



Conservation & Industry : Challenges and Solutions

Sabah Wildlife Conservation Colloquium 2012

10 January 2012



Developing Sustainable Futures

Presentation Outline

1. About Sime Darby

- 5 Core Businesses
- Largest: Plantation - Industry and the Community
- Sime Darby Towards Sustainable Futures

2. About Yayasan Sime Darby (YSD)

- Your Foundation for the Future
- Conservation of the Environment and Protection of Ecosystems pillar

3. Towards Sustainable Futures and Achieving the Balance : Challenges and Solutions

- Sustainability Concerns from the West
- Seeking sustainable solutions for Plantations
- Touching the world with our conservation efforts

4. Continuous Commitments by Yayasan Sime Darby Towards Sustainable Futures



FOUNDATION

“Sime Darby recognises the importance of balancing business sustainability with social responsibility and takes great pride in being a leader in contributing towards the overall objective of developing sustainable futures.”

Tun Musa Hitam, Chairman of the Sime Darby Group and the Sime Darby Foundation

About Sime Darby

Key player in the Malaysian economy as well as diversified multinational involved in key growth sectors. Sime Darby's 6 core businesses are:



Plantation



Property



Industrial



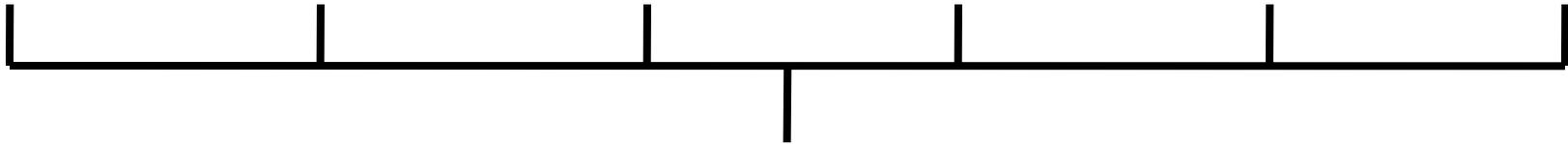
Motors



Energy & Utilities



Healthcare



Over 100,000 workforce in 20 countries around the world.

Note: Sime Darby Energy and Utilities Division to be fully divested in 2012

[Sime Darby Corporate Video](#)



FOUNDATION

Largest: Plantation – Industry and Community

- **Plantation Division** spans across the Peninsular, Sabah and Sarawak in Malaysia, Kalimantan, Sumatera and Sulawesi in Indonesia.
- Granted a 63-year concession by the Government of Liberia to develop oil palm and rubber.

Country	Hectare
Malaysia	424,556 ha
Indonesia	285,571 ha
Liberia	227,782 ha
Total	937,909 ha

- With a workforce of over **91,000** employees in estates and mills all over the world **depending on the conglomerate for their livelihood**, the plantation operations involve the management of 202 estates and 64 mills.



The Challenge: Sustainability Concerns from the West

1980s

Palm oil harms human health

- Potential cause of heart disease



- Numerous palm oil researches and studies conducted proves that it is the best alternative to transfat and is equally as good as olive oil
- “Based on authoritative documentations, palm oil is indeed a versatile, nutritious ingredient and can be used for numerous industrial uses”
- Tan Sri Augustine S.H. Ong, Palm Oil Research Institute

