



Sime Darby: Leader in Sustainable Plantation

Globoil India (22 September 2016)



Plantation



120 Years Presence

Sime Darby Group: A Humble Beginning



William Sime



Henry Darby

1910



Sime Darby & Co's first office in Malacca (1910)



Alexander Guthrie

1896

***Daniel & Smith
Harrison***

***Joseph
Crosfield***

1895



Sime Darby's Headquarters in Kuala Lumpur (2016)

Sime Darby is now Malaysia's Leading Multinational Conglomerate



Plantation



Revenue
RM43.9bn

132,000 Employees

Excludes plasma/ smallholders' scheme (±100,000)

PBIT
RM3.1bn

26 Countries

Net Earnings
RM2.4bn

5 Core Businesses



Our Core Businesses



PLANTATION

INDUSTRIAL

MOTORS

PROPERTY

LOGISTICS

RM11.8bn

Revenue

RM11.8bn

Revenue

RM17.8bn

Revenue

RM2.7bn

Revenue

RM653mn

Revenue

RM1.86bn

PBIT

RM902mn

PBIT

RM605mn

PBIT

RM718mn

PBIT

RM86mn

PBIT

The Plantation Arm is the Largest PBIT Contributor to Sime Darby

5-year Average Revenue & PBIT



Plantation



Plantation

Pioneering Plantation Growth



1890s

The group's first 500 acres of rubber in Malaya



1960s

Development of Oil Palm



1980s – 2000s

Strengthening downstream capacities Globally



2007

Merger that Created the World's Largest Listed Oil Palm Plantation Company

In 2007, Guthrie, Golden Hope and Sime Darby was merged, to become the Largest Listed Plantation Company in the World

Fully integrated operations across the Palm Oil value chain



R&D

Seed Production
DxP seeds (Calix)



UPSTREAM

Oil Palm Nursery



Cultivation & Harvesting



Mills/ CPO and PK production (Biomass and POME by products)



RENEWABLES

Non-food/ Oleochemicals/ Biochemical/ Biomass/ Minerals



DOWNSTREAM

Packaging & branding
Food and non-food ingredients/ Consumer products/ Biodiesel



Refining/ PK crushing/ Oleochemicals/ Biodiesel processing



MIDSTREAM

Trading & marketing/ CPO bulking / Logistics



R&D, Sustainability & Quality Management are key enablers in the Value Chain

Upstream Portfolio Spread Across 5 Countries

SDP accounts for ~5% of total world CPO production



HA

- Landbank **1 mil ha**
- Planted area **~630,000 ha** *Excludes Plasma/ Outgrowers' scheme (100,000 ha)*

%

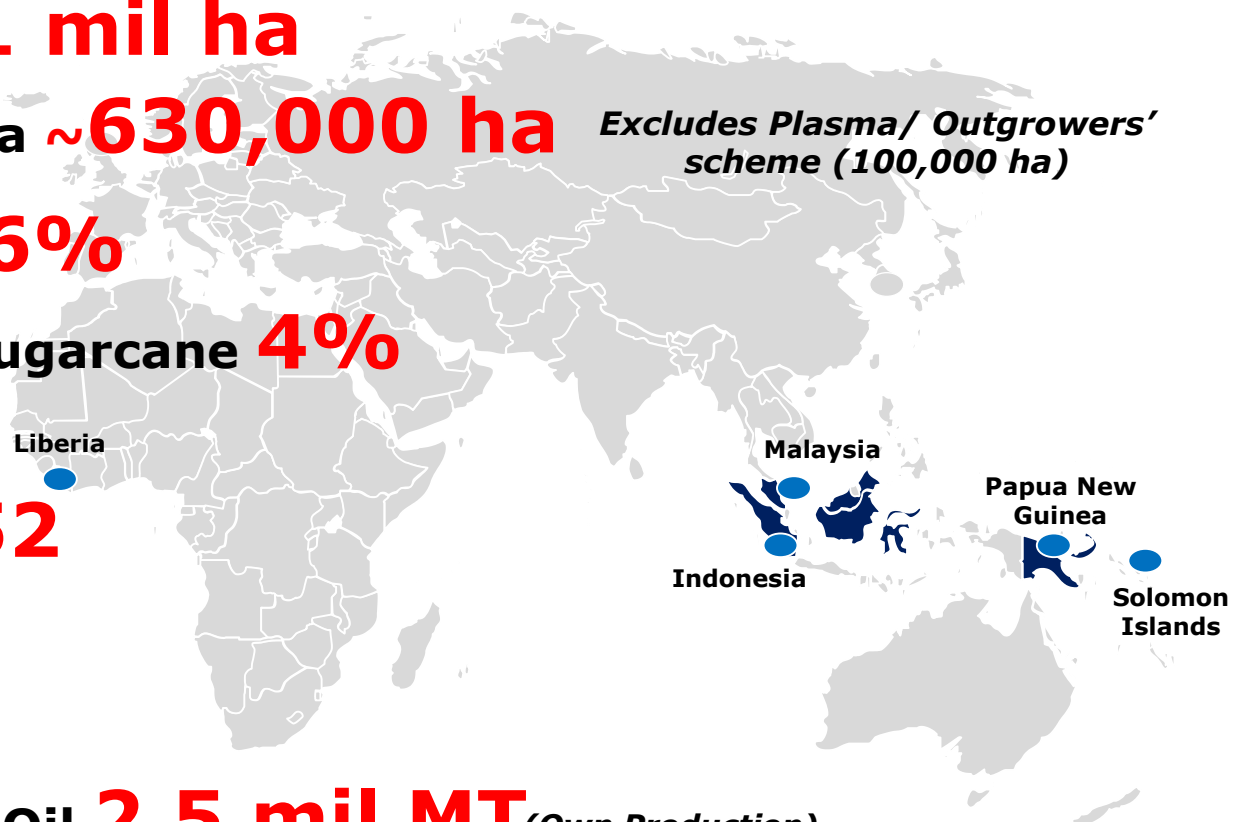
- Oil Palm **96%**
- Rubber & Sugarcane **4%**
- Cattle

#

- Estates **252**
- Mills **71**
- KCP **11**

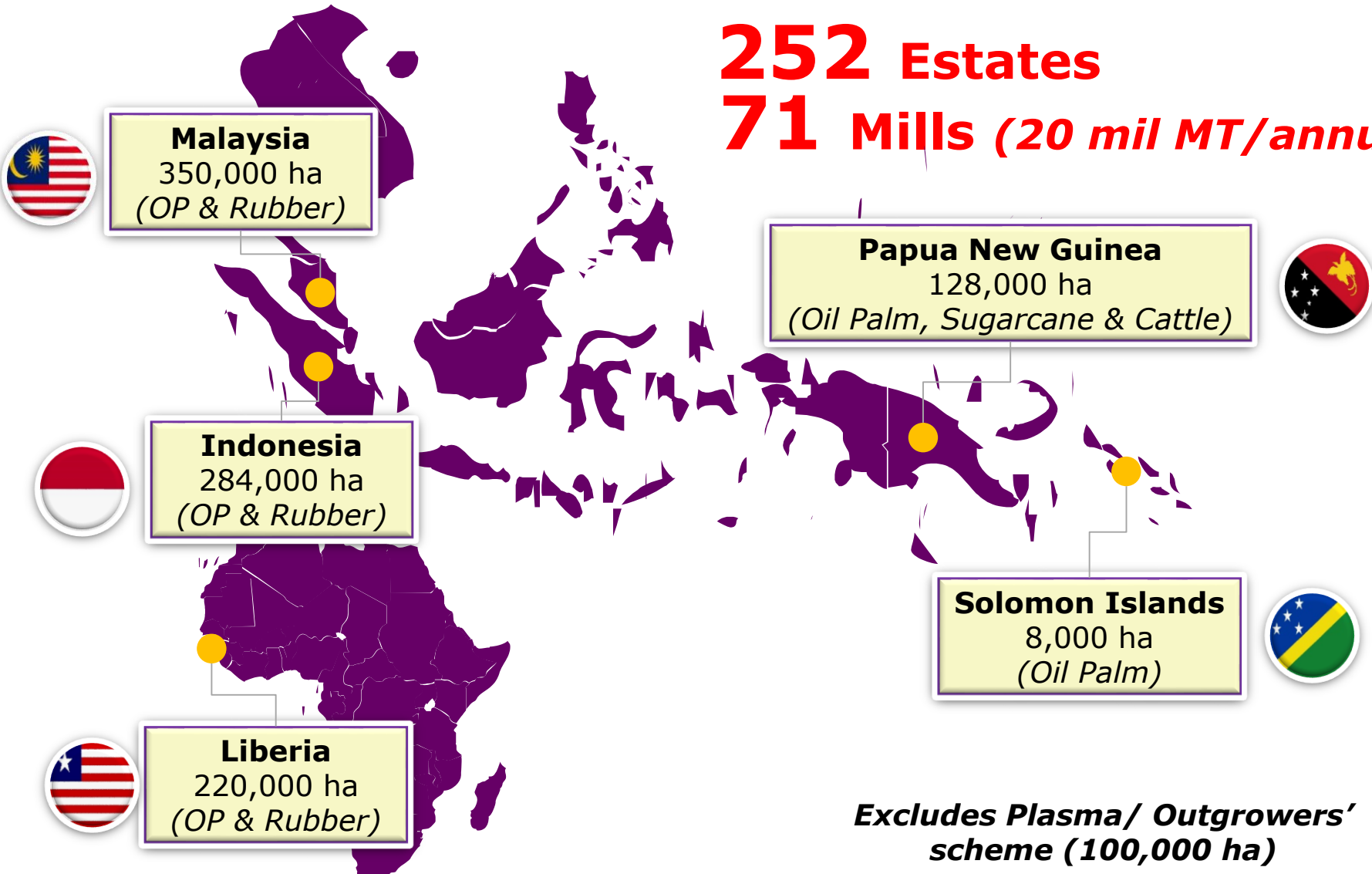
MT

- Crude Palm Oil **2.5 mil MT** *(Own Production)*
- Palm Kernel **0.6 mil MT** *(Own Production)*

