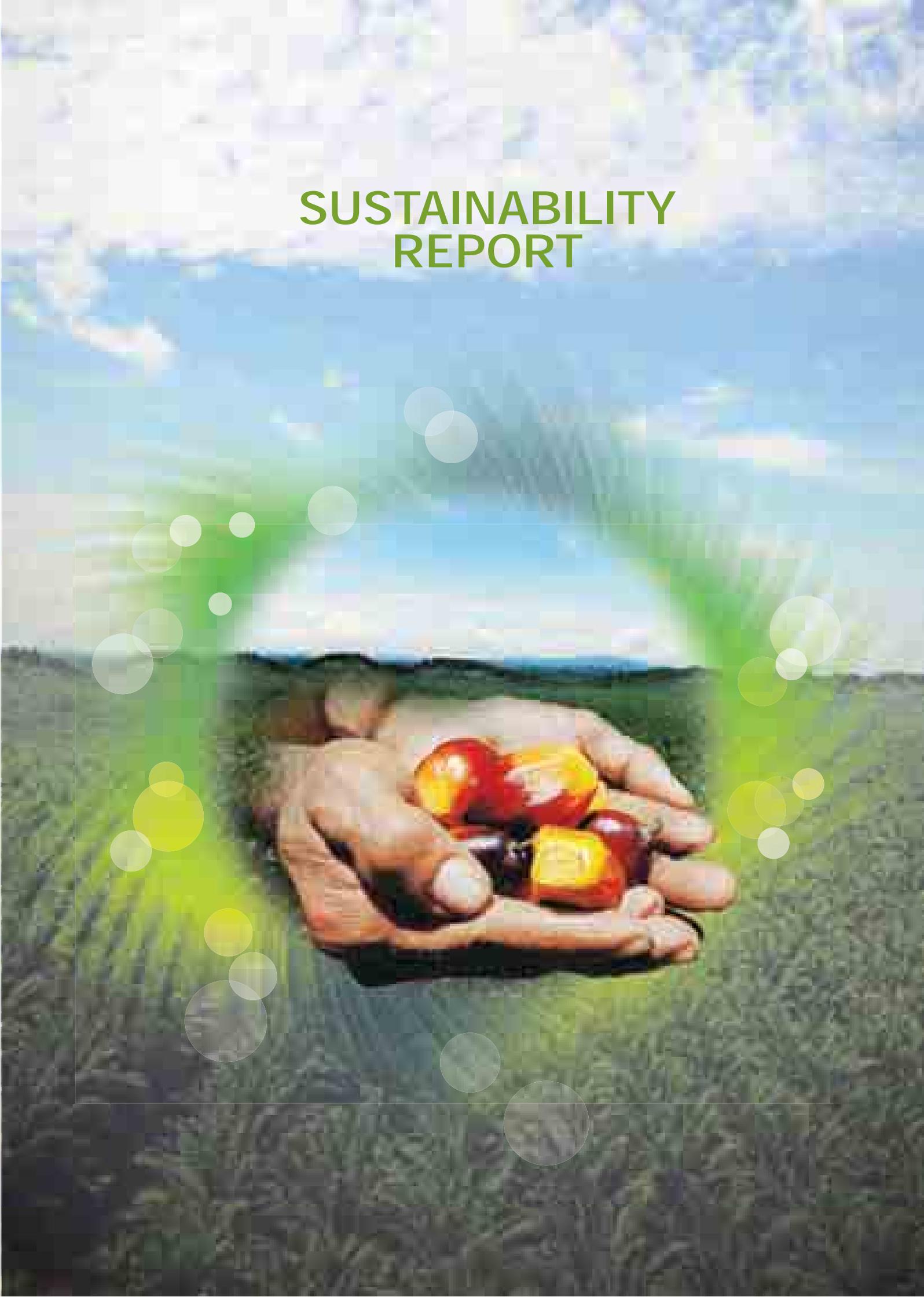


SUSTAINABILITY REPORT



SUSTAINABILITY REPORT (cont'd)

At Genting Plantations Berhad, we believe sustainability is more than just another add-on activity or an afterthought.