2000s

Oil Palm Cultivation Erodes Environment

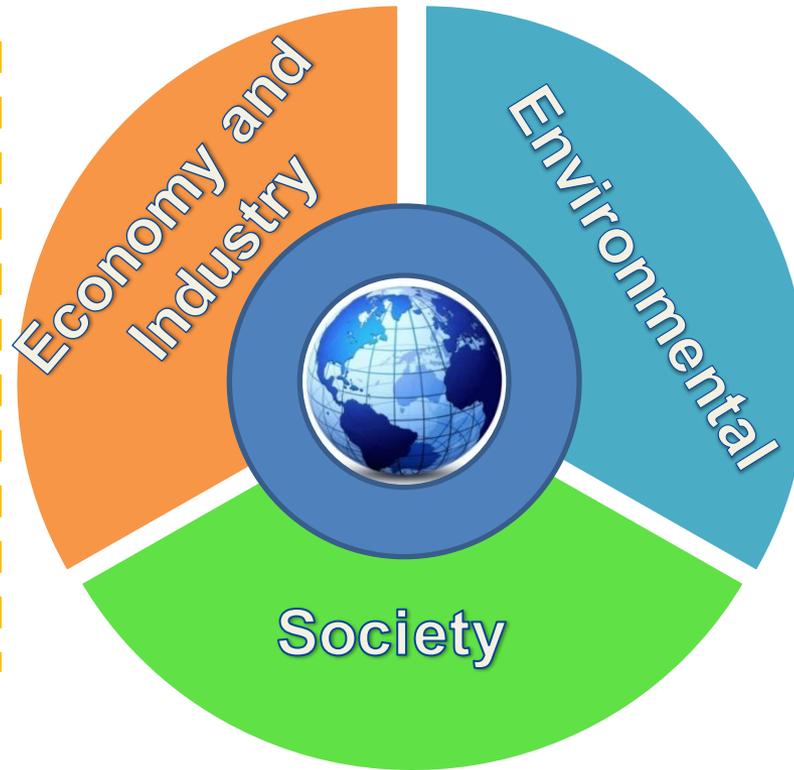
- Deforestation to make way for oil palm plantations
- Biodiversity loss destroys habitat of Orang Utan
- Deforestation > Greenhouse gas emissions > Climate Change



Sime Darby constantly seeks sustainable solutions for its Oil Palm Plantations to find balance between plantation industry and environment.

Towards Sustainable Futures and Achieving Balance: Challenges and Solutions

- Plantations to meet increasing world demand for food and product, and to feed more people by working in the Industry.



- Increasing demand in food industry requires more land for agriculture.
- Ecosystem balance required for better living of the society and environment; wildlife, flora and fauna.

- Increasing world population causes increasing demand for food and products.

- World population
 - 2000 = 6.0798 billions
 - 2010 = 6.8405 billions

(World Development Indicator of World Bank as at 13 Dec 2011)

Sustainable Solutions for Oil Palm Plantation

Sime Darby – A founding member of Roundtable Sustainable Palm Oil (RSPO) formed in 2004

Standards formed to ensure that:

1. No primary forests or other high conservation value areas are cleared for new oil palm plantations
2. Oil palm plantations minimise their environmental footprint
3. Basic rights of local land owners, farm workers and indigenous people are fully respected

Good Agricultural Practices

Standard practice in all estates:

- Zero burning replanting techniques
- Integrated Pest Management
- Enhancing Biodiversity
- High Conservation Value Forest in Estates (HCVF)

Sustainability Policies

Sustainability Policies including

- Social Policy (Gender and Child Protection Policies)
- Environment and Biodiversity Policy
- Slope Protection and Buffer Zone Policy



FOUNDATION

Sime Darby Foundation (SDF) : Your Foundation for the Future

- Sime Darby Foundation was set up in 1982
- Works closely with Sime Darby Group and its divisions on areas of common concern

FIVE KEY PILLARS



Community
Development



Youth, Sports &
Recreation



Education



Environment &
Protection of Ecosystems



Arts & Culture

www.simedarbyfoundation.com



FOUNDATION

Conservation of the Environment and Protection of Ecosystems

- Deeply concerned over the rapid erosion of the environment, SDF dedicates itself to the protection and preservation of the environment and the conservation of animals in their natural habitat.
- This includes support for, and the promotion of, initiatives to protect and restore waterways to their natural states; conserve forest; animals and their biodiversity; and ensure that ecosystems are protected.