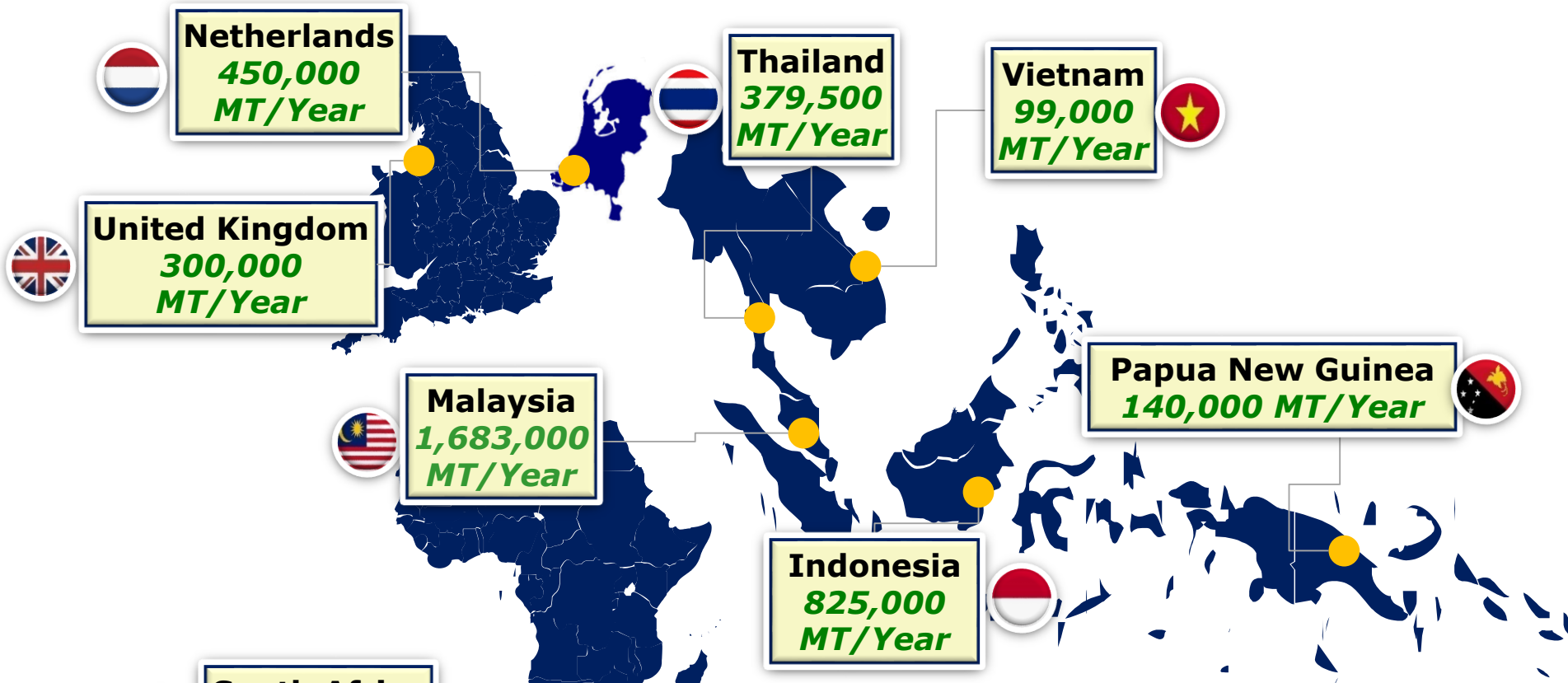


Landbank Across 5 Countries

252 Estates
71 Mills (20 mil MT/annum)



Extensive Downstream Operations Across the Globe



11 Refineries
(4 mil MT/annum)

2 Biodiesel Plants
(0.3 mil MT/annum)

10 Kernel Crushing Plants
(0.5 mil MT/annum)

3 Oleochemical Plants
(0.7 mil MT/annum)

5 Privately-Owned Ports

SDP's Downstream Products



Our renowned brands and winning products are used in food/non-food industries worldwide



Jomalina	Nuri	Kempas	Austral	Nusantara	Morakot	Nha Be	Unimills	Liverpool	H&K	Kumbango
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Renowned Brands



Bulk



Bulk

Bulk



FINEST
FRYING OIL



Bulk



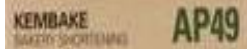
CHOICE
CAKE MARGARINE



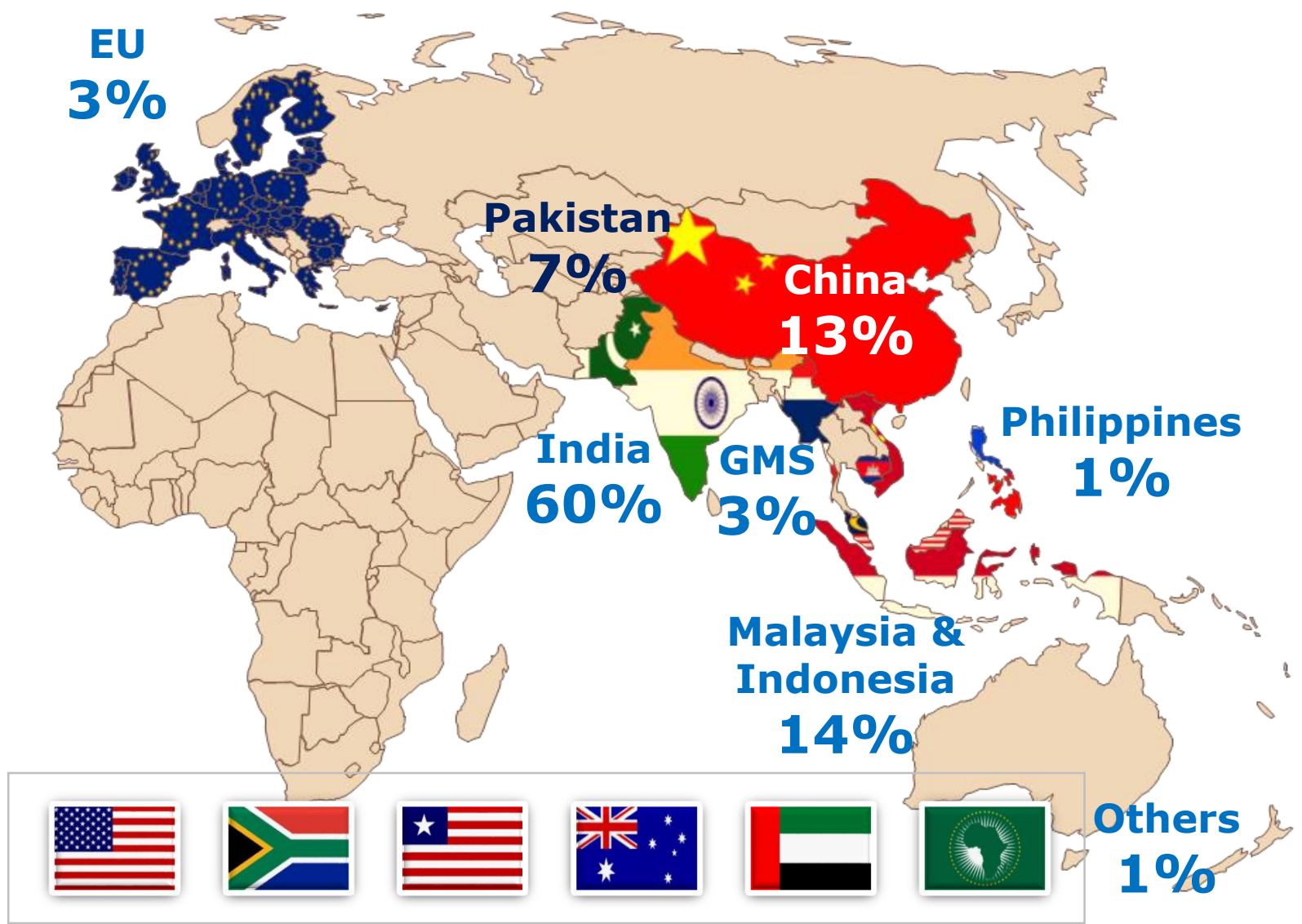
PREMIUM
PASTRY MARGARINE



SUPREME
SHORTENING



SDP's Global Market Reach for its Palm Products



Our Key Customers Worldwide



Plantation



Jomalina

Nuri

Kempas

Austral

Nusantara

Morakot

Nha Be

Unimills

Liverpool

H&K

Kumbango

Global Customers

Regional Customers

World's Largest Oil Palm Planting Material Producer

We have superior high-yielding planting materials



Genome Select Material

Future Planting
Material
(Post-2016)

