



Wilmar's No Deforestation, No Peat, No Exploitation Policy Second Quarter Update Report: 1 April – 30 June 2015

Introduction

This report is produced by Wilmar and The Forest Trust (TFT) and is organised into two parts:

- 1) Supply chain mapping;
- 2) Progress update against the commitments set out in Wilmar's Policy.

The second quarter of 2015 has seen individual mill and grower visits expanded across further refineries and broader engagement with suppliers in groups has also been undertaken with positive response.

1. Supply chain mapping

In this quarter, the scope of the interactive supply chain map on the Dashboard has been widened to include individual summary reports and supplying mill lists on all destination refineries¹. These reports will also detail Wilmar's origination refineries² in Indonesia and Malaysia.

All stakeholders can request access to the Dashboard which is the main repository of traceability data, and information on all aspects of Wilmar's policy implementation.

Traceability Performance

Traceability analysis and summary data continue to be measured and expanded across Indonesia, Malaysia, India, Bangladesh, Sri Lanka, China, Nigeria, Ghana, South Africa, Vietnam, United States of America and Europe.

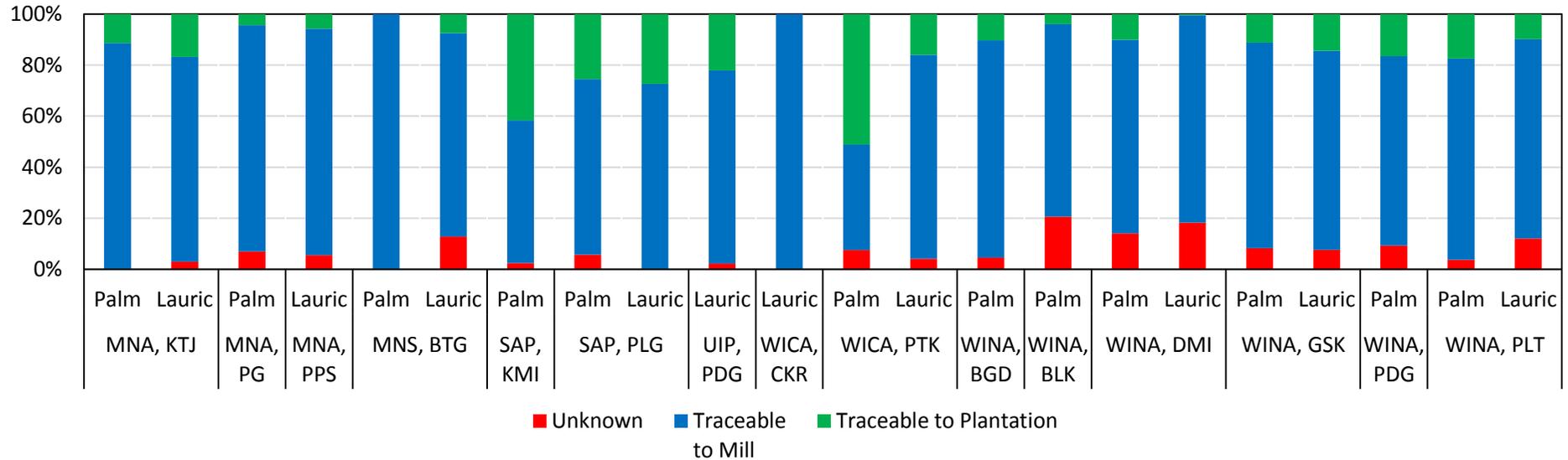
Traceability data have been updated to include the most recent four quarters, replacing Q1 2014 with Q1 2015. The data below for all facilities relates to data on supplies and shipments for the year from April 2014 – March 2015.

¹ Destination refineries, otherwise known as 2nd refineries, are Wilmar's refineries outside Indonesia/Malaysia that source from refineries in Indonesia/Malaysia or locally from their respective domestic markets.

