plantation Berhad also commits that 79% of its customers and suppliers by emissions covering purchased goods and services, capital goods, fuel and energy related activities, upstream and downstream transportation and distribution, and processing of sold products will have science-based targets by 2027.*

Public: Yes

ENGAGEMENT TARGETS



Target Coverage

GHG Inventory breakdown	Minimum boundary emissions	Outside minimum boundary	Biogenic Total
Scope 1	N/A	N/A	N/A
Scope 2 location-based	N/A	N/A	N/A
Scope 3 total	70.21%	N/A	N/A
1. Purchased goods and services	97.00%	N/A	N/A
2. Capital goods	90.00%	N/A	N/A
3. Fuel- and energy-related activities	100.00%	N/A	N/A
4. Upstream transportation and distribution	82.00%	N/A	N/A
5. Waste generated in operations	N/A	N/A	N/A
6. Business travel	N/A	N/A	N/A
7. Employee commuting	N/A	N/A	N/A
8. Upstream leased assets	N/A	N/A	N/A
9. Downstream transportation and distribution	100.00%	N/A	N/A
10. Processing of sold products	50.00%	N/A	N/A
11. Use of sold products	N/A	N/A	N/A
12. End-of-life treatment of sold products	N/A	N/A	N/A
13. Downstream leased assets	N/A	N/A	N/A

APPENDIX

Recommendations

Overview of compliance with SBTi Criteria

Communication of your targets

Mandatory reporting of progress against targets

Mandatory target review and target recalculation



RECOMMENDATIONS

The SBTi recommends collecting the necessary data to calculate category 12: End-of-life treatment of sold products, as the current category 12 figure only covers the end-of-life treatment of packaging.

OVERVIEW OF COMPLIANCE WITH SBTI CRITERIA

I. GHG EMISSIONS INVENTORY AND TARGET BOUNDARY

1. Organizational boundary	Operational control was chosen by Sime Darby Plantation Berhad as the consolidation approach, and all subsidiaries have been accounted for in the inventory boundary. Therefore, the target submission complies with Criterion 1.	Compliant
2. Greenhouse gases	All GHGs have been included in the inventory and target boundary. The target submission therefore complies with Criterion 2.	Compliant
3. Scope 1 and Scope 2	Sime Darby Plantation Berhad has set a target covering company-wide scope 1 and 2 emissions. The target submission therefore complies with Criterion 5.	Compliant
4. Requirement to have a scope 3 target	Sime Darby Plantation Berhad's scope 3 emissions amount to 57.47% in scope 3 base year of 2020, which is more than 40% threshold set by SBTi. Sime Darby Plantation Berhad has set a target that covers scope 3. Therefore, the target submission complies with Criterion 4.	Compliant
5. Scope 1 and 2 significance thresholds	The proposed scope 1 and 2 target covers 99.20% of the Sime Darby Plantation Berhad's scope 1 and 2 emissions in the base year of 2020, which is more than 95% threshold set by SBTi. The target submission therefore complies with Criterion 5.	Compliant

OVERVIEW OF COMPLIANCE WITH SBTI CRITERIA

6. Scope 3 emissions coverage for near-term targets	The proposed scope 3 target covers 70.21% of scope 3 emissions, which passes SBTi threshold of two thirds of scope 3 emissions. Therefore submission complies with Criterion 18.	Compliant
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II. METHOD VALIDITY

7. Method validity	Sime Darby Plantation Berhad's 2 separately modeled targets that have been assessed against multiple methods approved by the initiative. The target submission therefore complies with Criterion 7.	Compliant
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III. EMISSIONS ACCOUNTING REQUIREMENTS

8. Scope 2 accounting approach	A location-based approach is used to account for scope 2 emissions and to track performance. The target submission therefore complies with Criterion 8.	Compliant
9. Scope 3 screening	A complete screening or inventory has been carried out by Sime Darby Plantation Berhad with scope 3 GHG emissions accounting for 57.47% of the total emissions. The target submission therefore complies with Criterion 9.	Compliant
10. Bioenergy accounting	The company correctly reported CO2 emissions from the combustion, processing and distribution phase of bioenergy and the land use emissions and removals, associated with bioenergy feedstocks and has included them in the target boundary. Therefore, the target submission complies with Criterion 10.	Compliant
11. Carbon credits	The submitted targets do not include carbon credits. Therefore, the target submission complies with Criterion 11.	Compliant

OVERVIEW OF COMPLIANCE WITH SBTI CRITERIA

12. Avoided emissions	The submitted targets do not include avoided emissions. Therefore, the target submission complies with Criterion 12.	Compliant
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IV. TARGET FORMULATION

13. Base and target years	At least one target has not been accessed under this Criterion, as it has been approved by SBTi beforehand and has not been revisited within this validation. For the accessed targets, the target year(s) are between 5 and 10 years from the submission date. The target submission therefore complies with Criterion 13.	Compliant
14. Progress to date	The targeted reduction between the base year and the most recent year leads to emissions reductions in line with a 1.5°C pathway. The target submission therefore complies with Criterion 14. However, at least one target has not been accessed under this Criterion, as it has been approved by SBTi beforehand and has not been revisited within this validation.	Compliant

V. AMBITION

15. Level of ambition for scope 1 and 2 targets	The proposed reduction in scope 1 and 2 emissions is aligned with a rate of decarbonization consistent to keep global temperature increase to 1.5°C compared to pre-industrial temperatures. The target submission therefore complies with Criterion 15.	Compliant
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OVERVIEW OF COMPLIANCE WITH SBTI CRITERIA