Oil Yield
11
MT/Ha

Dami Super Family Seeds

New Progenies

Oil Yield
9
MT/Ha

Seed
Production

40 Mil/
Annum



Our Oil Palm materials are sold worldwide – Indonesia, Papua New Guinea, Thailand, Africa, Philippines & South America

Replanting for Future Growth

Our Young Immature Oil Palms are the Foundation of our Future



Mangala-2 Estate, Riau, Indonesia

Our Planting Materials - Heavy Fruiting at ~20 months



Plantation



Labu Estate, Malaysia

Field Operations - Heavily Mechanised

To improve productivity & manpower requirements



**Reduces manpower
requirement by 30-40%**

Making Our Mills & Refineries More Efficient & Safer



Kempas Mill, Malaysia



Teluk Bakau Mill, Indonesia



Morakot Refinery, Thailand



SD Hudson & Knight, South Africa

Sime Darby Plantation's Regional Innovation Centres to Serve Our Customers Across the Globe

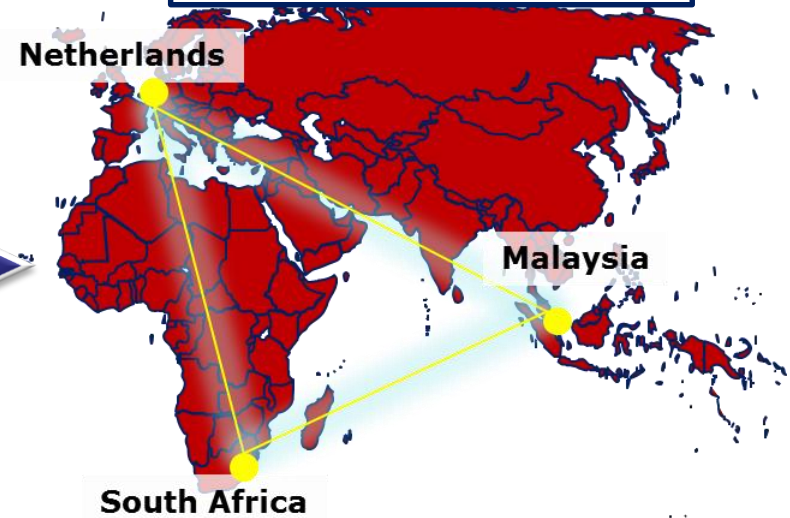


A Wide Range of Palm Products

11 Product Categories



Global Innovation Centers



FULLY SEGREGATED & TRACEABLE REFINERIES



Nuri Refinery



SD Unimills



New Britain Oils

35 Years of Sustainability Leadership



Plantation



Plantation

1992

EUNEP Global 500 Roll of Honour for commercialisation of **Zero Burning** practice

1985
Zero burning

1990

Biological control for IPM

1994
EMS-ISO 14001

2002
POME utilisation as compost

2002
Founding member of RSPO

2004
First GlobalGAP certification

2008
Achieved RSPO certification

2010
First certification of SCCS and ISCC

2014
Sustainable Palm Oil Manifesto – HCS Study

2016 and beyond
Responsible Agriculture Charter (RAC)

TODAY

- Largest producer of certified sustainable palm oil (CSPO)
- Leading total sustainable production, food safety, CSR, and GHG reduction
- Pioneers of the Zero Burning Policy

Strengthening Sustainability Leadership



Just being RSPO-Certified is not enough

<p>1 Implement "Best in Class" Standards</p> <ul style="list-style-type: none"> • RSPO – 100% Certification • ISPO/ MSPO/ HCS • ISLC • UNGCC • GRI 	<p>3 Differentiate Brand & Credentials</p> <ul style="list-style-type: none"> • Transparent disclosure • Responsible Sourcing Guidelines • Strengthen relationships with key stakeholders • Participation on global platforms
<p>2 Value Creation</p> <ul style="list-style-type: none"> • Sustainable products • Supply chain • Smallholder development • Expand markets in Europe, U.S., Africa & India 	<p>4 Lead the Industry</p> <ul style="list-style-type: none"> • Participation in advancement of standards <ul style="list-style-type: none"> ✓ Fire Prevention Programme ✓ National Green Agenda • Malaysia – Indonesia regional partnership (CPOPC) • Innovation initiatives • Responsible Agriculture Charter • Sustainable Partnership with Global NGOs



The Largest CSPO Producer in the World



Annual Global CSPO Production Capacity



10.95 mil MT
(31 July 2016)



Plantation

99%

RSPO-certified



100%



96%



100%

Traceability from Upstream to Downstream

Open Palm Traceability Dashboard



YTD Traceability % (Period 12 - Jun 2015)

Legend

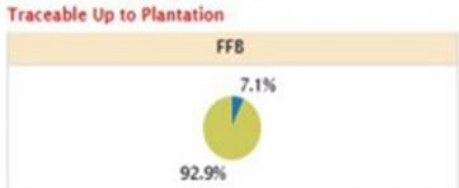
- Non-Traceable
- Traceable

Fin. Year: 2015

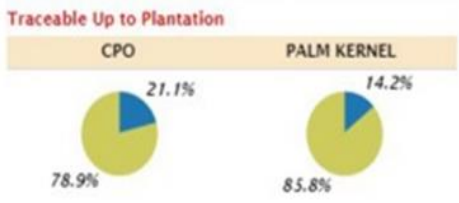
Fin. Mth: Period 12 - Jun

Mth/YTD: YTD

UPSTREAM



DOWNSTREAM



UPSTREAM

	Estate	Mill	Bulking
Malaysia	128	34	3
Indonesia	72	25	5
Liberia	6		
PNG	46	11	1
S.Islands	3	1	

DOWNSTREAM

	Ref	KCP	Biofuel
Malaysia	4	2	1
Indonesia	1	2	
PNG	1	5	
S.Islands		1	
Thailand	1		
Vietnam	1		
N'lands	1		
UK	1		
S. Africa	1		

Palm Oil Traceability



REFINERIES, MILLS & BULKING STATIONS

Select: Mill

Legend: IP, MB, Non IP/MB

2°54'20.5"N 10... ★

[View larger map](#)

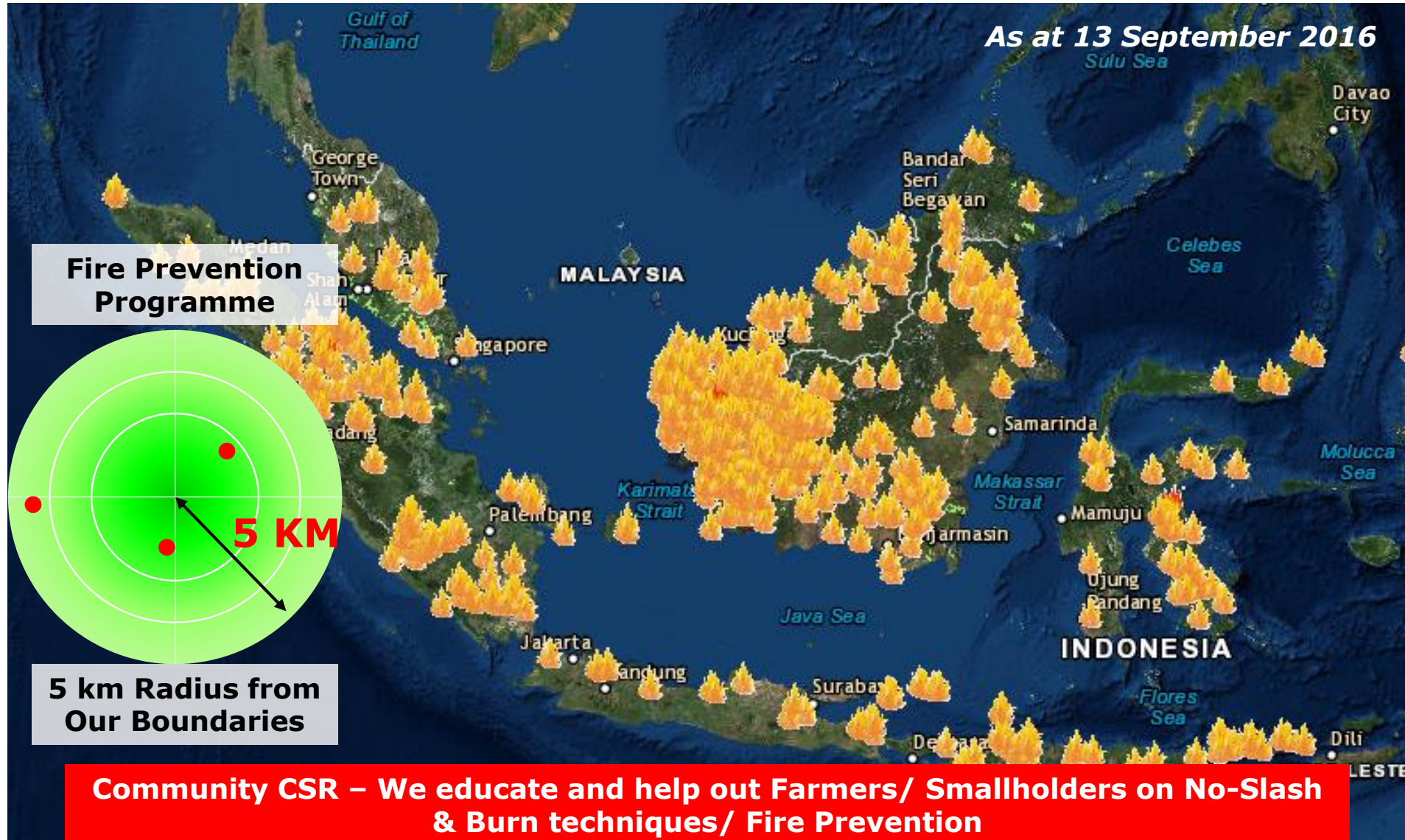
Our Efforts to Reduce Haze

Hotspot Monitoring Dashboard



Plantation

As at 13 September 2016



Fire Prevention Programme

5 km Radius from Our Boundaries

Community CSR – We educate and help out Farmers/ Smallholders on No-Slash & Burn techniques/ Fire Prevention