The true success of a responsible corporate citizen is not measured solely in quantitative terms, but also in qualitative terms. In other words, financial wealth creation must always go hand-in-hand with the building of enduring beneficent values for people and the environment. Our Group, therefore, seeks to pay as much heed to continuously raising our sustainability performance as we do to meeting our commercial goals.

Our sustainability commitment is articulated in our Corporate Social Responsibility statement. That is, we aspire to achieve a balanced integration of ethical, social, environmental and economic considerations in the way we conduct our business to create sustainable long-term value for all stakeholders. In accomplishing this, we are guided by a systematic Corporate Social Responsibility strategy to engage with stakeholders through pragmatic, actionable initiatives on four fronts : environment, community, workplace and marketplace.

Being named as a Merit Award winner for Corporate Social Responsibility in the 2011 edition of the Malaysian Business-Chartered Institute of Management Accountants Enterprise Governance Awards has given our Group timely validation and added impetus to move ahead with our sustainability agenda.

SUSTAINABLE PALM OIL

The production of palm oil in an environmentally-friendly and socially-responsible manner has long held a central position at the heart of our commitment to sustainable development.

Shortly after the Roundtable on Sustainable Palm Oil ("RSPO") was formally set up in 2004, our Group had little hesitation in joining the RSPO as one of the its earliest members to play our part in realising the association's aim of promoting the growth and use of sustainable palm oil.

Since then, through both good and tough economic times, we have not let up on our pursuits in aligning our operations with the rigorous principles of the RSPO. Likewise, the recently-established Indonesian Sustainable Palm Oil Scheme ("ISPO") is another relevant set of standards that we are equally intent on meeting.

In 2011, we advanced further in our ongoing sustainability journey as we continued to inculcate and strengthen "green" practices across our plantation and oil mill activities.



Among the good agriculture practices adopted by our Group
1. Good field upkeep with retention of light grass

Recognising that sustainability can be attained only if all parts of our Group are moving forward together in a unified direction, we developed an interim Sustainability Handbook that specifies company policies and grievance and complaints procedures and distributed copies to employees in the head office and operating units. An updated Standard Operating Procedure for Estates that incorporates sustainability requirements was also circulated in 2011.

Notably, the concerted efforts that have been put in through the years are yielding meaningful results. Following internal compliance assessments and improvements observed in key areas, the Southern Region, comprising one oil mill and three estates, has emerged as our Group's first management unit to be ready for any prospective audit by external RSPO-approved certification bodies.

Meanwhile, equipped with the findings gleaned from High Conservation Value ("HCV") assessments completed at all our Group's Malaysian estates in previous years, we progressed in 2011 towards adopting appropriate management and monitoring strategies for the protection of the HCVs found in our landholdings, which includes some important social and cultural sites.



2-3. Construction of water conservation trenches and silt pit to reduce soil erosion
 4. Stacking fronds in T-shape to reduce fertiliser run-off



5. Organic mulching to reduce use of fertilisers

These short-to medium-term HCV management strategies cover, among others, the responsibility of estate management teams in ensuring that agricultural practices and operations do not adversely affect the environment and biodiversity within and surrounding our estates. Signboards prohibiting illegal hunting, poaching and felling of trees were installed at HCV areas and estate entrances, on top of regular security patrols to prevent encroachment by outsiders. Training and briefings were conducted for estate management teams, staff, workers and contractors to impress on them the importance of conserving HCV areas. References for effective landscape planning and cultivation have also been provided in the HCV management plan.

Riparian management is another critical task that our Group is addressing seriously. Detailed guidelines on riparian management are being developed to provide estates with guidance on the appropriate methodology to be used to set aside the riparian buffer zones along natural waterways. Buffer zones are also recommended for water bodies and water catchments to protect against the risk of contamination by environmental pollutants and to attract migratory birds. Signboards have also been prominently installed at relevant areas to remind workers to refrain from applying chemicals inside these buffer zones.

A programme to monitor incoming and outgoing stream water and drinking water quality was also implemented at our estates in 2011. Under this programme, all operating units are required to monitor and record water usage and consumption, with the data then compared against set targets on a monthly basis.

