



Plantation

SIME DARBY PLANTATION IN LIBERIA

HISTORY AND BACKGROUND

1. Sime Darby's involvement in Liberia began in 1977 when Kumpulan Guthrie provided technical and management expertise to the government-owned Liberian Rubber Processing Corporation.
2. In 1980, Kumpulan Guthrie acquired BF Goodrich's concession area. In 1981, Guthrie Plantations Inc. was incorporated to develop 20,000 acres of concession land into a rubber plantation.
3. From 1989 to 1996, Guthrie Plantations Inc. had to abandon its rubber operations due to civil war in Liberia. The company returned to Liberia in 1997 when the socio-political situation in the country stabilised.
4. In 2001, Guthrie Plantations Inc. had to suspend its rubber operations once again when civil war erupted. The second civil war ended in 2003.

SIME DARBY PLANTATION IN LIBERIA POST-MERGER

1. After the merger of Kumpulan Sime Darby, Golden Hope Plantations, and Kumpulan Guthrie in November 2007, the new and enlarged Sime Darby Group entered Liberia in 2008 and successfully renewed the terms and conditions of the old concession agreement with the Government of Liberia.
2. In 2009, Sime Darby through its division, Sime Darby Plantation, signed a 63-year concession agreement with the Government of Liberia for 220,000 hectares of land to be developed into oil palm and rubber plantations. A new company, Sime Darby Plantation (Liberia) Inc., (SDPL) was set up to manage the oil palm and rubber plantations.
3. The concession area is spread out in four counties: Grand Cape Mount, Bomi, Bong, and Gbarpolu. Under the concession agreement, SDPL will work with smallholders to develop an additional 44,000 hectares under an Outgrowers' Scheme. This scheme is designed to assist smallholders and local communities, a programme that is similar to Malaysia's extremely successful Felda Scheme.*
4. In accordance with its standard operating procedures, SDPL will undertake Social & Environmental Impact Assessments (SEIA) and High Conservation Value (HCV) assessments before any development begins. In addition, it also employs its best practices in Liberia such as maintaining riparian buffer zones between water bodies and planted areas. The establishment of such areas is in compliance with recognised agricultural best practices.
5. On 28 June 2013, the company's effort through Free, Prior and Informed Consent (FPIC) process with the local community came to fruition when a Memorandum of Understanding (MOU) between SDPL and citizens of Zodua was signed. It is the first agreement of its kind ever signed between a concessionaire and a local community which ensures the community understands and agrees to the terms, conditions, and guiding principles of the partnership with the company. Recently, villagers of the Zodua Clan handed over 5,000 ha of land to SDPL for oil palm cultivation.
6. As at February 2014, out of the 220,000 hectares of landbank in Liberia, 10,035 hectares have been planted with oil palm and 107 hectares with rubber, since planting first began in May 2011.

**Fel'da Scheme: It is a scheme undertaken by a Malaysian government agency, the Federal Land Development Authority or Fel'da, to alleviate poverty in Malaysia and provide employment to locals through the opening and management of smallholder estates in rural areas.*

SIME DARBY PLANTATION'S CONTRIBUTION TO LIBERIA

1. When fully operational, SDPL will create approximately 35,000 jobs. As at February 2014, SDPL has a total of 2,956 employees.

2. In addition to providing employment opportunities, SDPL will also assist in improving infrastructure and providing basic household amenities. Centralised villages to house estate workers are being built, comprising workers' quarters, a clinic, a day-care centre, a central store (business centre), a petty trader market, a mosque, a church, a community hall, and a school/kindergarten.
3. Under a collaboration programme with the Agriculture Department of Senje College, SDPL will engage agriculture professors who will train Liberians in specific fields.
4. Since 2010, SDPL has paid approximately US\$1.5 million in compensation to surrounding towns and villages in Grand Cape Mount County.
5. In 2012, SDPL spent US\$63,000 on Corporate Social Responsibility (CSR) activities to provide assistance to the local communities living within its operations.
6. Since 2012, the Sime Darby Foundation (SDF) has awarded US\$920,000 worth of scholarships and bursaries to 52 deserving Liberians to pursue their tertiary education in Liberia and Malaysia.
7. In Liberia, SDPL oversaw the building of day care centres and community halls, as well as repairing and resuscitation of a traders' market. In addition to refurbishing 15 feeder schools and 1 central school within its estates, SDPL also employs teachers for these schools. SDPL has recently completed the construction a 12-classroom junior high-school next to Senii town, which is a remote area with no access to schools. In addition to the total cost of USD\$200,000 for construction, Sime Darby will also finance the administration of the school including paying teachers' salaries and providing teaching materials.
8. An ambulance unit was purchased and additional sick wards are being built at the hospital located within the plantation grounds. SDPL has also carried out employee harmonisation exercises to foster a closer working relationship with local workers.

