

CORPORATE SOCIAL RESPONSIBILITY



At Wilmar, we adopt a holistic and practical approach to balance growth with sustainability. In 2008, we advanced our agenda for sustainable development on several fronts.

Awarded Certification For Sustainable Palm Oil Production

Among our notable achievements this year was the Roundtable on Sustainable Palm Oil (RSPO) certification awarded to our business unit, PPB Oil Palms Berhad. We were one of the first in the industry to receive the RSPO certification. The award is a testament to the Group's strong commitment to sustainable growth that balances economic, environmental and social interests.

This is Wilmar's first RSPO certification. It involved a rigorous audit process, benchmarked against the

strict RSPO Principles, Criteria and Indicators under the Malaysian National Interpretation scheme of the RSPO. The certification covers three of our palm oil mills, which collectively produce approximately 123,000 metric tonnes of sustainable crude palm oil annually from their supply base of four plantations spread over more than 19,400 hectares in Sabah, East Malaysia.

The production of certified sustainable palm oil will tap the rising demand for sustainably and responsibly produced products, notably for RSPO-certified palm oil, which is accredited by the sole recognised certification system in the market.

We will continue to work towards full certification for all of Wilmar's operations.



Environmental Stewardship

The scale of our operations comes with greater responsibility over our impact on the environment. The Group applies best practices and actively seeks to improve the use of resources through the 4Rs of Reduce, Reuse, Recycle and Recover to manage our environmental impact.

Greenhouse Gas Emission Mitigation and Energy Efficiency

Our environmental agenda addresses the global concern on climate change through greenhouse gas (GHG) mitigation and energy efficiency.

Wilmar commissioned a carbon footprint study in 2008 to assess the intensity and extent of our carbon footprint. The independent study assessed our operations in origination, processing and distribution of palm oil, soybean and other related products across

50 oil palm plantations and 80 processing facilities. We are reviewing the study and planning appropriate actions to further reduce our carbon footprint.

The Group is self-sufficient in generating energy for our palm milling operations, and uses a large proportion of biofuel generated from waste materials and biomass. Besides powering our mills, part of the energy produced is supplied to employee housing complexes.

Wilmar has five registered clean development mechanism (CDM) projects with the United Nations Framework Convention on Climate Change (UNFCCC). The CDM projects are aimed at reducing our carbon footprint. Three of these projects are already generating carbon credits in the form of Certified Emission Reductions (CERs). Another three new projects are at the validation stage with the

CORPORATE SOCIAL RESPONSIBILITY



UNFCCC. The majority of projects are focused on generating energy by recycling and reusing biomass waste products or by methane gas capture.

Promoting Biodiversity through Partnerships

We believe that active engagement with strategic and committed partners will enhance our environmental and conservation efforts. One such collaboration in 2008 was with the International Finance Corporation (IFC), Zoological Society of London and the Indonesian Institute of Sciences to reduce the impact of palm oil cultivation on biodiversity. The project aims to develop a science-based framework that improves the biodiversity-related indicators set out under the RSPO's Principles and Criteria, and to lobby its recognition among policy-makers. The project is under the

auspices of the Biodiversity and Agricultural Commodities Programme (BACP), which is an associated agency of the IFC.

With our partners, Wilmar will roll out the project in Sumatra and Kalimantan, Indonesia. We will contribute project funding and offer plantation sites for field research. We have also hired a Biodiversity Manager who will co-ordinate the Group's BACP project, oversee High Conservation Value areas within our plantations and work with relevant institutions, scientists and civil organisations.



Reporting Initiatives

We continuously strengthen our sustainability practices. We participated in several third-party reporting initiatives to further enhance our standards of corporate governance. We also plan to undertake more comprehensive disclosure of our socio-environmental performance and to use it as a measuring tool and benchmark for improvement.

Carbon Disclosure Project (CDP)

In 2008, Wilmar participated in the Carbon Disclosure Project 6 (CDP6), along with over 2,000 of the world's largest companies. This is part of the Group's active engagement with stakeholders towards greater transparency in our business activities. The CDP aims "to facilitate a dialogue, supported by quality information, from which a rational response to climate change will emerge."

In the CDP6 report, Wilmar was listed as one of the few Asian companies working on baseline studies in preparation for CDP7 emissions disclosure.

The Group's participation in the CDP is part of our ongoing efforts to benchmark CSR standards and to drive further improvements.

Global Reporting Initiative

Wilmar participated in an international project by the Global Reporting Initiative (GRI) to develop indicators for a global reporting framework on sustainability specific to the food processing sector. The GRI is a multi-stakeholder governed institution that develops the global standards in sustainability reporting which companies use to measure and report their economic, environmental and social performance.

CORPORATE SOCIAL RESPONSIBILITY



Community Involvement

Wilmar continues to be involved and responsive in community development efforts.

Nurturing the Future

We believe that education will help younger generations secure a better future. In 2008, the Group continued to build schools to make education accessible to more children. We also conducted enrichment programmes for teachers as well as enhanced the academic curriculum to elevate the quality of learning. Wilmar sets specific performance indicators to ensure that earmarked funds are spent in a meaningful and effective manner.

Across our operations in Malaysia, Indonesia and China, Wilmar provided:

- Land, building funds, furniture and other basic amenities for school set-ups

- Accommodation, teaching materials, salary and honoraria for teachers
- Subsidies for uniforms, school books and food for every child on an annual basis
- Scholarships for tertiary students
- Transportation for students
- Funds for the schools' running expenses

In Indonesia, 26 schools benefited from the above support. In East Malaysia, the Group partnered with the Borneo Child Aid Society to build eight new schools across Sabah and Sarawak. These are in addition to the four Humana-Wilmar schools operating in Sabah. The new schools are expected to be ready by end-2009.

In China, the Group made contributions towards disaster relief, education and healthcare. This included donations to the relief efforts for China's snowstorm and the Sichuan earthquake disaster.



We also contributed to scholarships for poor students, cataract operations for the needy, development of schools in remote areas and a nursing home for the aged. In total, Wilmar contributed more than US\$5.6 million in cash and kind.

Wilmar was accorded the '2008 China Charity Award - The Most Benevolent Foreign Enterprise' by the Ministry of Civil Affairs of the People's Republic of China. This award is the country's top honour for individuals, corporate and civil organisations, in recognition of their contribution to public welfare and charity work.

Moving Forward

As we work towards our long-term sustainability goals, we will continue to engage various stakeholders to understand their needs and expectations. This, together with the Group's strong culture of continuous improvement, will enable us to meet our business goals while creating value for all our stakeholders.