An Environmental Improvement Plan, with specific impact mitigation targets and action plans for each operating unit was developed in 2011 in response to impacts identified under the Environmental Aspect and Impact Assessment

exercise. The resultant improvements that have been made include the installation of oil traps and bunds at stores, washing bays and workshops, as well as the adoption of the "3R" principles of "reduce, reuse and recycle" in managing solid waste and scheduled waste generated by the operating units. As part of this initiative, our estates and mills have been encouraged to implement waste segregation to separate recyclable materials such as plastic, paper, metal and glass from organic waste and non-recyclable materials which are then disposed of at designated landfills on site. Licensed scheduled waste contractors are engaged to collect all scheduled waste to ensure proper disposal as required under the Environmental Quality Act 1974 (Scheduled Waste) Regulations 2005.

These efforts are reinforced by the formal endorsement of a Zero Burning Policy in 2011.

In furthering our commitment to providing a workplace that is healthy, safe and free from discrimination or harassment, a formal set of Communication and Consultation Guidelines was established and subsequently distributed to all operating units during the year. The guidelines, which affirm the rights of employees to freely express their grievances and complaints through various channels, provide a more structured method of communication between the respective management teams of operating units and their internal and external stakeholders. This system has been well-received and has proved effective in resolving complaints and grievances. Besides adhering to ethical and transparent human resource practices, needs-based competency training programmes for staff and workers continue to be provided on a timely and regular basis.

During the year, the engagement with our stakeholders was stepped up through an increase in the frequency of consultative meetings and get-together events. Company

SUSTAINABILITY REPORT (cont'd)

policies, guidelines, sustainability targets and issues were communicated and discussed at these sessions. Through such open and earnest engagements, we hope to build a stronger rapport and better mutual understanding with our stakeholders.

While our sustainable palm oil initiatives are gaining considerable traction in Malaysia, progress at our Indonesian operating units has been slowed down somewhat by unavoidable circumstances and staff changes. Nevertheless, our Group has continued to meet the relevant local regulatory requirements such as environmental impact assessments and occupational safety. We have also been laying the foundation to meet the exacting standards of the RSPO by carrying out the required HCV and social impact assessments, besides taking various steps to raise awareness, among workers, staff and contractors. On a related note, the PT Sepanjang Intisurya Mulia estates in Kalimantan Barat have been pre-assessed under the mandatory ISPO scheme and classified as being on course for compliance within 2 years.

ENVIRONMENT

As our business activities are closely associated with natural resources, we recognise the importance of practising responsible stewardship of the environment and strive to adhere to the principles of sustainable development for the benefit of present and future generations.

In taking a holistic approach to sustainability, we begin with the understanding that palm oil is itself a natural resource that is becoming, if not already, heavily relied upon the world over as a vital source of food and fuel. Accordingly, from our perspective, the crux of sustainability is to foster a harmonious balance between the productive use of land to satisfy the world's growing demand for palm oil and the conservation of environmental biodiversity. In this connection, the green initiatives and best practices integrated across the operations of our Group bear testimony to our resolve to uphold an environment-conscious business model.

Much of our efforts in advancing our eco-friendly agenda are embodied in the comprehensive programmes carried out to orientate our Group towards internationally-accepted standards of sustainable palm oil.

In this regard, procedural safeguards have been put in place to ensure the integrity of operations at every stage from planting to harvesting and processing so as to minimise any potential risks to the environment.

At the estate level, best-in-class operating standards are adopted. Our Group's Malaysian estates have either received Code of Good Agricultural Practice certification from the Malaysian Palm Oil Board ("MPOB") or are in the process of gaining certification.

Oil mills are no exception. All six of our Group's mills have been certified for Code of Good Milling Practice by MPOB. Further independent verification of our adherence to best



Planting of beneficial plants and the use of barn owls as part of integrated pest management

practices can be found in the certification of all our mills by leading certification body SIRIM for their Environmental, Health and Safety Management Systems, namely the ISO 14001: 2004 Environmental Management System, OHSAS 18001:2007 Occupational Health and Safety Management System and MS 1722: Part 1:2005 Occupational Safety and Health Management System.