² Origination refineries refer to Wilmar's refineries in Indonesia and Malaysia

Indonesia

Indonesia



LEGEND

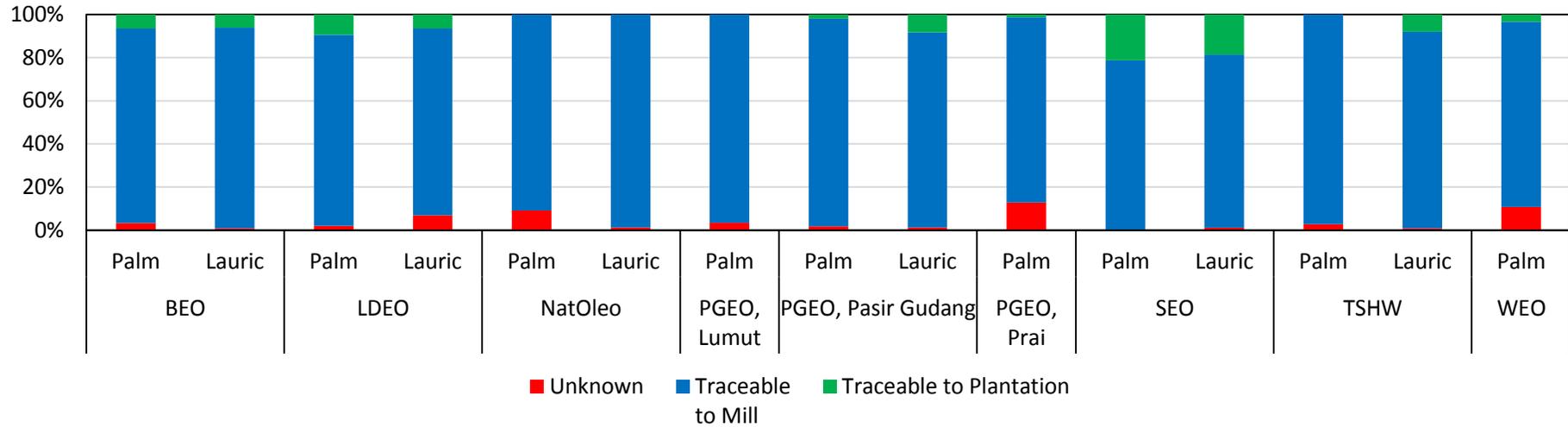
Refinery	Code
PT Multimas Nabati Asahan, Kuala Tanjung	MNA, KTJ
PT Multimas Nabati Asahan, Pulo Gadung	MNA, PG
PT Multimas Nabati Asahan, Paya Pasir	MNA, PPS
PT Multimas Nabati Sulawesi, Bitung	MNS, BTG
PT Sinar Alam Permai, Kumai	SAP, KMI
PT Sinar Alam Permai, Palembang	SAP, PLG
PT Usaha Indah Padang, Padang	UIP, PDG
PT Wilmar Cahaya Kalbar, Cikarang	WICA, CKG

Refinery	Code
PT Wilmar Cahaya Kalbar, Pontianak	WICA, PTK
PT Wilmar Nabati Indonesia, Bagendang	WINA, BGD
PT Wilmar Nabati Indonesia, Balikpapan	WINA, BLK
PT Wilmar Nabati Indonesia, Dumai	WINA, DMI
PT Wilmar Nabati Indonesia, Gresik	WINA, GSK
PT Wilmar Nabati Indonesia, Padang	WINA, PDG
PT Wilmar Nabati Indonesia, Pelintung	WINA, PLT

In total there are 8.65 million metric tonnes (mt) of crude palm oil (CPO) and 1.09 million mt of palm kernel oil (PKO) from its Indonesian refineries that are traceable at least to mills. This represents an increase of 1.47%.

