Sime Darby Human Rights Charter

Developing Sustainable Futures

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Sime Darby Human Rights Charter

1. PREAMBLE

1.1 At Sime Darby, we believe that businesses have a responsibility to respect, support and uphold fundamental human rights as expressed, amongst others, in the Universal Declaration for Human Rights and the United Nations Guiding Principles on Business and Human Rights. This is reflected in our business core values and governed by our Code of Business Conduct and Group Policies and Authorities. Where adverse human rights impacts arising from our business activities are identified, we are committed to mitigating the negative effects and where possible to address and resolve such impacts in a timely manner.

2. SCOPE

2.1 Our commitment extends to all persons within our sphere of influence, which includes all our employees, workers in our operations, counterparties[1] and communities surrounding our operations. We are also committed to working with our counterparties and business partners[2] to encourage them to uphold respect for human rights as outlined in our policies and to encourage them to have similar commitments within their own business practices.

3. COMMITMENTS

3.1 As a responsible global corporate citizen, we shall endeavour to meet standards and practices that are consistent with internationally recognised principles,[3] subject to constitutional constraints and the laws and regulations[4] of the countries and territories in which we operate. When faced with conflicts between local and international norms and/or standards, we aspire to uphold the higher standards, wherever possible.

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[1] Counterparties refers to Joint Ventures (controlling interest), consultants, agents, contractors and goods/service providers of the Group who have direct dealings with the Group.

[2] Business partners refers to any party with which the Group has a commercial relationship with but is not in a position to exercise a significant or controlling influence over, such as customers, Joint Ventures (non-controlling interest) and business alliances.

[3] The internationally recognised principles & standards including the International Labour Organisation (ILO) core labour standards and relevant industry standards and protocols. The ILO core labour standards are: Equal Remuneration Convention, 1951 (C100); Discrimination (Employment and Occupation) Convention, 1958 (C111); Minimum Age Convention, 1973 (C138); Worst Forms of Child Labour Convention, 1999 (C182); Forced Labour Convention, 1930 (C29); Abolition of Forced Labour Convention, 1957 (C105); Freedom of Association and Protection of the Right to Organise Convention, 1948 (C87); Right to Organise and Collective Bargaining Convention, 1949 (C98).

[4] National and/or state legislations, decrees, orders, regulations or policies prevailing from time to time.

3.2 We respect the rights of our employees, our workers in our operations and our communities through our commitments which include, but are not limited to:

- **Providing Equal Opportunities**
  We promote diversity and inclusion and will not condone discrimination.

- **Respecting Freedom of Association**
  We respect the rights of employees to join and form organisations of their own choice and to bargain collectively.

- **Eradicating any form of Exploitation**
  We endeavour to eradicate any form of forced or bonded labour, slavery, human trafficking and sexual exploitation.

- **Ensuring Favourable Working Conditions**
  We ensure decent living and working conditions for all our employees. We strive to provide a fair wage and access to basic needs for all our employees and workers in our operations.

- **Enhancing Safety and Health**
  We provide a safe and healthy working environment for our employees and workers in our operations and support the wellbeing of our communities.

- **Respecting Community Rights and the Rights of Indigenous People**
  We uphold the process of Free, Prior and Informed Consent and recognise that the local communities have the right to give or withhold their consent to proposed projects that may affect the lands they own, occupy or otherwise use.

- **Protecting the Rights of Vulnerable People**
  We respect the rights of vulnerable people such as marginalised groups, persons of different abilities and refugees.

- **Protecting the Rights of Children**
  We seek to promote the wellbeing of children, and safeguard them from any form of maltreatment or exploitation, including child sex tourism, child trafficking, child labour and child pornography.

- **Eliminating Violence and Sexual Harassment**
  We seek to promote an environment where all forms of harassment and abuse are eliminated and to provide support for victims.

4. IMPLEMENTATION

4.1 Our approach to prevent negative impacts to human rights is in three parts:

(i) a public commitment to respect human rights;
(ii) an ongoing process of human rights due diligence; and
(iii) a process for providing access to remedy to anyone who is harmed where the business caused or contributed to that harm.

4.2 We commit to monitor our progress in implementing this Charter and to develop, where appropriate, performance indicators and other measurements that assist in determining our progress.

4.3 We commit to periodic reviews and assessments of our business activities to identify both positive and negative impacts on human rights; and subsequently to integrate the mitigating outcomes into our internal control systems where appropriate.

4.4 Through awareness and training initiatives we shall engage and educate all levels of the workforce within Sime Darby to enable them to understand their responsibility in respect of human rights and to empower them to positively influence and encourage our counterparties and business partners.

4.5 We maintain proactive engagement with relevant internal and external stakeholders to better understand and then to respond to human rights-related issues and concerns. We seek to learn and share good practices through engagement within local and international networks.

5. RESPONSIBILITIES AND REPORTING

5.1 The responsibility to respect human rights resides in all of our employees. The oversight of this Charter is led by the Main Board of Directors through the Sustainability Committee which is a Board Committee and the Flagship Board of each Division. The implementation and administration of this Charter is the responsibility of the management within each Division.

5.2 We report on our human rights performance to the Sustainability Committee on a quarterly basis and disclose our progress to external stakeholders through our Annual Reports and Sustainability Reports, where available.

5.3 Within Sime Darby, there are firmly established grievance procedures and whistle blowing channels[5] which are available to all of our employees and external parties. We commit to investigate all violations of this Charter.

This Charter is endorsed by the Main Board of Sime Darby Berhad and will be effective on 27 February 2017

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[5] GCO Whistleblowing Unit Email: whistleblowing@simedarby.com; Toll Free Numbers (Malaysian Office Hours; GMT +8 Hours): Malaysia - 1 800 88 8880; Indonesia - 001 803 60 1932; South Africa - 0 800 983 641; The Netherlands - 0800 022 9604; Other Countries - 800 8008 8000; Hotline at: (6019)2688295.

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