UKM-YSD Chair for Climate Change

SDF commitment: RM 5 million in Endowment Fund

- Managed by **UKM's Research Centre for Tropical Climate Change System (IKLIM)**
- IKLIM spearheads the research aimed at **assessing the impact of climate change** in Malaysia and **deepen understanding of the scientific aspects** of climate change with the goal to **identify mitigation measures and adaptation strategies**
- The programme would **yield reliable and up-to-date climate information**, including seasonal climate forecasts.
- Useful for **examining the impact of climate change on ecosystems in oil palm plantation**, leading to better operation management.
- Enables Sime Darby to be more competitive while **minimising the impact of its business activities on the environment**



Stability of Altered Forest Ecosystems (SAFE) Project

SDF commitment: RM 30 million for 10 years (2010-2020)

The Programme

- Long-term research project.
- Offer a scientific basis for best agricultural practices in relation to the protection of the tropical rainforest ecosystem and biodiversity supported by rainforest within the context of agricultural practices



- Collaboration: SDF – South East Asia Rainforest Research of Royal Society of London – Yayasan Sabah
- Demonstrate the role played by fragmented rainforests in maintaining ecological biodiversity and a balance ecosystem
- Determine the contribution of rainforest patches towards sustainable plantation management



UKM-YSD Chair for Sustainable Development

YSD commitment: RM 15 million in Endowment Fund

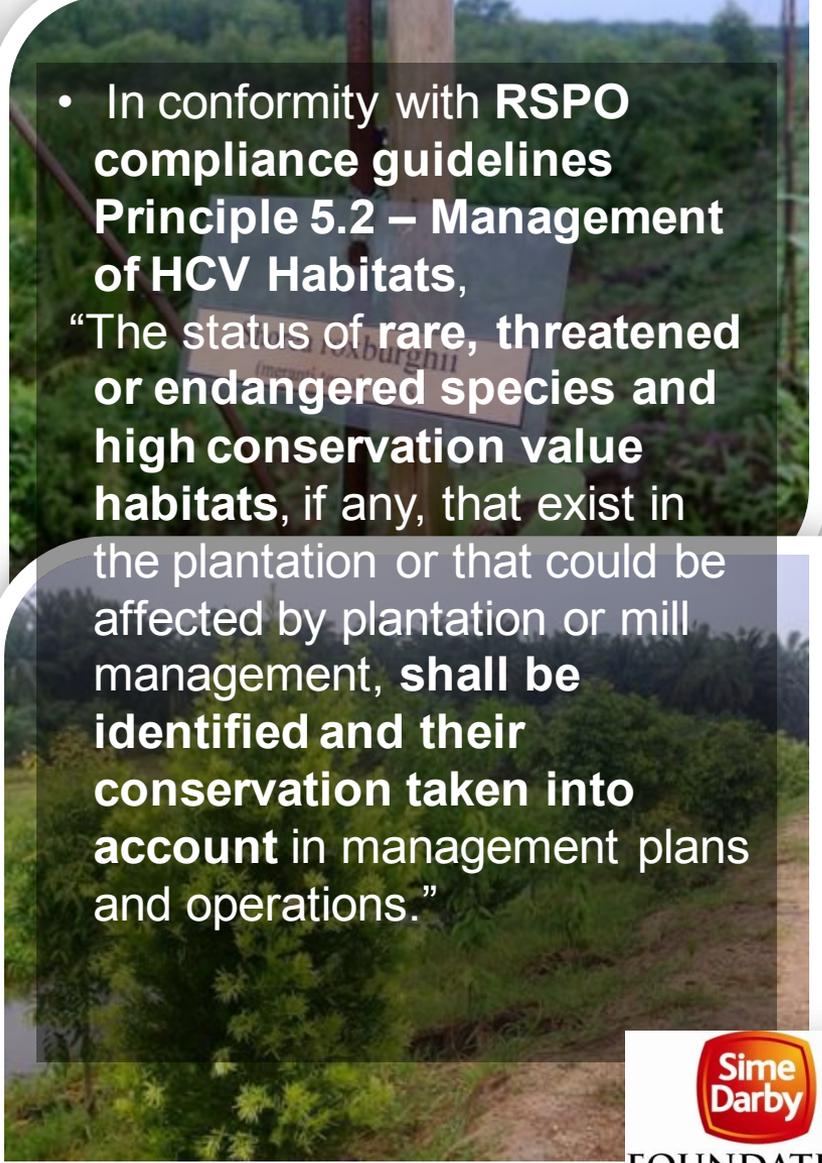
- Endowment fund to UKM in collaboration with Sime Darby Plantation.
- Aims to lead and direct research relevant to palm oil industry to aspire Malaysia to be a model for sustainable development for the world
- UKM will undertake research for improvements that can be made to increase the value-added products from industry as well as reduce green house gas emissions.
- Improvements include:
 1. Green technology and innovative practices
 2. Zero waste to the ground, air and water