Any commitment to responsible environmental stewardship would entail espousing a keen sensibility for the protection of biologically-rich ecosystems. Putting this principle into action, our Group takes an uncompromising stance in preventing encroachment and requiring complete environmental impact and High Conservation Value ("HCV") assessments



to be carried out prior to the commencement of any new plantation development projects. Forest areas recognised as HCV are set aside to flourish in their natural state. The practice of protecting ecologically-important sites within our Group's landholdings has been in place since the early years of our corporate history as attested by, for example, the preservation of areas within the Tenegang group of estates in Sabah as wildlife sanctuaries called the Baha and Bahagia Sanctuaries.

The quality and health of the environment are also treated with utmost seriousness at our Group. We have established a formal Zero Burning policy that strictly prohibits open burning of any kind at operating units and mandates that all waste products, biomass and by-products are to be disposed of safely and appropriately.

Part of our endeavour to maintain good environmental quality in areas where we operate involves reducing chemical application in our operations. While it should be noted that agrochemicals, if responsibly and properly administered, do not necessarily pose any significant risks to the environment, the use of eco-friendly, organic alternatives are favoured, where possible. When it comes to pest control, our Group practises an integrated pest management strategy that includes the use of biological control agents. For instance, the introduction of barn owls have been effective in controlling the rat population in estates while the placement of pheromone traps has helped to stem the spread of rhinoceros beetles.

We also take an integrated approach to nutrient management. Naturally rich in nutrients, oil palm by-products generated from our Group's plantation operations such as empty fruit bunches and palm oil mill effluent are applied to the fields as organic manure, complementing the regular fertiliser regime.

The recycling of biomass as fertiliser serves a dual-purpose as it also provides an environment-friendly method of waste

management. Along these lines, palm kernel shells are utilised as green fuel in oil mill boilers for power generation, thus providing another avenue for biomass recycling while promoting energy self-sufficiency at the same time. Other biomass-based renewable energy projects are being actively pursued at our Group's oil mills.

Formal participation in the global climate change mitigation initiative is also on our radar for the longer-term. Our Group is actively exploring opportunities to contribute to emission reduction through projects at suitable oil mills.

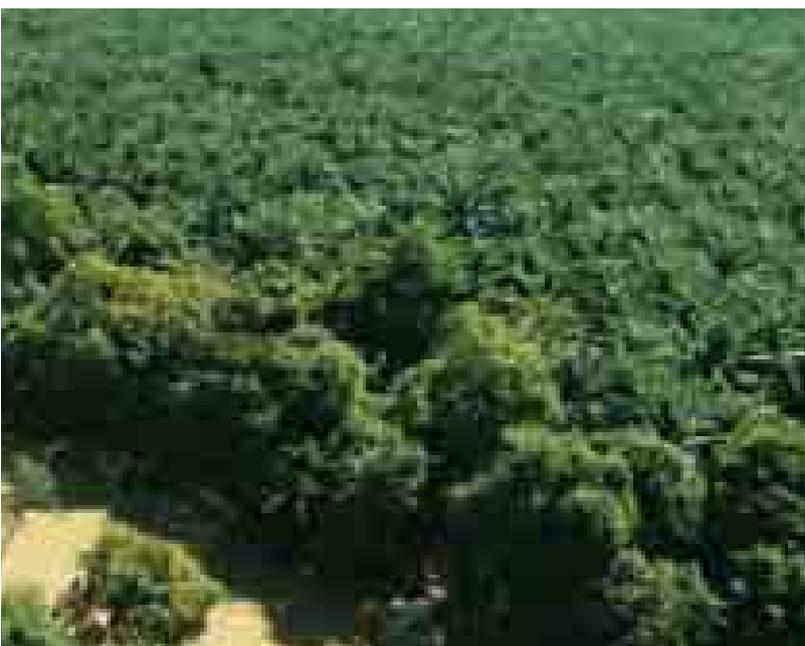
Merely minimising the negative risks of development on the environment is certainly not the be all and end all of our Group's sustainability objectives. We aim to continually create and enhance positive values for the earth through beneficial initiatives.