Malaysia

Malaysia



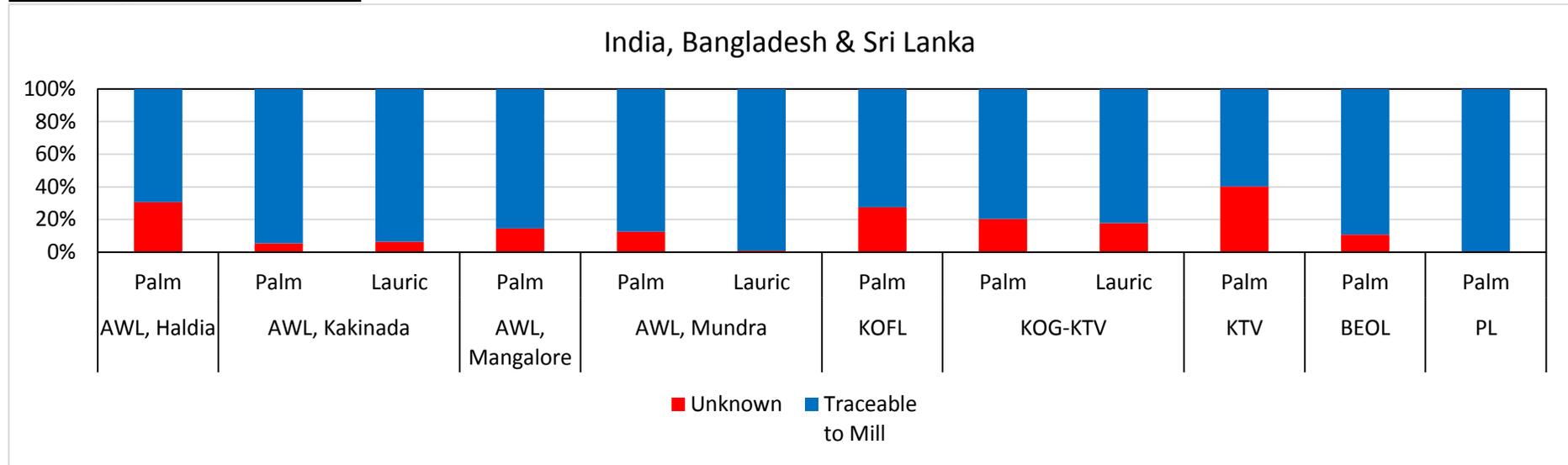
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Refinery	Code
PGEO Edible Oils Sdn Bhd, Pasir Gudang	PGEO, Pasir Gudang
Bintulu Edible Oils Sdn Bhd, Bintulu	BEO
TSH-Wilmar Sdn Bhd, Kunak	TSHW
Lahad Datu Edible Oils Sdn Bhd, Lahad Datu	LDEO
Sandakan Edible Oils Sdn Bhd, Sandakan	SEO

Refinery	Code
PGEO (Prai Division) Edible Oils Sdn Bhd, Prai	PGEO, Prai
PGEO (Lumut Division) Edible Oils Sdn Bhd, Lumut	PGEO, Lumut
Wilmar Edible Oils Sdn Bhd, Butterworth	WEO
Natural Oleochemicals Sdn Bhd, Pasir Gudang	NatOleo

In total, there are 5.39 million mt of CPO and 0.44 million mt of PKO from its Malaysian refineries that are traceable at least to mills. This represents an increase of 0.56%.

India, Bangladesh and Sri Lanka



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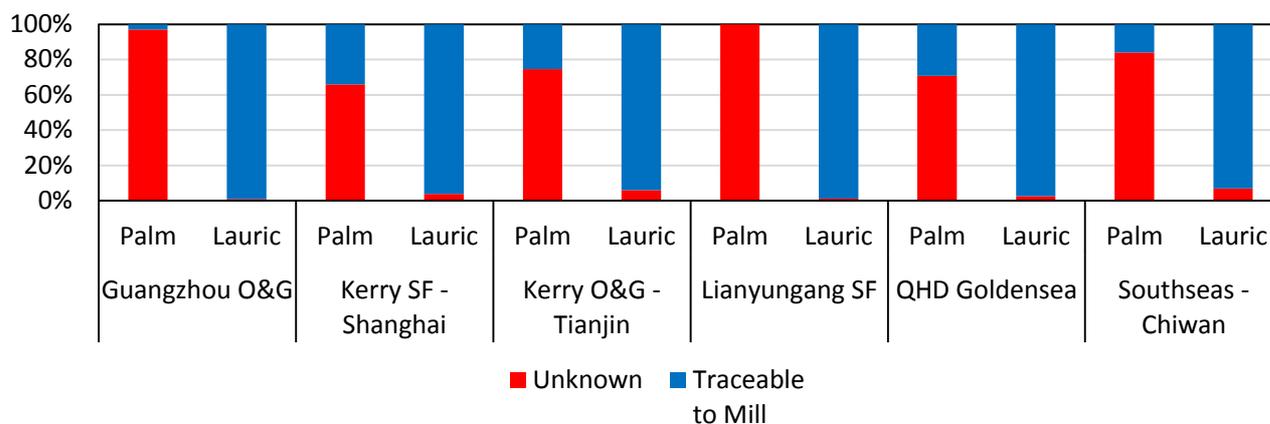
Refinery	Code
Adani Wilmar Limited, Haldia	AWL, Haldia
Adani Wilmar Limited, Kakinada	AWL, Kakinada
Adani Wilmar Limited, Mangalore	AWL, Mangalore
Adani Wilmar Limited, Mundra	AWL, Mundra
Krishnapatnam Oils and Fats Pvt Ltd , Nellore	KOFL