Sime Darby Plant – A – Tree Programme

SDF commitment: RM 8 million for 4 years (2008-2011)

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- Initiated by **Sime Darby Plantation**, managed by **Sustainability and Quality Management Unit**
 - Main objective is to **increase biodiversity values** in Sime Darby Plantations and to preserve the rare and endangered indigenous species of trees in Malaysia.

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- In conformity with **RSPO compliance guidelines Principle 5.2 – Management of HCV Habitats**,
“The status of rare, threatened or endangered species and **high conservation value habitats**, if any, that exist in the plantation or that could be affected by plantation or mill management, **shall be identified and their conservation taken into account** in management plans and operations.”



FOUNDATION

YSD's Big 9 Animals and Tabin Wildlife Sanctuary Project

YSD commitment: RM 2.3 million for 3 years (2008-2011)



- SDF's effort to **conserve nine animal species** that are **classified as endangered or vulnerable**.
- Indigenous to Malaysia and on the brink of extinction.
- **Significant impact on the stability of biodiversity and balance of ecosystem** on which we rely so heavily for our natural resources.

- YSD previously supported Big 9 through **Tabin Wildlife Sanctuary** where **8 of these animals (except Malayan Tiger)** can be found in Tabin. Support includes a variety of initiatives to ensure the protection and preservation of wildlife in Tabin.
- Today, YSD focuses on **specific projects for each of the Big 9 species**.



FOUNDATION

Reforestation and Rehabilitation of Orang Utan Habitat in Northern Ulu Segama : SDF commitment: RM 25 million for 10 years (2008-2018)

Northern Ulu Segama

- **Highly degraded secondary forest** due to several times logging and forest fire
- 2008 – Reported that the area **consisted of highest concentration of Orang Utan population** in Borneo.



The Programme

- Collaboration: **YSD-Sime Darby Plantation-Sabah Forestry Department (SFD)**
- Reforestation and rehabilitation in an area covering **5,400 hectares (ha)**
- Reforestation and planting will **focus on plant species** that are considered important as a **food source for Orang Utan** and other wildlife.



FOUNDATION

Borneo Rhino Sanctuary Programme

SDF commitment: RM 5 million for 3 years (2010-2012)

- Sub-species of the **Asian two-horned rhinoceros**
- Lives in Sumatra, Indonesia and in Borneo
- IUCN status: **critically endangered**
- **50 rhinos exist in the wild**, around **30/less in Sabah**
- Decimated mainly because deforestation, resulting in the loss of their natural habitat, and poaching
- Isolated rhinos; not viable in the long term, due to their very small numbers and limited remaining forest habitat.