In this regard, the ecology of the Kinabatangan River in Sabah is a subject matter that resonates especially strongly with our Group, more so because of our sizeable presence in the state often referred to as the "Land Below the Wind". In 1999, we were the first plantation company to participate in the "Kinabatangan – Corridor of Life" project initiated by WWF-Malaysia to help conserve and rehabilitate the Kinabatangan floodplain, one of the world's largest remaining and most biologically-diverse floodplain. Under the programme, our Group has set aside an area measuring 86.5 hectares along the Tenegang Besar River, one of the main tributaries of the Kinabatangan River, for the planting of forest tree species. Despite disruptions and difficulties caused by adverse weather conditions, reforestation works are still ongoing. Our Group remains determined to carry on with the restoration efforts.

During the year, our Group also supported the Asian Wetland Symposium ("AWS") held in Sabah on 18-20 July 2011 by being one of the sponsors of the internationally-reputed event, which is organised by Ramsar Centre Japan and provides a platform for active discussion on issues related to wetland conservation and the wise-use of wetland resources.

Showing solidarity with hundreds of millions of people and organisations worldwide in calling for climate change action, our Group once again participated in the WWF's annual Earth Hour event in 2011, with major premises and offices observing a one-hour lights out during the appointed time.

We recognise that while corporations have the resources and responsibility to take the lead in driving any environmental sustainability action, it is ultimately the support of employee that will determine its success. Therefore, to cultivate greater employee awareness towards environmental care, our Group has embarked on an initiative to promote the efficient use of resources and to reduce wastage in the corporate offices. As a start, a recycling programme has been implemented, with colour-coded bins for waste segregation prominently displayed. More green programmes are set to be introduced progressively.



Reforestation initiatives along Tenegang Besar River

SUSTAINABILITY REPORT (cont'd)

COMMUNITY

We seek to build mutually beneficial relationships with the communities where we operate and with society at large through active engagement.

The palm oil industry is widely-regarded for its instrumental role in poverty alleviation. Likewise, as a leading oil palm grower with a wide geographical reach across Malaysia and Indonesia, our Group is uniquely placed to make a lasting difference to the well-being of the communities in the remote areas where we have an operating presence. It follows, therefore, that our social action plan should be founded on a desire to nurture a harmonious reciprocity with the rural folk, one that thrives on a close rapport in pursuit of the common good.

To be sure, community engagement is essential in all our development projects, whereby land procurement and use are managed in accordance with prevailing laws and with due respect for local cultural sensitivities. Any contingent differences are bridged through consultation to reach amicable and timely resolutions. Our Group regularly holds dialogue sessions and casual gatherings to reach out to the local committees.



Hand-over ceremony upon completion of road repair works by the Group to local villagers at Mulia Estates

In many ways, our Group is well-positioned to contribute constructively to rural development. For the communities in the often-isolated areas where we operate, our presence provides a chance for them earn a livelihood through the variety of employment and business opportunities on offer. Accessibility and connectivity in these rural areas are noticeably improved by virtue of the infrastructure and amenities established by our Group, including roads and bridges as well as ferry and speedboat services.

Financial assistance is regularly extended to the local peoples, not only towards meeting their economic development needs, but also in promoting local social customs through donations in cash and kind for various cultural and religious activities.

Our advocacy of the holistic development of a community is also evident across our property development project. Family-friendly, community-oriented programmes such as carnivals, sports events and festival celebrations are commonly held to promote wellness and healthy living, besides forging stronger neighbourly bonds among township residents.

Over and above all, we recognise that effecting sustainable progress in society must begin at the grassroots level. To achieve this, there is no single factor that is more fundamental than education. Fittingly, therefore, our Group has put education at the forefront of our social engagement agenda.



In Indonesia, our Group has taken another stride forward in fulfilling our responsibility to the well-being of the local community with the establishment in mid-2011 of the first Plasma programme under the SIS Mulia development in Kabupaten Ketapang, West Kalimantan. The signing of the agreement for the Plasma co-operation, which involves the development of new oil palm plantations for small landholders to operate, undoubtedly paves the way for the further deepening of ties.