Refinery	Code
KOG - KTV Foodstuffs (I) Pvt Ltd, Tuticorin	KOG-KTV
KTV Health Food Pvt Ltd, Chennai	KTV
Bangladesh Edible Oil Limited	BEOL
Pyramid Lanka (Private) Limited	PL

In total, there are 0.75 million tonnes of palm products and 0.04 million tonnes of lauric products entering the above refineries that are traceable at least to mills. This represents an increase of 2.65%.

China

China - Specialty Fats

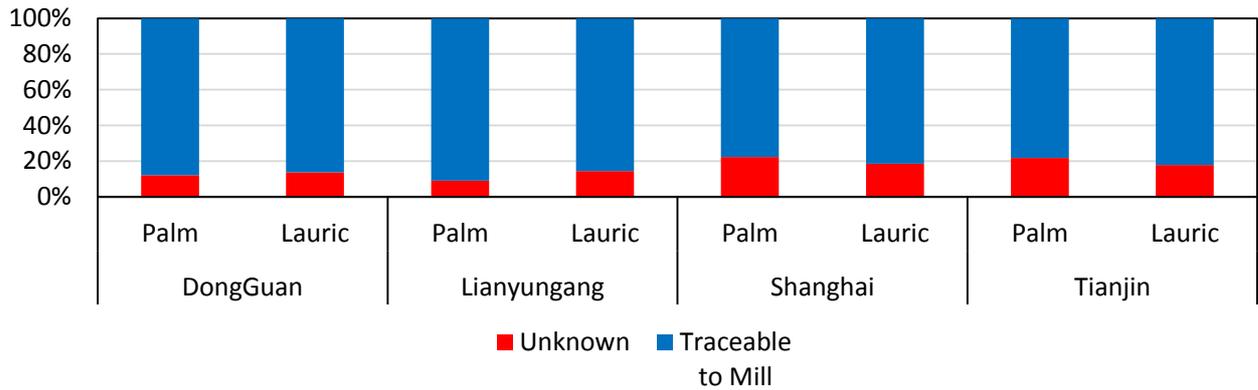


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Refinery	Code
Yihai (Guangzhou) Oils & Grains Industries Co Ltd	Guangzhou O&G
Kerry Speciality Fats (Shanghai) Ltd	Kerry SF - Shanghai
Kerry Oils & Grains (Tianjin) Ltd	Kerry O&G - Tianjin
Yihai (Lianyungang) Speciality Fats Industries Co.Ltd	Lianyungang SF
Qinhuangdao Goldensea Foodstuff Industries Co Ltd	QHD Goldensea
Southseas Oils & Fats Industrial (Chiwan) Ltd	Southseas - Chiwan

In total, there are 0.19 million mt of palm products and 0.14 million mt of lauric products entering the above refineries in China that are traceable at least to mills. This represents an increase of 3.4% for palm products and 0.15% for lauric products respectively.