The Programme

- Collaboration: **SDF – Borneo Rhino Alliance (BORA)**
- Main Objective:
 - 1.Enhanced protection and monitoring** of rhinos within protected areas
 - 2.Establishing the BRS**, a specific fenced-off sanctuary of about 4,500 hectares within Tabin Wildlife Reserve
 - 3.Bringing isolated remnant rhinos** from elsewhere in Sabah into the **BRS**
 - 4.Mating and breeding programme**



Conservation of Proboscis Monkey in Sabah: RM 1.5 million for 3 years (2010-2013)



- **Endemic to Borneo**
- Isolated due to the increasing loss of habitat by logging and agriculture.
- In 2005, estimated the population size of **5,907 individuals** found along major coastal river systems in Sabah.
- Only **15.3% of the population** estimated was found **within protected forest reserves**

The Programme

- Collaboration: **SDF – Danau Girang Field Centre (DGFC) of SWD**
- Objectives:
 1. **Increase the capacity** in conservation biology and wildlife management
 2. **Research and conservation** of the species
 3. **Rescue and translocation** operations of pocketed populations in unviable habitats.
 4. **Promote the restoration and re-establishment of wildlife corridors** along large rivers in Sabah.



FOUNDATION

Management & Ecology of Malaysian Elephant (MEME)

SDF commitment: RM 3.36 million for 5 years (2012-2016)

- Focuses on **Malaysian elephants**, collaborating with **Dr Ahimsa Campos-Arceiz** from the **University of Nottingham** in **Malaysia**.
- **Aims to:**
 - a. assess effectiveness of current elephant management policies in Peninsular Malaysia,
 - b. develop practical long-term management strategy based on scientifically sound knowledge of elephant behaviour and ecology,
 - c. build capacity within the Malaysian Department of Wildlife and National Parks (DWNP) and Malaysian academic circles to produce a new generation of wildlife researchers and managers of high scientific calibre, and
 - d. **translocate approximately 25 conflict elephants annually.**



Assessment Project of the Malayan Tiger

- Non-financial commitment.
- **SDF and Sime Darby Plantation, in collaboration with WWF-Malaysia.**
- **Studies carried out on selected Sime Darby Plantation estates** for the purpose of formulating recommendations in **improving sustainable plantation management** with the presence of the Malayan Tiger near the estate.
- **Moving forward**, SDF and Sime Darby Plantation will work together with WWF-Malaysia as well as the Malaysian Government in a bigger project in supporting the **National Tiger Action Plan** in order to meet the goal of doubling the Malaysian tiger population by the next year of tiger i.e. 2022.



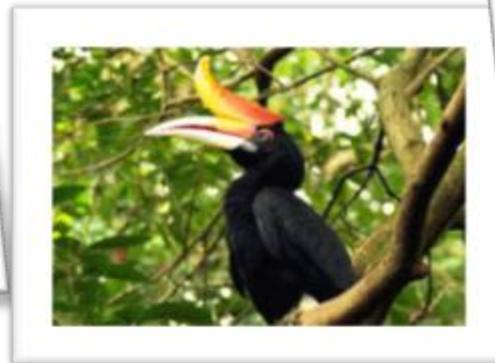
Continuous Commitments by Sime Darby Foundation Towards Sustainable Futures

Projects currently under assessment:

- The Hornbill Project
- The Sun Bear Project

SDF is looking on potential projects specifically for:

- Tembadau or Banteng (*Bos Javanicus*)
- Clouded Leopard (*Neofelis Diardi*)



Continuous Commitments by Sime Darby Towards Sustainable Futures

- To find a balance among Industry, Community and Environment, the best solution is by seeking the best sustainable practices for the industry operations.
- The Sime Darby Group, and its foundation, continuously searches for a sustainable future by supporting important conservation programmes.



“Sometimes we fail to think of the aspirations of human society. While we are deeply concerned about the state of the environment and the well-being of our world, we should also allow for development that helps people overcome poverty and achieve progress. It is our collective responsibility to seek that fine balance between conservation and development.”

Dato' Dionysius Sharma, CEO of WWF-Malaysia



YAYASAN

Thank you



Developing
Sustainable Futures