Wilmar International Limited

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28 September 2018

Dear Kiki,

I refer to your letter of 26 September 2018.

We have always recognised that Wilmar, given our position in the palm oil industry, indeed has to shoulder a bigger responsibility to ensure its sustainable development and there is ample evidence of our leadership role in making positive changes. Our efforts and contributions are reported openly for all to see. At the industry level, its progress cannot be denied. By the same token, Greenpeace as a prominent NGO has the same responsibility to adopt a constructive and genuine approach in engaging the industry. The end goal must be to make the industry sustainable environmentally and economically so that it can continue to provide good employment and better lives for the millions of people working in the industry.

Ending deforestation is a common goal we share. From your perspective, the publication of concession maps is the only way to achieve this goal. Wilmar is no stranger to setting industry transparency standard. In 2015, we were the first to voluntarily disclose our complete mill list. There was no NGO campaign pressuring us to do so. We did it entirely voluntarily because we recognise that supply chain transparency was the weakest link in the implementation of our NDPE policy. Our decisions to lay bare the traceability of our supply chain and to put in place a public grievance procedure were made with careful consideration to ensure they are pragmatic actions that can become an industry standard for our peers to follow and to improve upon.

Map publication, unlike the disclosing of mills, is more complicated due to possible legal implications, hence we must tread carefully and seek input from various external stakeholders. We are exploring different options including developing a protocol with WRI for map submission. In the meantime, we have encouraged all our suppliers to voluntarily publish their concession maps. As previous grievances have demonstrated, engagement involving dialogue, influence and support is far more effective in changing behaviour. We do not believe in using high-handed tactics or engaging in publicity stunts.

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We would also like to emphasize the importance of the palm industry in economic development and lifting the living standards of rural people, not just in Indonesia but also in many developing countries. The actions of many developed countries in the West in trying to tarnish palm oil's image by claiming that it is destroying forests, banning its use in renewable fuel and requiring the labelling of palm oil in consumer products, coupled with leading NGOs like Greenpeace adding to the condemnation of palm oil by calling it dirty oil and demanding that some countries like New Zealand not to use palm kernel meal for their cattle feed , are counter-productive.

In your letter, you set out criteria that our next action plan should meet which my team and I will take into serious consideration. The development of the HCSA, of which Greenpeace and Wilmar are cochairs, is an example of a positive industry-leading collaboration. We remain open to resume our dialogue with the aim of developing practical and impactful solutions for the industry.

Sincerely,

Kuok Khoon Hong Chairman & CEO Wilmar International Limited

Dear Kuok Khoon Hong,

Thank you for your letter and I read your press release with interest. We shared an early draft of the *Final Countdown* report in November 2017 and offered Wilmar the opportunity to comment on its links to the producer groups it profiled in May, June and August 2018. The responses we received were incorporated into the report prior to publication.

I agree the sector needs pragmatic solutions that can be adopted by the entire industry. Greenpeace outlined such a plan to your team and other companies earlier this year. I hoped this constructive engagement would allow us to work together to end deforestation for palm oil. Unfortunately, talks broke down after Wilmar denied its links to Gama, a palm oil group run by your business partner that was destroying rainforests in Kalimantan and Papua. Your team claimed not to source from Gama even after we had presented them with overwhelming evidence to the contrary.

I shall take your invitation to take collaborative and constructive action in good faith. We have concluded that industry-wide action will only happen when one company leads the way. Wilmar is the obvious choice for that role and has a responsibility to fulfil it.

You have the opportunity to set the agenda by publishing a strong action plan to ensure the palm oil you trade comes solely from producer groups that comply with your policy and the policies of your customers. The plan should be based upon these principles:

- **Mandatory:** make publishing concession maps a condition of trade and exclude producer groups that refuse to disclose
- **Group-level:** insist producer groups publish maps for all concessions and mills, not just those supplying Wilmar
- **Transparent:** specify that concession maps are published on an open-access platform like Global Forest Watch
- **Visionary:** commit that by 2020 it will only trade with producer groups that have been independently verified as compliant with its NDPE policy.

If you are prepared to incorporate these four principles into your action plan, then a face to face meeting to discuss the practicalities would be a constructive way forward.

Regards,

Kiki Taufik, Global Head, Indonesia forests campaign

Greenpeace Asia Tenggara

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