SDP's Stringent Approach to Sustainable Agricultural Development

1

**Social & Environmental Impact Assessment (SEIA)
High Conservation Value Assessment (HCV)**

**2**

**New Planting Policy (NPP)
Free, Prior, Informed Consent
(FPIC) Communications Strategy**

**3**

Land Development & Planting

**4**

Community Development

Preserving Natural Habitats/ Wildlife in our Plantations



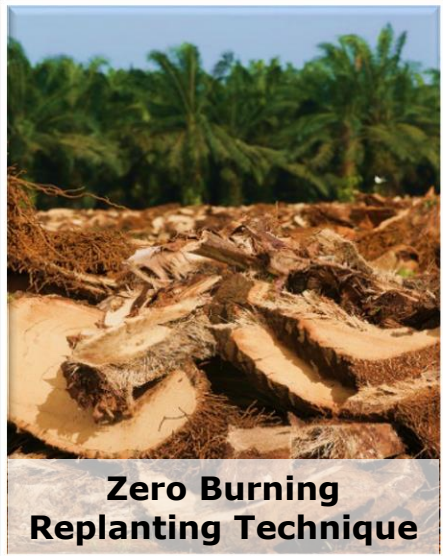
Plantation



Integrated Pest Management (IPM)



Water Catchment Area Within Estates



Zero Burning Replanting Technique



Ground Cover Crops for Soil & Moisture Conservation



Rehabilitation of Orang Utan habitat in Ulu Segama Sabah

Our Commitment To Uplift Employees' Living Standards



School built in Senii Town, Liberia



Buses provided to school children in Liberia



Surau



Temple



Church

Places of Worship

Providing Our Employees with Best-In-Class Living Standards



Housing Facilities



Staff Training



Recreational Parks/ Areas



Clinics

Corporate Social Responsibility

Community outreach, charity and volunteer programmes



Plantation



Charity Engagements



Scholarships



School Camps

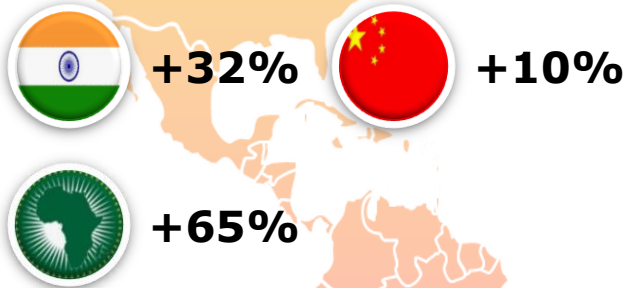
Global Palm Oil Outlook



Plantation

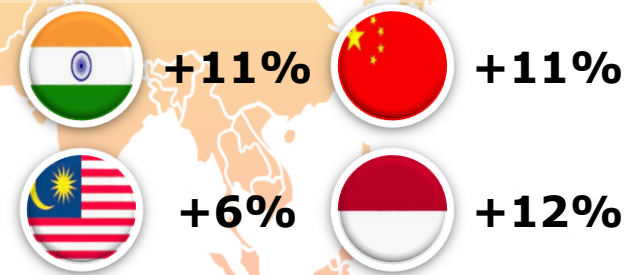
High Global Population Growth

Population Growth*

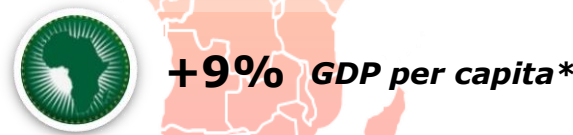


Asia, the Growth Driver

GDP per capita CAGR*



Rapid Urbanisation in Asia & Africa



Technology & Innovation

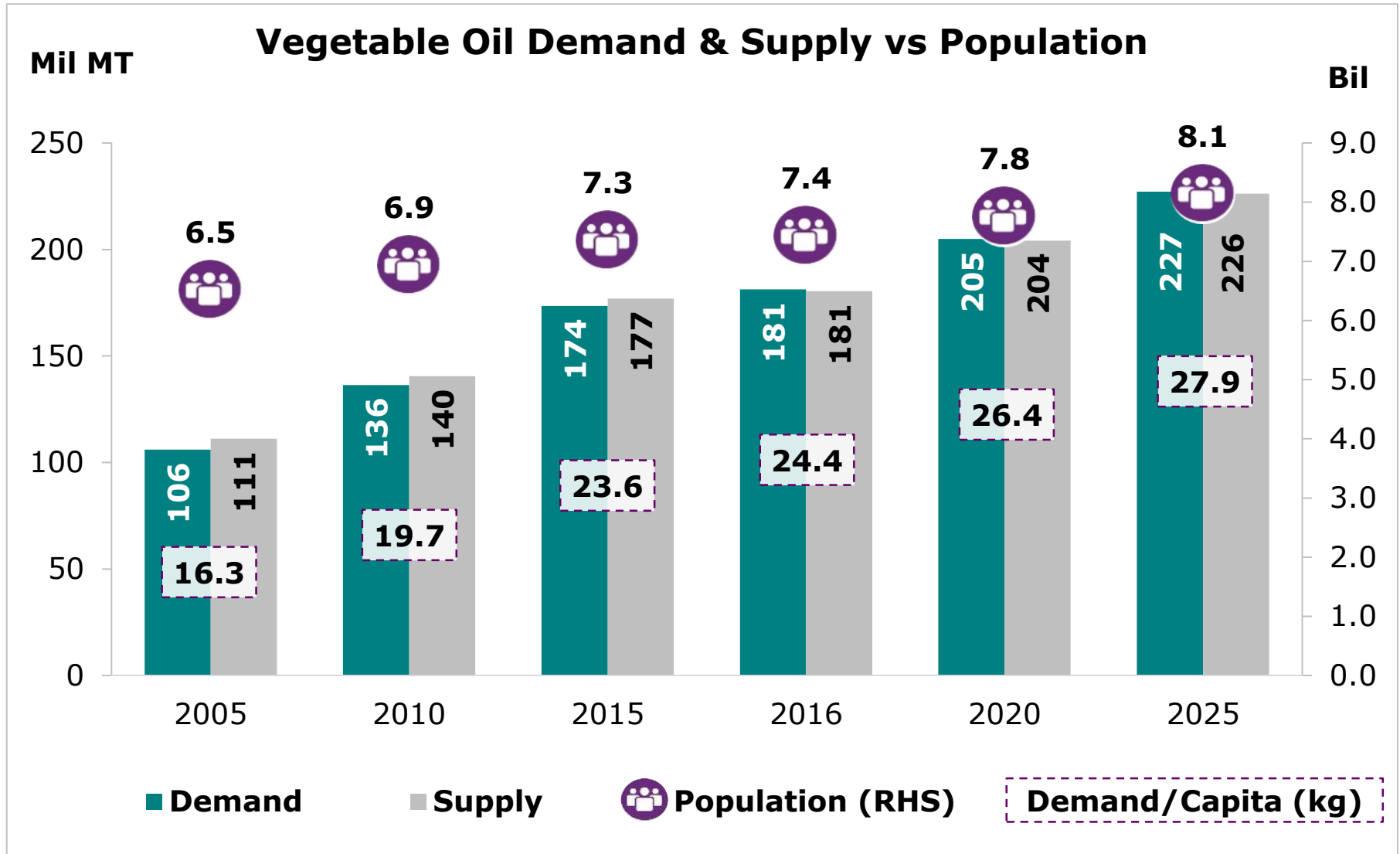
Increasing Awareness of Sustainability

Global Vegetable Oil Demand & Supply



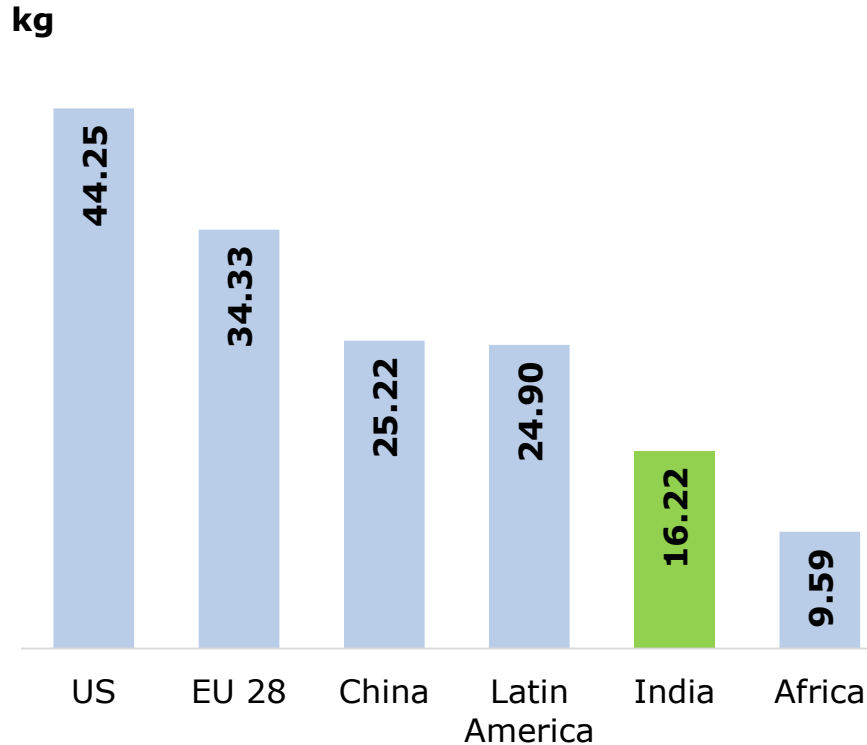
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Population Growth is a Key Driver

