



Delivering
Sustainable Futures

SIME DARBY HUMAN RIGHTS CHARTER

June 2023



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1. PREAMBLE

Human rights are universal rights inherent to all human beings to which everyone is equally entitled without discrimination. In Sime Darby, we believe that businesses have a responsibility to respect, support and uphold these fundamental human rights. To this end, the Sime Darby Human Rights Policy (this “Charter”) sets out our commitment to assess, prevent, mitigate and address human rights impacts, including modern slavery risks in our operations and supply chains. We will seek to do so by respecting human rights as set out, amongst others, in the United Nations (“UN”) Universal Declaration for Human Rights, UN Guiding Principles on Business and Human Rights (“UNGPs”), and International Labour Organisation Declaration on Fundamental Principles and Rights at Work (“International Principles”).

Our commitment to human rights is reflected in our business core values and governed by our Code of Business Conduct, Vendors Code of Business Conduct, our Group Policies and Authorities and our employee training materials.

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

Our commitment extends to all persons within our sphere of influence, which includes all our employees¹, workers² in our operations (collectively, “workforce”), counterparties³ and communities surrounding our operations.

¹ Employees from all levels of our organisation.

² All workers including contract, casual, migrant, and trans-migrant.

³ Counterparties refers to Joint Ventures (controlling interest), consultants, agents, contractors and goods/ service providers of the Group who have direct dealings with the Group.

SIME DARBY CIRCLE OF INFLUENCE



We are also committed to working with business partners⁴ to encourage them to uphold our respect for human rights as outlined in our policies and to encourage them to have similar commitments within their own business practices.

⁴ *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. COMMITMENTS

3.1 As a responsible global corporate citizen and member of the communities in which we operate, we endeavour to meet standards and practices that are consistent with the International Principles and internationally recognised standards⁵ (“International Standards”), subject to constitutional constraints and the laws and regulation⁶ of the countries and territories in which we operate. When faced with conflicts between local and International Principles and/or International Standards, we aspire to uphold the higher standards, wherever possible.

3.2 Our commitments include but are not limited to:

No.	Commitment	Statement
1	Providing Equal Opportunity	Efforts to promote diversity and inclusion are carried out in all our operations. We seek to provide access to equal rewards, resources, and opportunities for all employees regardless of race, colour, religion, gender, national or social origin, ethnicity, age, disability and/or political opinion. We will provide equal opportunities for our workforce, to advance their careers within the organization by removing barriers relating to all types of discrimination.
2	Respecting Freedom of Association	We respect the rights of our workforce to organise and join organisations of their own choice for the purpose of collective bargaining. Open dialogue, where the voice of employees are heard, creates opportunity to discuss matters of mutual concern such as health, safety and working conditions.

⁵ 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.

⁶ National and/or state legislations, decrees, orders, regulations or policies prevailing from time to time.

3	Combatting Modern Slavery	<p>We endeavour to assess and address any form of modern slavery in our operations and supply chains.</p> <p><i>Please see in Appendix 1 for further elaboration on Modern Slavery.</i></p>
4	Ensuring Favourable Working Conditions	<p>We are committed to providing decent working conditions for our workforce including working hours which shall not exceed the maximum set by local laws and access to adequate living arrangements (where provided) and amenities for all our workforce in our operations. We will not require or permit our workforce to work excessive overtime. We are committed to paying a fair wage to our workers, at least in compliance with applicable laws, including those relating to minimum wages, overtime hours and legally mandated benefits (including sufficient rest days, medical and insurance benefits). We support reasonable flexible working arrangements to fulfill obligations where suitable to our business operations. We would also expect this of our business partners.</p>
5	Enhancing Safety and Health	<p>We provide safe and healthy working environments for our workforce and support the wellbeing of our workforce and our communities. We aim to protect the physical, mental and emotional wellbeing of all employees through the provision of a healthy occupational and environmental setting.</p>
6	Eliminating Violence and Harassment	<p>We seek to promote an environment where all forms of harassment (sexual or otherwise), bullying, victimization and abuse are eliminated from our operations.</p>
7	Protecting the Rights of Children	<p>We seek to eliminate the worst forms of child labour which by its nature is likely to harm the health, safety and morals of children, in our business operations (including in our supply chains).</p> <p>We will not employ anyone under 15 years of age (or the relevant minimum age of employment in accordance with the laws and regulations in the jurisdictions in which we operate), unless they</p>