China - Oleochemicals

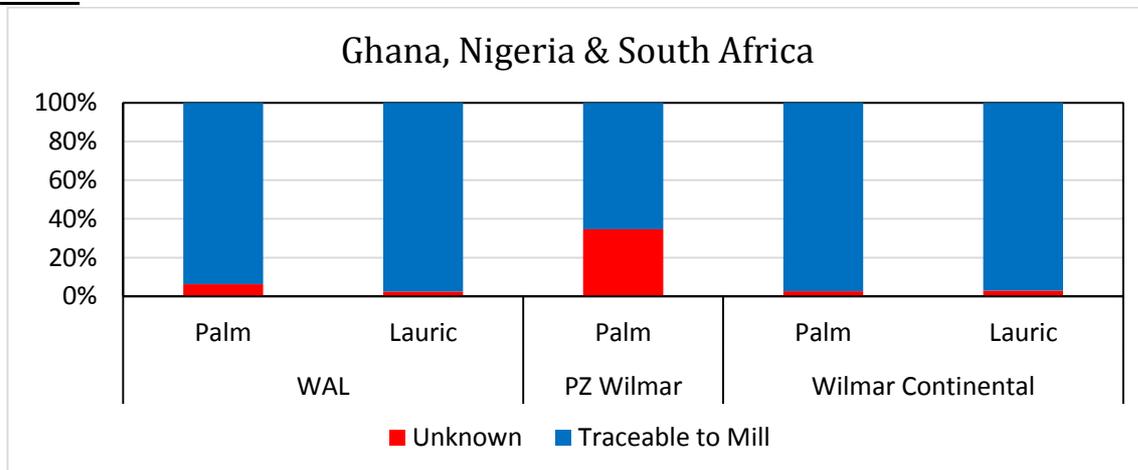


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Refinery	Code
Wilmar Oleochemical (Dongguan) Co., Ltd	Oleo - Dongguan
Wilmar Oleochemical (Lianyungang) Co., Ltd	Oleo - Lianyungang
Wilmar Oleochemical (Shanghai) Co., Ltd	Oleo - Shanghai
Wilmar Oleochemical (Tianjin) Co., Ltd	Oleo - Tianjin

In total, there are 0.38 million mt of palm products and 0.08 million mt of lauric products entering the above refineries in China that are traceable at least to mills. This represents a decrease of 1.04%.

Africa



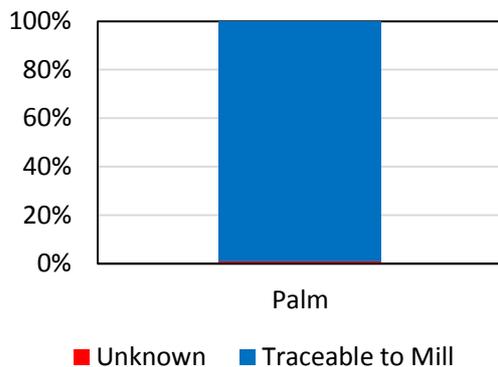
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Refinery	Code
Wilmar Africa Limited	WAL
PZ Wilmar Ltd	PZ Wilmar
Wilmar Continental Edible Oils & Fats (Pty) Limited	Wilmar Continental

In total, there are 0.44 million tonnes of palm products and 0.01 million tonnes of lauric products entering the above refineries in Africa that are traceable at least to mills. This represents a decrease of 1.36%

United States of America

United States of America



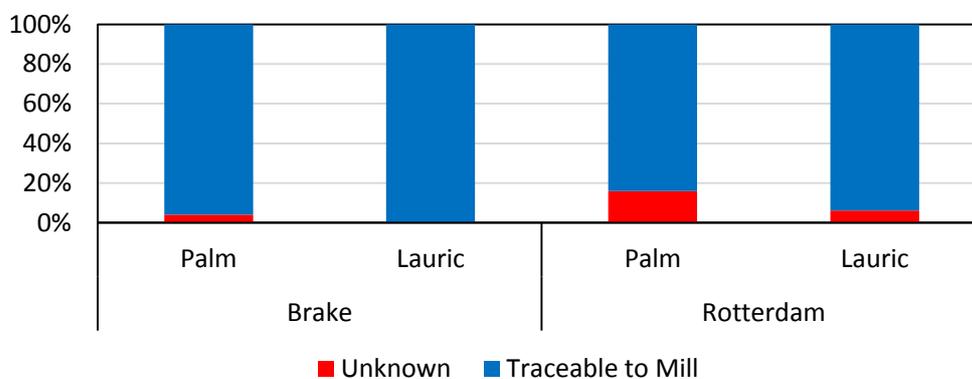
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Refinery	Code
Wilmar Oils & Fats (Stockton) LLC	WOFS

In total, there are 0.07 million mt of palm products entering the above refinery in United States of America that are traceable at least to mills. This represents a decrease of 0.4%.