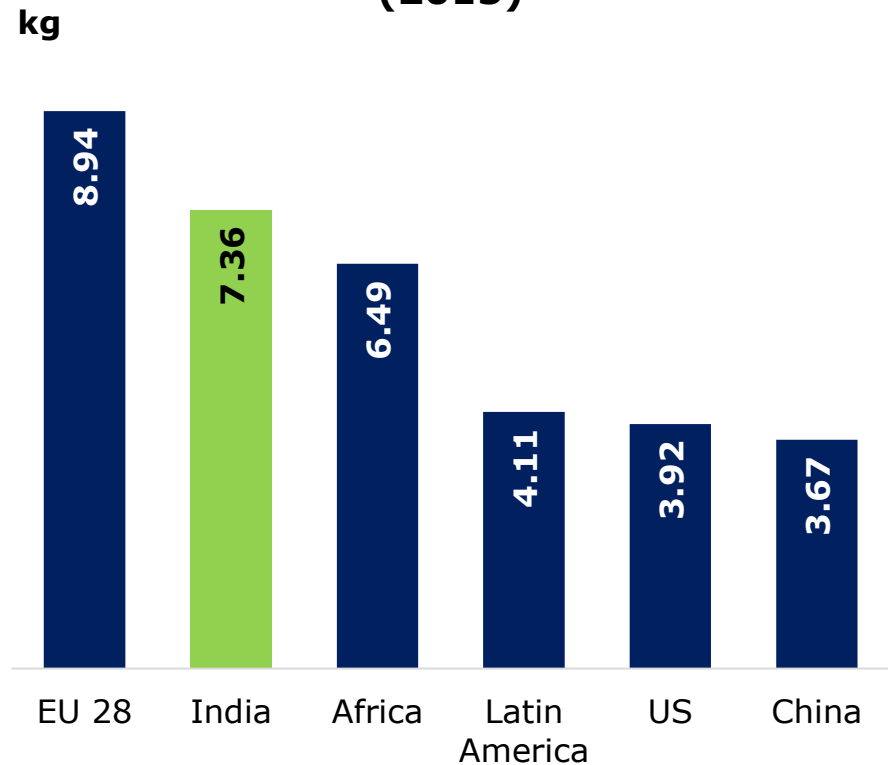


Huge Growth potentials for Palm Oil in India and Africa

Vegetable Oil Demand per Capita (2015)



Palm Oil Demand per Capita (2015)

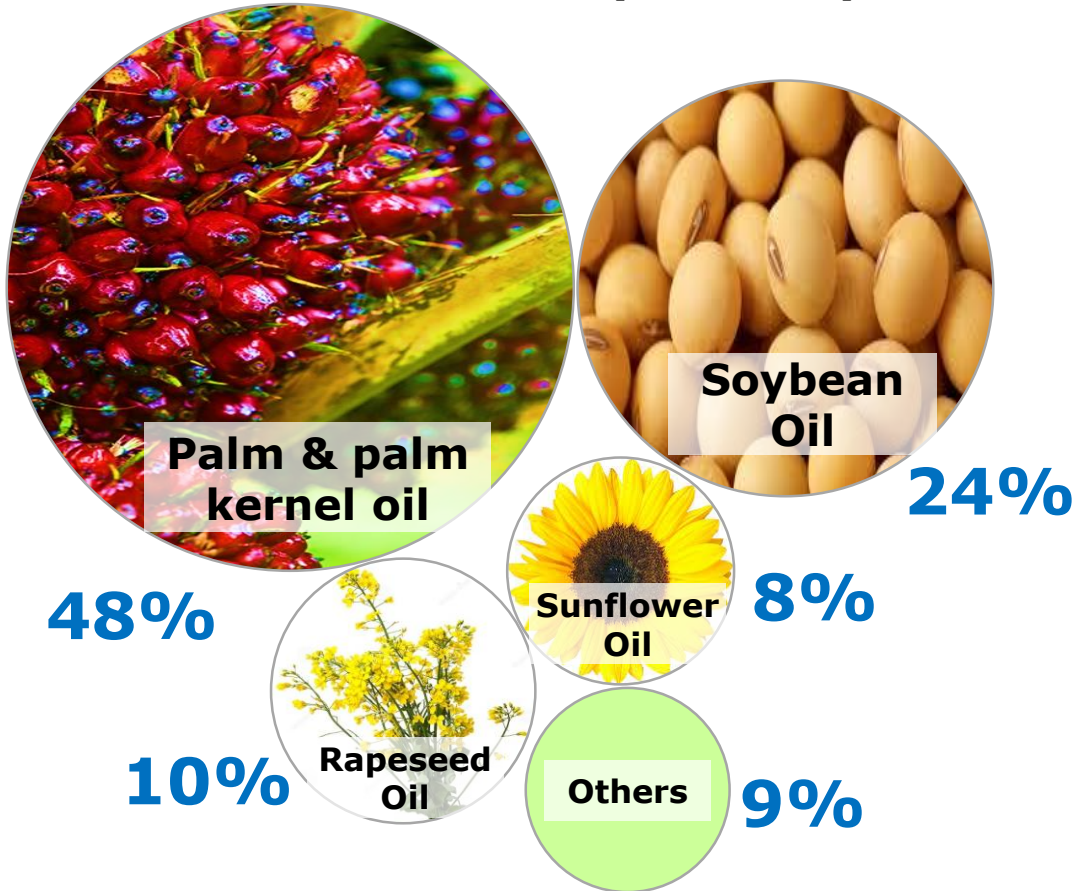




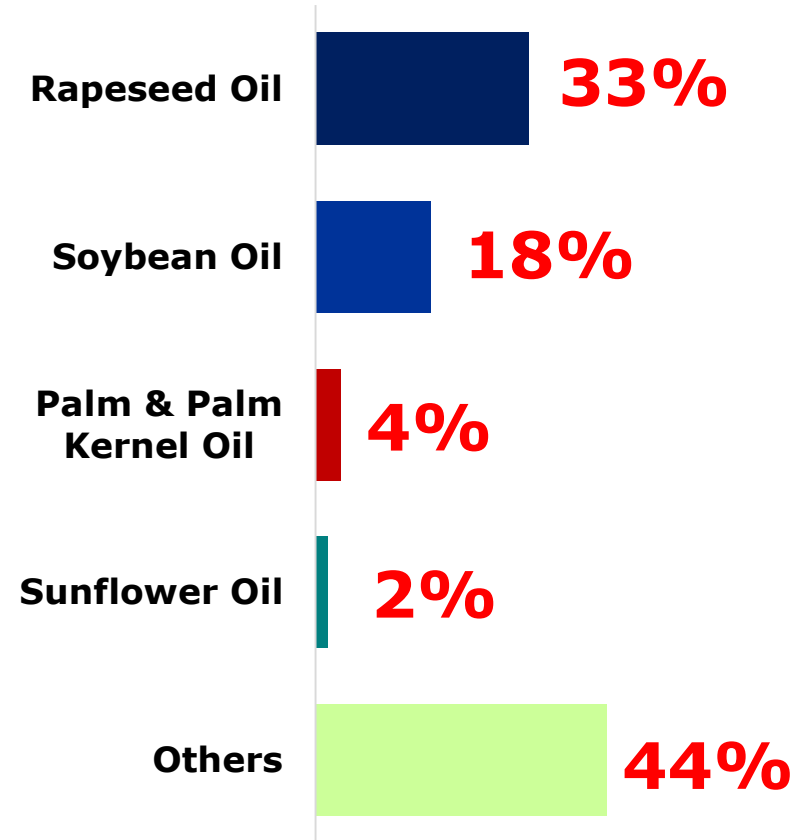
INDIA – An Important Market for Palm Oil

Palm Oil accounts for almost 50% of vegetable oil consumption in India

Total Vegetable Oil Consumption
20.3 mil MT (2015/16)