		are in vocational and/or formal and structured apprenticeship, educational or training programs. Children that are employed in accordance with these requirements (ie. employees under 18 years that are employed lawfully) are prohibited from undertaking hazardous work.
8	Upskilling, Reskilling & Education	We are committed to providing access to training, upskilling and continuous development to improve the skills and adaptability of our workforce, to boost morale and lead to increased efficiency and productivity in the organisation.
9	Grievance Mechanism	We make available on our website our Whistleblowing Charter and Procedures (“WCP”) which provides our employees and vendors with avenues to report wrongful activities. Under the WCP, wrongful activities specifically includes actions or omissions resulting in damage or risk of harm to human rights, the environment, public health and safety, safe work-practices or public interest.
10	Responsible procurement	<p>We are committed to assessing and addressing human rights impacts, including modern slavery risks, in our supply chains as part of our procurement decision-making process.</p> <p>Where we can, we also seek confirmation from our vendors that they are committed to respecting human rights, including the right not to be subject to modern slavery, in their operations and supply chains.</p>

4. OUR IMPLEMENTATION

4.1 Our approach to respecting human rights comprises the following parts:

(i)	a commitment to respect human rights as set out in this Charter which is publicly available and communicated to those within our circle of influence, business partners and our internal and external stakeholders;
(ii)	to have in place processes for human rights due diligence (HRDD) and to conduct HRDD within our operations and supply chains;

(iii)	to have in place grievance mechanisms and provide access to remedy where we have caused or contributed to adverse human rights impacts;
(iv)	to seek to use our leverage to encourage business partners, including vendors, to remedy human rights impacts where we are directly linked to those impacts via our business relationship;
(v)	to adopt local implementation programs of this Charter in each of our Divisions and jurisdictions that respond to the specific risks identified by them; and
(vi)	to report in compliance with the statutory requirements in the jurisdictions in which we operate (where applicable), such as Australia's Modern Slavery Act 2018 (Cth).

- 4.2 We commit to monitor our progress in implementing this Charter by way of embedding it into our policies, procedures and internal control systems ("Operational Policies") including without limitation, policies and codes relating to human resource, procurement, business conduct, health, safety and environment, and corporate assurance and to develop, where appropriate, performance indicators and other measurements that assist in determining our progress.
- 4.3 We commit to conducting HRDD, including by having periodic reviews and assessments undertaken by internal and/or independent external experts to assess human rights impacts in our operations and supply chains, and subsequently to integrate the mitigating outcomes into our Operational Policies as required.
- 4.4 Through awareness and training initiatives, we commit to engaging and educating our workforce within Sime Darby in relation to this Charter and to empower them to positively influence and encourage our counterparties and business partners to also respect human rights in their operations and supply chains.
- 4.5 We seek to engage proactively with relevant internal and external stakeholders to assess and address human rights-related issues and concerns. We also seek to learn and share good practices through engagement within local and international networks.
- 4.6 For the purposes of this paragraph 4, our Primary Task Force oversees human rights policy strengthening and Secondary Task Force manages the process operationalization, implementation and enforcement.

5. RESPONSIBILITIES AND REPORTING

- 5.1 Each of our employees must respect human rights in accordance with this Charter and report any concerns regarding actual or suspected breaches of the Charter in accordance with our WCP.
- 5.2 The oversight of this Charter is led by the Main Board of Directors through the Risk Management and Sustainability Committee, which is a Board Committee.
- 5.3 The implementation and administration of this Charter is the responsibility of the management within each Division⁷ in their respective jurisdictions.
- 5.4 Through the Primary Task Force, we report on our human rights performance to the Risk Management and Sustainability Committee and disclose our progress to external stakeholders through our Annual Reports and Sustainability Reports, and in compliance with modern slavery reporting obligations in the jurisdictions in which we operate, where applicable.
- 5.5 For the purposes of this paragraph 5, the Secondary Task Force collates monitoring efforts by our Divisions, to support the Primary Task Force's reporting and monitoring role.
- 5.6 Within Sime Darby, there are established internal grievance procedures⁸ and whistle blowing channels⁹ available to all of our workforce and external parties. We commit to investigating suspected violation of this Charter.