Europe

Europe

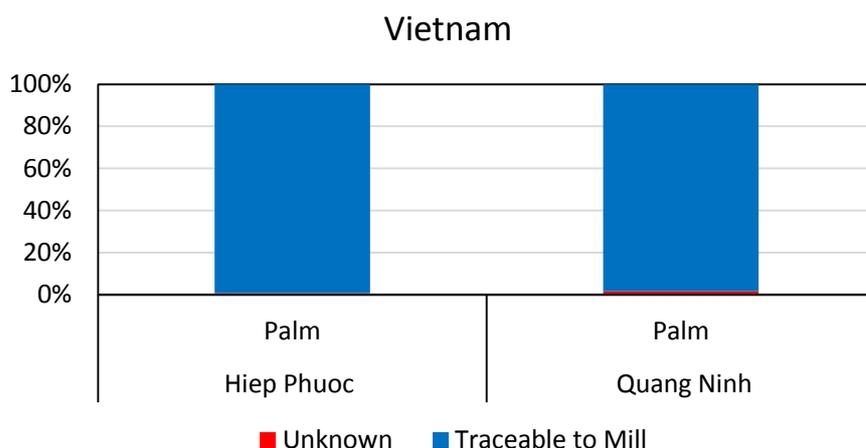


LEGEND

Refinery	Code
Wilmar Edible Oils GmbH	Brake
Wilmar Edible Oils BV	Rotterdam

In total, there are 0.73 million mt of palm products and 0.04 million mt of lauric products entering the above refineries in Europe that are traceable at least to mills. This represents an increase of 5.47%.

Vietnam



LEGEND

Refinery	Code
Calofic Hiep Phuoc	Hiep Phuoc
Calofic Quang Ninh	Quang Ninh

In total, there are 0.27 million mt of palm products entering the above refineries in Vietnam that are traceable at least to mills. This represents an increase of 0.29%.

2. Policy commitment progress

Q2 has seen an increase in activity on the transformation work focussed on refineries at Sandakan, Pasir Gudang and Kuala Tanjung. Alongside this, there has been an increase in the number of companies engaged with directly to address issues identified through field visits or non-governmental organisations (NGOs) reports.

Transparency and Accountability

Engagement & Field Visits/Assessments

Malaysia

Following the field visits to seven supplier mills and their fresh fruit bunch (FFB) suppliers in Sabah in last quarter, broad engagement took place with all mills supplying three of the Wilmar refineries in Sabah. Three meetings took place across Sabah with over 70 participants in total, including a mix of decision-makers and managers. The event provided an opportunity to share the findings and learnings from the field visits in Sabah and discuss ideas with the suppliers on solutions for improvement. The sessions were highly interactive and were met with a positive reaction overall. Next steps will include following up with tools – centred on a transformation handbook – as requested by the participants. There are also plans to revisit the key suppliers visited initially (deep engagement) to follow up on their progress in addressing specific issues identified during those visits.

This quarter has also seen the start of deep-engagement visits to suppliers in Peninsular Malaysia. A range of gaps have been found, many similar to those found in Sabah, but some specific to the context of the Peninsular. Suppliers visited will be provided with reports of the findings and recommendations for improvement. The target is to complete eight visits by the end of Q3 which will be followed by broad engagement with all suppliers to PGEO Pasir Gudang, potentially also reaching out to suppliers to other Wilmar-owned refineries in Lumut and Prai.

Indonesia

Visits are also underway to mills supplying Paya Pasir and Kuala Tanjung refineries in North Sumatra, Indonesia alongside additional engagement with suppliers in the vicinity of the Leuser ecosystem.

The priority for Wilmar – when the reports are ready - is to engage and share the findings and solutions recommendations with all the mill owners who can reach their own FFB suppliers to ensure the process of transformation can begin across the supply base.