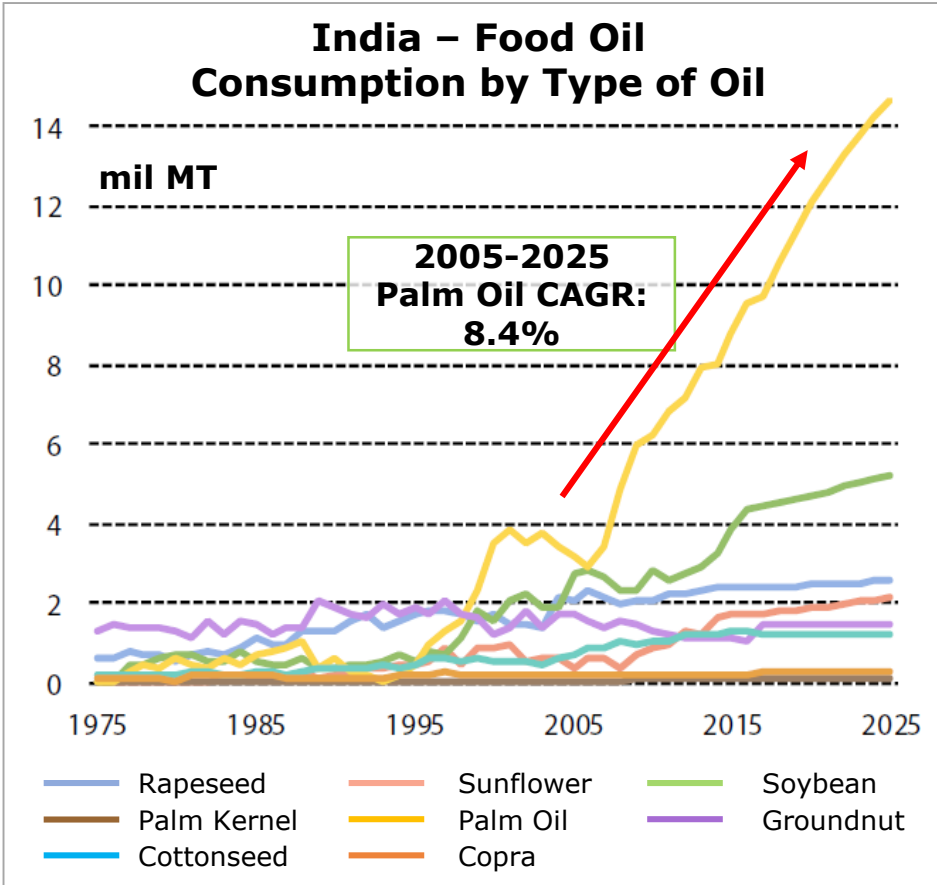
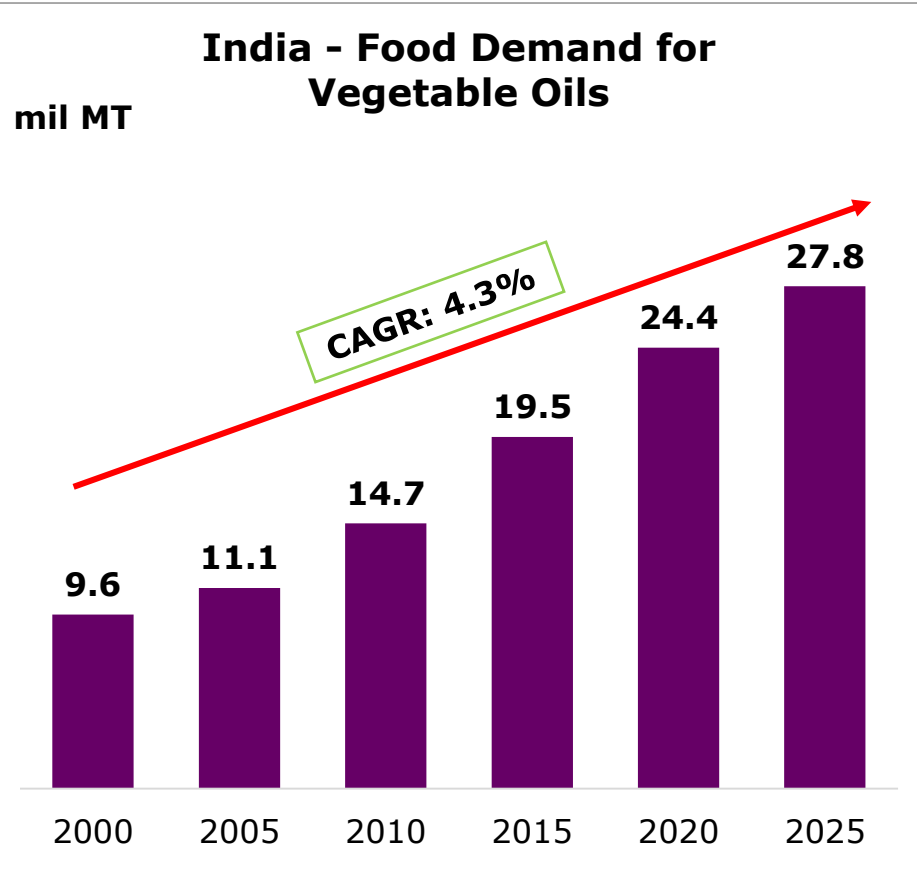


Total Vegetable Oil Production
5.3 mil MT (2015/16)



>3% of the Palm Oil consumed in India comes from Sime Darby Plantation

Expected Strong growth in Indian Palm Oil consumption



Growth in the Indian Palm Oil market will be driven by these trends



Population Growth

*~1.5 bil by 2025
(+11% from 2015)*



Sustainability Awareness

*Demand for sustainably produced products
RSPO's CSPO Target for India by 2020: 30%*



Rising Wealth

Projection of Real GDP per Capita

**CAGR:
+4.4%**

2005

2025

Niche Markets

High end quality products



National Agendas

*To Promote the Oil Palm Industry
(MPOC Office in India)*



Health Consciousness

- Greater health awareness
- Demand for non-GMO



More Promotion on Sustainable Palm Oil and its Health Benefits is needed

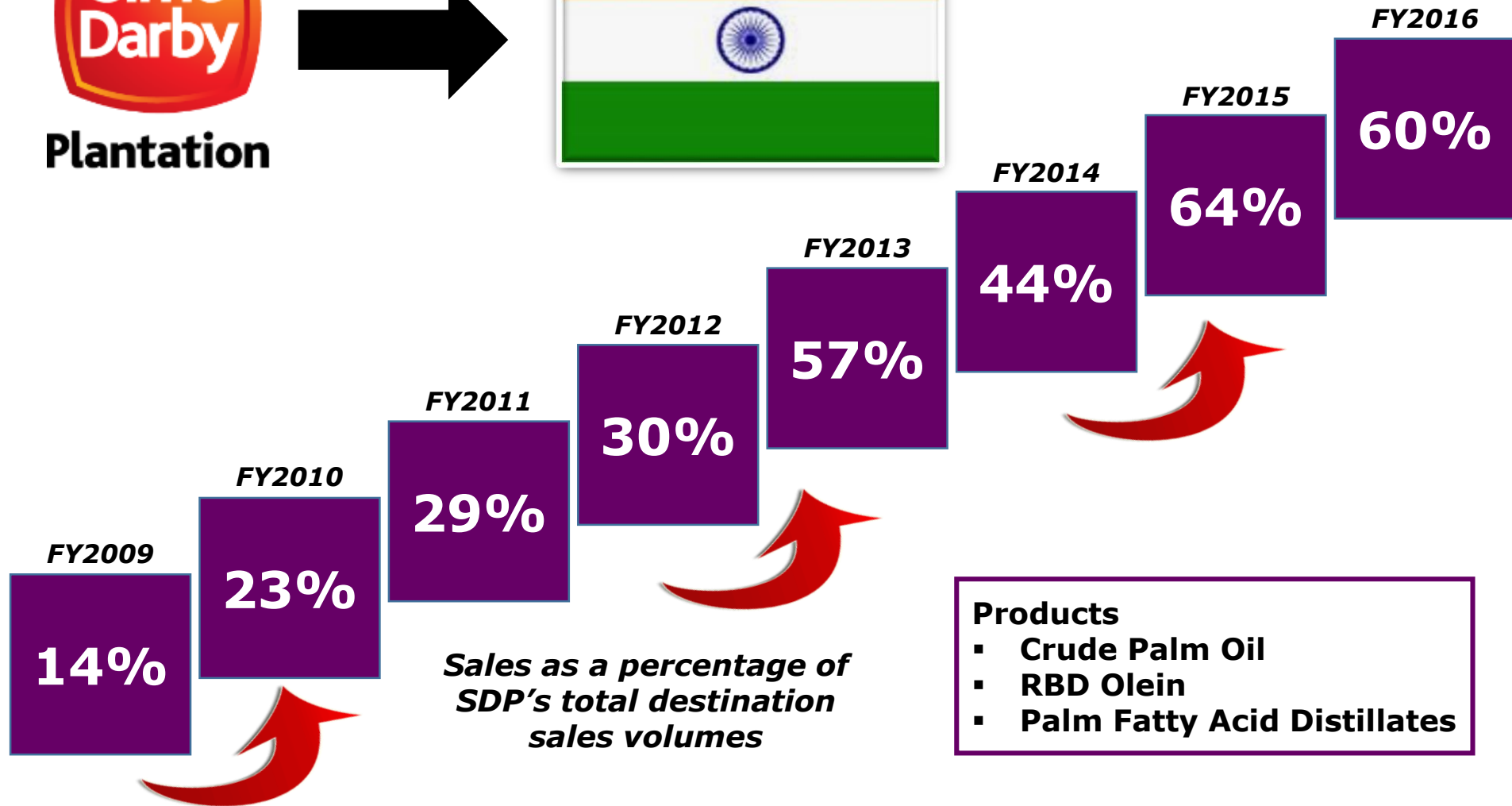
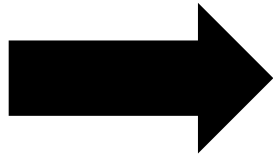
Sime Darby Plantation in India

India is a Key Market for Sime Darby

One of Our Biggest Export Destination



Plantation



Sime Darby Plantation's Key Customers in India



Soya Industries Ltd.