Signing ceremony of the first plasma programme under SIS Mulia on 29 July 2011



Engagement with UPM Agriculture Faculty and scholarship recipients

At the primary level, our Group has been working closely with the non-profit Borneo Child Aid Society, consistently providing much-needed funding for the establishment and running of Humana learning centres in the remote parts of Sabah. Hundreds of children, who would otherwise have no access to basic education because of distance, poverty or their "migrant" status, are attending the eight Humana schools that our Group is supporting.

Schools of all levels and types, be they primary or secondary, national or vernacular, that are in need of financial assistance are also routinely given a helping hand through contributions in cash and kind.

In today's rapidly evolving, knowledge-based world, the critical role played by institutions of higher learning in the development of a knowledgeable, forward-thinking populace cannot be overstated. Universiti Putra Malaysia ("UPM"), one of the nation's premier universities and famed for its expertise in agriculture and food production, is currently the biggest beneficiary of our Group's commitment to education in the tertiary arena. Through the Tan Sri (Dr.) Lim Goh Tong Endowment Fund, our Group provides scholarships for deserving undergraduates pursuing agriculture studies as well as funding for the university's research activities and other educational programmes. In 2011, apart from full scholarships awarded to four students -- one in every year of studies, the Endowment Fund also provided sponsorships for a joint research programme on plantation crops and for the participation of a Ph.D. candidate as a presenter at the 17th International Congress on Nitrogen Fixation in Fremantle, Australia.

Philanthropic giving, an effective means for corporations to respond to the urgent needs of the underprivileged, remains very much a fixture in our social responsibility programme. The charitable causes we supported financially in 2011 included, among others, relief for the victims of the Johor floods and for the 5th consecutive year, the annual Edge-Bursa Malaysia Kuala Lumpur Rat Race.



Our team for Kuala Lumpur Rat Race 2011

WORKPLACE

Our people are our most important asset.

We value diversity in our workforce and promote ethical behavior through our code of conduct while striving to provide a working environment that is safe, healthy and conducive to continuous employee development.

Our business is built on the belief that our people are the enablers of success. To be the employer of choice means providing them the right platform to thrive and realise their full potential.

In appreciation of our valued plantations workforce and in view of the rising cost of living, our Group unveiled in September 2011 a special gratuitous payment scheme in conjunction with the broader adjustments adopted by the Malayan Agricultural Producers Association. Under the scheme, eligible estate and oil mill workers and non-executive staff are rewarded with additional monthly remuneration of RM200.

The improved reward scheme complements the other benefits provided by our Group to ensure a comfortable and conducive working and living environment for our workforce. These include the provision and continual upgrading of free housing, utilities such as water and electricity, medical care,



Company trips are organised annually to enhance interaction among employees

SUSTAINABILITY REPORT (cont'd)



Participants at the 30th Management Conference

crèche facilities, places of worship, sports facilities and other amenities at our estates and oil mills.

Attracting and retaining the best talents is more than just about offering a competitive remuneration and incentive system. It is also about practising good human resource management that values the rights of all employees. Employee rights, benefits and standards of professional conduct along with our Group's policies and procedures are clearly laid out in our Human Resources Handbook, Sustainability Handbook and other related manuals.

We strictly prohibit any form of violence, harassment or discrimination against race, religion, national origin, disabilities, pregnancy, age and gender. We also do not condone any form of employment of underage labour or forced labour at our operating units.

A formal grievance procedure has been established to address employees and stakeholder complaints in a fair, systematic and transparent manner.

When it comes to the safety and health of all our employees, there is no room for compromise as far as our Group is concerned. Our commitment to putting safety first is underlined in our formal Occupational Safety and Health policy statement. We strive to institute all necessary precautionary and control measures to minimise risks. For example, safe operating instructions and relevant safety signs are prominently displayed at all our Group's operations sites. At the same time, training courses are conducted regularly to raise employees' awareness of the potential hazards they may encounter and to educate them on the proper working procedures and emergency response plans.