⁷ Motor Division and Industrial Division

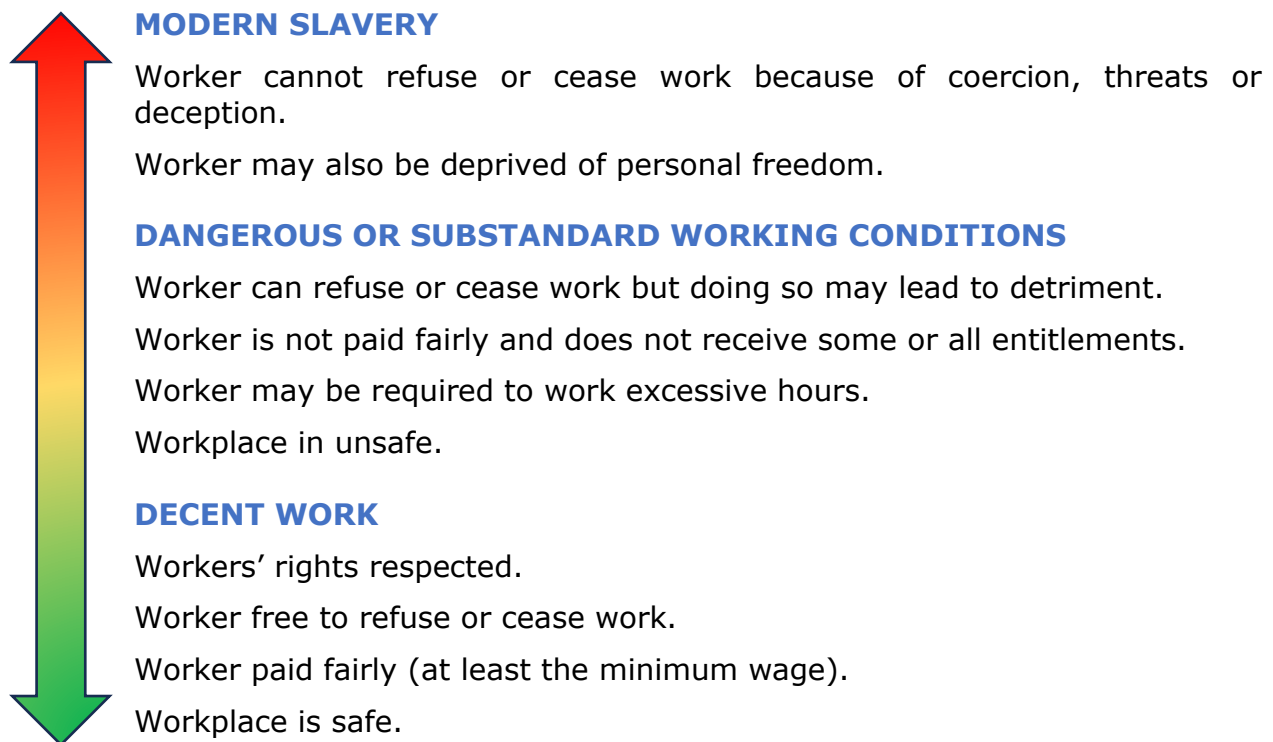
⁸ These procedures may be included in the relevant Operational Policies.

⁹ <https://www.simedarby.com/operating-responsibly/whistleblowing> . Other channels stated in the website includes e-Form, email, PO box, telephone.

APPENDIX 1 - MODERN SLAVERY

- Modern slavery is a global problem and exists in many global supply chains including in developed and developing countries.
- Modern slavery is best understood as existing on a continuum of exploitative practices that may indicate or lead to modern slavery.

Modern slavery happens at the most extreme end of a spectrum that ranges from decent work to serious criminal exploitation.



Source: Commonwealth Modern Slavery Act 2018 Guidance for Reporting Entities, p9

- Modern slavery practices constitute gross human rights abuses.
- "Modern slavery" is an umbrella term that describes exploitative practices that are in violation of human rights which includes:
 - forced labour;
 - bonded labour or debt bondage;
 - servitude;
 - human trafficking; and
 - worst form of child labour,

- Being a multinational company, Sime Darby operates in countries that may have, or are contemplating the introduction of modern slavery laws. These laws typically require businesses that meet a certain revenue threshold to prepare and submit statement to government authorities in compliance with reporting criteria, such as:
 - the description of the risks of modern slavery in a reporting entity's operations (including those of owned or controlled entities) and in their supply chains; and
 - the description of the actions taken to assess and address those risks, including an entity's approach due diligence and remediation.
- To the extent that Sime Darby is bound by any such laws, compliance may involve addressing mandatory reporting criteria and meeting reporting timeframes, and importantly, conducting HRDD in our operations and supply chains to support the descriptions of risks that we publish in our statements.