INDIA



INDIA



Better Products. Better Life.



Sime Darby Plantation's Jomalina Premium Oil (JGQ™)

One of Our Premium Cooking Oil – Jomalina Refinery



**Jomalina
Premium
Quality (PQ)
CPO**



- ✓ **Trans fat free**
- ✓ **Cholesterol free**
- ✓ **High oxidative stability**
- ✓ **Longer shelf life**
- ✓ **Slower quality deterioration of finished products**
- ✓ **Rich in natural antioxidants**

Specification

		JGQ™ Palm Olein	JGQ™ Palm Oil	JGQ™ Frying Oil
Type	:	JGQ™ Palm Olein	JGQ™ Palm Oil	JGQ™ Frying Oil
FFA (Palmitic)% max	:	0.05	0.05	0.05
Moisture & Impurities (%) Max	:	0.05	0.05	0.05
IV (Wija) min	:	56	50-55	50-55
Melting Point (°C) max	:	24	33-39	33-39
Colour (Lovibond 5¼"cell) max	:	1.5 Red 15 Yellow	1.5 Red 15 Yellow	1.5 Red 15 Yellow
Peroxide Value (meq O²/kg) max	:	1.0 (on arrival)	1.0 (on arrival)	1.0 (on arrival)

Our Representatives in India



Sime Darby Futures Trading Sdn Bhd



Level 7, Main Block, Plantation Tower,
No.2, Jalan PJU 1A/7, Ara Damansara,
47301, Petaling Jaya,
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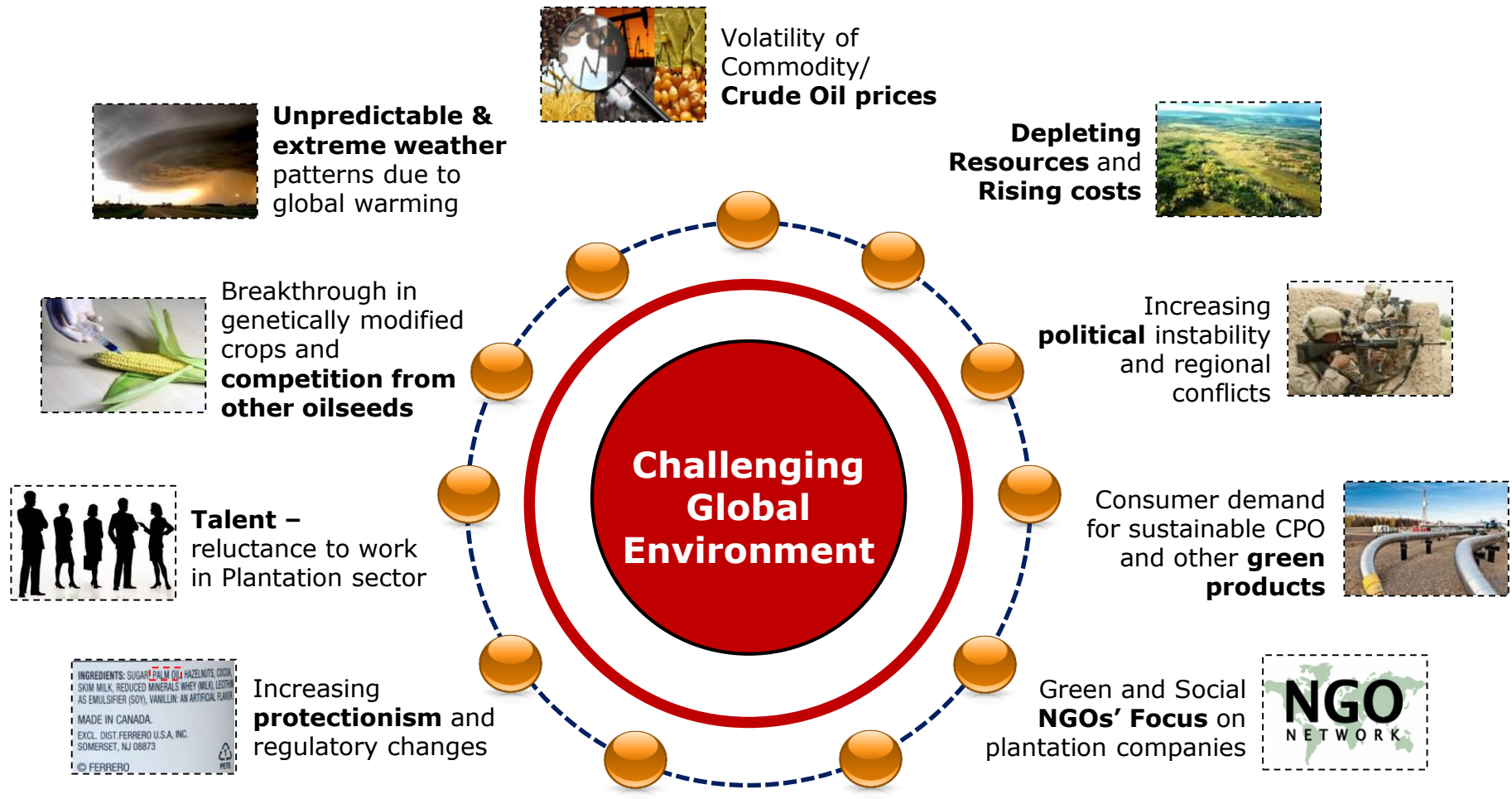


nazri.nageeb@simedarby.com



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The Palm Oil Industry will continue to face the following challenges



Focus on Innovation and Sustainability to Withstand these Challenges



Plantation

Clearing Misconceptions About Palm Oil

Controversies Against Palm Oil



Plantation



- **Cause of Deforestation**
- **Green House Gas (GHG) Emission**
- **Climate Change/ Global Warming/ Haze**
- **The Killing of Orang Utans**
- **Health Issues**
- **Negative Perception through Land Grabbing**
- **Forced/ Child Labour**



The Palm Oil Industry is...

- **Committed to conservation of Forests, Wildlife and Community Well-being**
- **Governed by the RSPO, ISPO, MSPO, HCS and other Sustainability Initiatives**
- **Known to eradicate Poverty and Improve Livelihood of Communities/ Smallholders**
- **A Major Contributor to Economic Growth**



Oil Palm is a Gift to Mankind

Versatile Usages for Food & Non-Food



Plantation

Food



Food

Cooking oil

Industrial frying fats

Margarine

Source of pro Vitamin A & E

Shortening

Non-dairy food products

Vegetable ghee

Creamer

Cheese Analogue

Confectionery fats

Filled milk

Ice cream



Non-Food

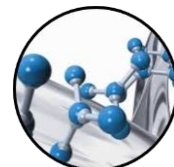
Oleochemical



Biodiesel



Renewables – Biochemical/ Biomass


















Bio-Chemicals



Base Oils

Immense Health Benefits of Palm Oil

A healthier, high-carotene & trans-fat free alternative

 <p>Resistant to oxidation</p>	 <p>Nutritionally balanced</p>	 <p>Produces less volatile compounds</p>	 <p>Less sticky residue on walls and utensils</p>	 <p>Free of trans fat as it never needs hydrogenation</p>
 <p>Resistant to spoilage</p>	 <p>Contains Vitamin E tocotrienols & Carotene</p>	 <p>Stable at high temperature</p>	 <p>Non GMO</p>	 <p>Balanced fatty acid content</p>
 <p>Retains the flavour of the food</p>	 <p>Long shelf life</p>	 <p>Less oil absorption in food</p>	 <p>Good and consistent texture in fried products</p>	 <p>Suitable for blends for use in cold regions</p>

Environmental Benefits of Oil Palm

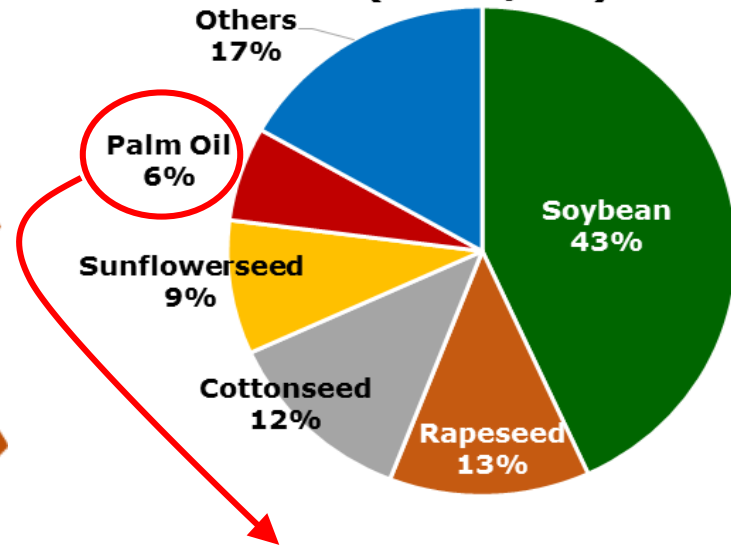
Green cover for 97% of the total oil palm areas