Independent verifications such as the OHSAS 18001:2007 and MS1722:Part 1:2005 management system certifications secured by all our Group's oil mills as well as the Chemical Health Risk Assessment exercise completed by the operating units attest to our resolve to maintaining a safe and accident-free workplace.

In our pursuit of long-term success, we see employee development and organisational progress as being two sides of the same coin. By investing in the professional growth of our employees, we are investing purposefully in the future of the company. Towards this end, all levels of employees are provided with opportunities to undergo in-house and external training programmes to sharpen their skills and learn new competencies that will help them stay relevant in today's ever-evolving competitive business environment.

We also seek to lay down well-defined career advancement paths that are optimally suited to the unique individual skill-sets of every employee, thus empowering them to realise their full potential with our Group for our mutual benefit.



Recipients of the various outstanding performance awards

The annual Management Conference, a valuable platform in driving performance excellence among the key personnel of the organisation, entered its 30th edition in 2011. Themed "Achieving Higher Productivity – The Next Phase", the 2011 conference held in Singapore provided opportunities aplenty for the exchange of experiences and insights into the emerging trends in the plantation industry. This event was followed by the Assistant Managers' Conference in Johor Bahru, which also explored the latest developments along the same theme.



Joint participation with Department of Agriculture, Sabah at Hari Peladang, Penternak dan Nelayan 2011 - YAB Seri Panglima Musa Haji Aman, Chief Minister, Sabah at the booth

Professional development aside, the personal well-being of our people is also regarded as deserving of at least as much attention. Promoting work-life balance is essential in shaping employees who are continually happy, motivated and productive. Our Group organises recreational activities such as staff trips, friendly sports tournaments and festival celebrations on a regular basis to encourage healthy living and instill a greater sense of camaraderie among employees.

MARKETPLACE

Our business conduct shall be guided by honesty, integrity and a commitment to excellence. We are committed to promoting responsible practices among our business partners, showing care for the well-being of our customers and upholding good corporate governance to meet the expectations of our investors.

The creation of value for all shareholders is an overarching objective that is manifested right from the boardroom level, where it is not only the experience, business acumen and requisite professional qualities and qualifications of the members that matter, but also the dedication to upholding the best corporate governance practices. Our Group's stated policy is for all our affairs to be managed in accordance with the principles of the Malaysian Code on Corporate Governance.



1-3. On-site training programmes are regularly conducted



Genting Plantations Berhad's Annual General Meeting 2011

As serving the best interests of all stakeholders goes hand-in-hand with maintaining integrity in all our dealings, our Group enforces strict policies to ensure that all business affairs are conducted above board, in a professional and trustworthy manner, free of any form of corruption or unethical behaviour. This ethical code applies across the many facets of our business activities, encompassing our relationships with our partners, vendors, contractors, customers, governing authorities and anyone else we work with.

We consider transparency and accountability as fundamental to our engagement with shareholders and this is reflected firstly in our endeavour to disclose all material information through the appropriate channels in a timely, open, complete and accurate manner. Beyond merely the dissemination of information, the building of a close rapport with the investing public through two-way dialogue is also a central part of our shareholder engagement strategy. In this respect, the Annual General Meeting serves as an effective platform for shareholder interaction. Furthermore, we maintain open and constant communications with the professional investment community through periodic briefings, meetings and operating site visits.

Our investor relations efforts have been positively received, with our Group ranking among the top tier companies in the Malaysian Investor Relations Association's inaugural rankings of the investor relations performance of public listed companies published in May 2011. During the year, our Group also received a Merit Award for the category of Best Return to Shareholders in the Malaysian Business-Chartered Institute of Management Accountants Enterprise Governance Awards 2011.

Corporate responsibility in the context of the marketplace also involves the adding of value to the development of the industry and broader national economy. Whether through our Group's active involvement in representative bodies like the Malaysian Palm Oil Association, or membership in the Roundtable on Sustainable Palm Oil, or collaborations with leading research organizations like the Malaysian Palm Oil Board and the Department of Agriculture, Sabah, we take a keen interest in contributing meaningfully to the betterment of the industries we are in.