16. Absolute targets	Absolute reductions are as ambitious as the minimum emissions reductions required to align with the SBTi's 1.5°C temperature pathways. The target submission therefore complies with Criterion 16.	Compliant
17. Intensity targets	No scope 1 and 2 intensity targets were submitted. Therefore, Criterion 17 is not applicable.	N/A
18. Level of ambition for scope 3 emissions reduction targets	The proposed scope 3 target meets the minimum level of ambition required. The target submission therefore complies with Criterion 18.	Compliant
19. Supplier or customer engagement targets	The proposed supplier engagement target meets all relevant timeframe, boundary, and ambition requirements. The target submission therefore complies with Criterion 19.	Compliant
20. Combined scope targets	No combined scope 1+2+3 targets were submitted, and therefore Criterion 20 is not applicable.	N/A
21. Renewable electricity	No dedicated renewable electricity targets have been submitted, and therefore Criterion 21 is not applicable.	N/A
22. Fossil fuel sales or distribution	Sime Darby Plantation Berhad is not involved in the distribution of natural gas or other fossil fuel products, and therefore Criterion 22 is not applicable.	N/A

OVERVIEW OF COMPLIANCE WITH SBTI CRITERIA

23. Companies in the fossil fuel production business or with significant revenue from fossil fuel business lines	Sime Darby Plantation Berhad is not involved in exploration, extraction, mining and/or production of oil, natural gas, coal or other fossil fuels, nor does the company derive 50% or more of its revenue from fossil fuels. The target submission therefore complies with Criterion 23.	Compliant
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VI. SECTOR SPECIFIC GUIDANCE

24. Requirements from sector-specific guidance	No relevant sector-specific guidance is available, and therefore criterion 24 is not applicable.	N/A
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VII. REPORTING AND RECALCULATION

25. Frequency	Sime Darby Plantation Berhad has committed to publicly reporting its full GHG inventory and target progress annually in a disclosed location. The target submission therefore complies with Criterion 25.	Compliant
26. Mandatory target recalculation	Sime Darby Plantation Berhad agrees to review and if necessary, recalculate and revalidate its targets following the most recent criteria at a minimum of every 5 years. Sime Darby Plantation Berhad has set a 5% significance threshold for emission recalculations. The target submission therefore complies with Criterion 26.	Compliant
27. Target validity	Sime Darby Plantation Berhad agrees to publicly announce its targets by May, 2024. The target submission therefore complies with criterion 27.	Compliant

COMMUNICATION OF YOUR TARGETS

Consult the [SBTi communications pack](#) for information on publicly announcing your approved target(s). The SBTi plans to publish your approved target wording and temperature alignment on [our website](#) on Thursday following 30th of December, 2023.

To request a different publication date, contact the SBTi communications team at communications@sciencebasedtargets.org as soon as possible (please note this needs to be a Thursday). The SBTi requires approved target(s) to be published within six months from the date of target validation.

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MANDATORY REPORTING OF PROGRESS AGAINST TARGETS

To ensure maximum transparency, accountability, and corporate leadership, Sime Darby Plantation Berhad must publicly report the progress against any published targets on an annual basis along with your company-wide GHG emissions inventory as per criterion 25 of the [SBTi Criteria and Recommendations \(version 5.0\)](#).

When reporting progress against approved targets companies should disclose the following elements:

- Target description following the exact SBTi-aligned wording including target information such as the target type, coverage, base year and target year.
- Target progress from the target base year to the reporting year in terms of emissions reductions, share of renewable electricity, or supplier/ customer engagement (annual breakdowns are preferable). Variability between years is expected, so it is important to show trends over multiple years.
- Details on substantial emissions variations and targets reviews following the SBTi criteria about mandatory target review and target recalculation criteria.
- Actions towards meeting the target, including information on emission reduction projects in implementation and planning phase that will contribute to the achievement of their targets.
- Full GHG emissions inventory in accordance with the GHG Protocol Corporate Standard. Companies must report all emissions scopes (1, 2 and 3) and all scope 3 categories, including those that do not fall within a target boundary.

Please consult [the latest SBTi Corporate Manual](#) for more guidance.



MANDATORY TARGET REVIEW AND TARGET RECALCULATION

The IPCC special report on 1.5C highlighted the necessity to halve emissions by 2030 and to reach net-zero emissions by mid-century. Your science-based targets are a key element of your decarbonization trajectory while maximizing transparency and accountability.

In line with the SBTi Criteria, your company must review its targets against the latest criteria and guidance within five years, and if necessary, recalculate and revalidate for continued recognition by the SBTi.

The following changes should trigger a target recalculation:

- Scope 3 emissions become 40% or more of aggregated scope 1, 2 and 3 emissions.
- Emissions of exclusions in the inventory or target boundary change significantly.
- Significant changes in company structure and activities (e.g. acquisitions, divestitures, mergers, insourcing or outsourcing, shifts in goods or service offerings).
- Significant adjustments to the base year inventory or changes in data to set targets such as growth projections (e.g. discovery of significant errors or a number of cumulative errors that are collectively significant).
- Other significant changes to projections/assumptions used in setting the science-based targets.

Please consult criterion 26 and recommendation 11 of the [SBTi Criteria and Recommendations \(version 5.0\)](#), and [the latest SBTi Corporate Manual](#) for further guidance.



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