The oil palm industry is a net sink (Remover of CO₂)

Oil Palm plantations are capable of removing as much CO₂ as tropical forests



Global Oilseed Harvested Area (2014/15)

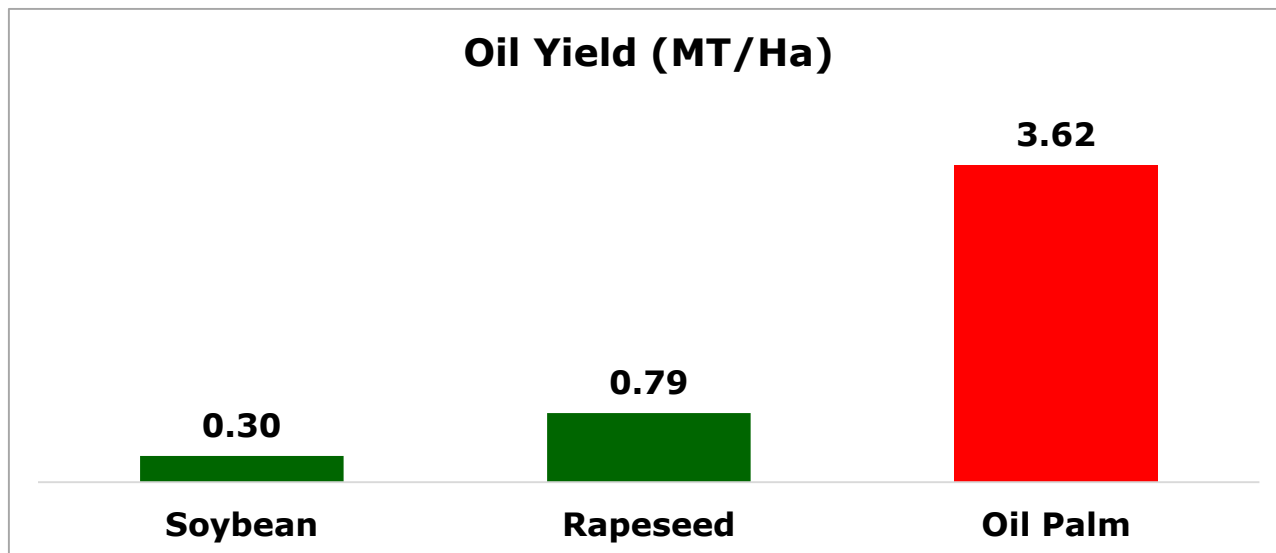


Emits **8-10x** more **O₂**

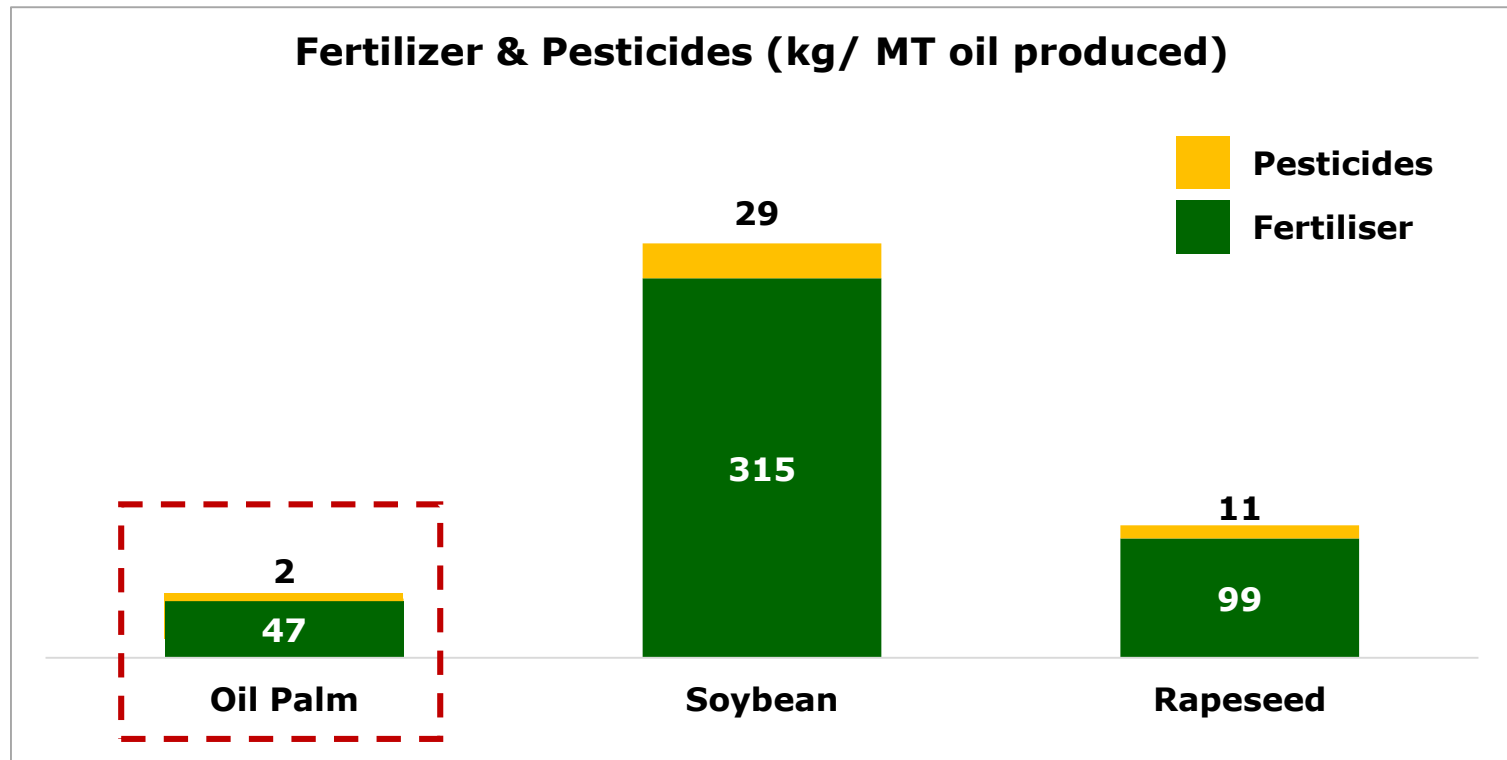
Absorbs **10x** more **CO₂**

Per ha/year compared to other crops

- Oil Palm is the most efficient oilseed crop in the world
- **~38%** of Global Vegetable Oil Production
- **10 to 14** times higher yielding than the other oilseeds
- **6 to 8 MT/Ha** of oil yields can be achieved by more efficient Oil Palm producers



Oil Palm requires the least fertilisers and pesticides among oilseed crops

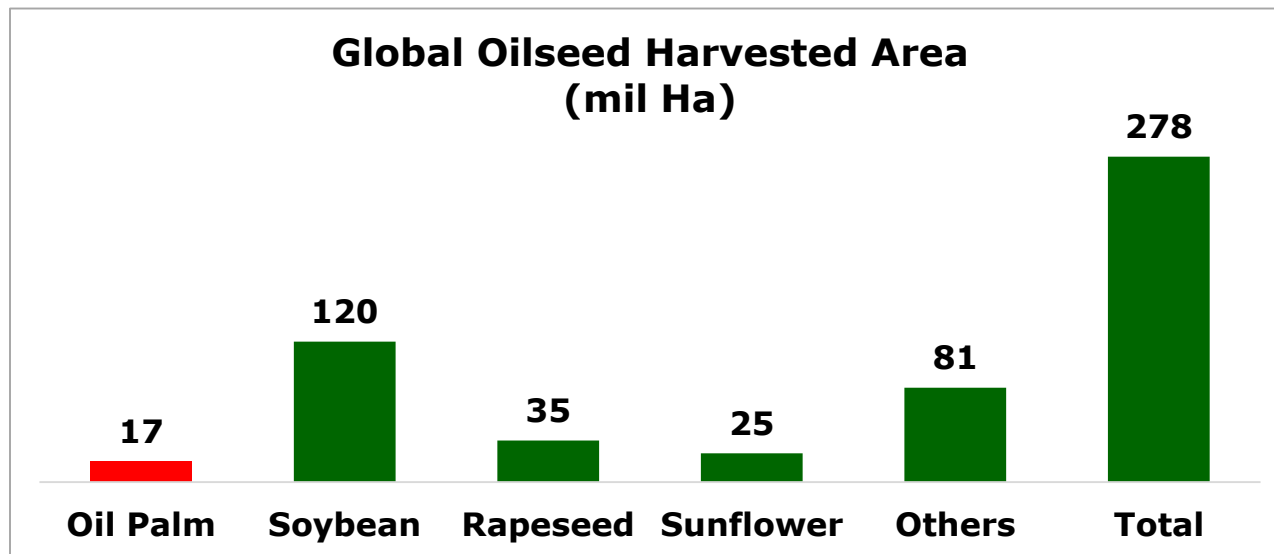


Global Oilseed Harvested Area



Oil Palm accounts for:

- **0.3%** of Total World Agricultural Land
(17 mil Ha vs 5 bil Ha)
- **6%** of Global Oilseed Harvested Area
(17 mil Ha vs 278 mil Ha)





Plantation

Thank You