The same exercise for Gresik is underway and due for completion in early Q3 in order to identify companies to visit under both refineries. The target for the end of the year is to meet the sampling target calculated by an established formula as used by ISEAL³.

Latin America

TFT has started the spatial analysis and mill prioritisation process in Latin America. A visit to one supplier's mill and plantation in Honduras has been undertaken to better understand the social and environmental contexts, and to evaluate its compliance with Wilmar's Policy. Wilmar is reviewing the findings and recommendations of the visit, and how it can best support its supplier towards positive changes, in collaboration with other stakeholders.

Dashboard

The Dashboard continues to receive positive feedback and good suggestions for improvement.

Additions in Q2 include updates to grievances; Sustainability Briefs about the work taking place in Sandakan, Wilmar's employees trained and appointed as honorary game wardens in Sarawak, its support to a gibbon rehabilitation programme by an NGO; as well as the expansion of the supply chain map to include full destination traceability reporting on the interactive map.

A web form has also been created on the Wilmar corporate website for new user registration; stakeholders can continue to request for login details at <http://www.wilmar-international.com/sustainability/dashboard/>.

³ Sample size is calculated as \sqrt{x} , where x = total number of mill sites

Grievance Procedure

Following the release of the Grievance Procedure on the Wilmar Dashboard, a series of meetings has begun to socialise it with both international and local NGOs. So far two meetings have been held in Indonesia and one in Europe; four and two more are planned in Indonesia and Malaysia respectively. These are intended to help stakeholders understand the process and how they can help Wilmar monitor its extensive supply base which includes almost 885 mills and their FFB suppliers. The Grievance Procedure has also been translated into Bahasa Indonesia for local stakeholders.

A number of additional grievances have been raised during Q2 which are listed on the Grievance Procedure section of the Dashboard with information on the progress with each of them.

Third-party Suppliers

Discussions around grievances have been held with a number of suppliers during Q2. In some cases these have resulted in positive outcomes, with some suppliers pledging to cease development. Wilmar initiates dialogue with all suppliers in such grievance cases in order to seek resolution as a priority. However, other companies have been less co-operative and have been suspended pending resolution of the matters to Wilmar's satisfaction. For more information, please refer to Wilmar's Dashboard.

Some of the grievances raised are against companies for activities directly in the Wilmar supply chain, but most of the highlighted activities of its suppliers are not within Wilmar's supply chain. Wilmar's first priority is to work on the direct supply of its processing facilities and to help parent companies (Groups) of these suppliers where their operations outside the Wilmar supply chain are a cause for concern.

High Carbon Stock (HCS) Toolkit and Training

The HCS approach toolkit made available in Q1 at www.highcarbonstock.org has been well received and plans are underway for further training of service providers in Indonesia and Malaysia.

A presentation on HCS and High Conservation Value (HCV), including examples from Nigeria, was presented to the RSPO RT in Amsterdam this quarter.

(<https://www.eurt.rspo.org/fe/GC1501/CMSFiles/Group%203%20-%20Deforestation.pdf>)

Assessments on Plantation Working Conditions

In follow up to the assessments by TFT of working conditions in two Wilmar estates in Sabah, a report has been finalised of the observations with recommended actions for improvement to be implemented on ground. The results of the trial have been used to inform TFT's No Exploitation Standards as well as the No Exploitation Toolkit which is undergoing finalisation before distribution.

Conflict Resolution and Free, Prior & Informed Consent (FPIC) Trainings

Following the trial of a conflict mapping tool prepared by TFT at two Wilmar estates in Kalimantan, two phases of Conflict Resolution and Mapping Training have been delivered to Wilmar employees in Sumatra. The conflict mapping tool has been incorporated into TFT's Conflict Resolution Toolkit which is being finalised and translated for distribution. A participatory mapping workshop led by TFT was also attended by Wilmar's Senior Sustainability Audit Manager.

Smallholders

Wilmar has been developing two wide-scale smallholder projects in Indonesia in collaboration with IDH (the Dutch sustainable trade initiative) and key partners. The two projects – one focussed in Riau, and the other in South Sumatra, will focus on getting independent smallholders certified through an incentivised approach, and also supporting replanting of independent smallholder palm stands. The project in South Sumatra has already received direct financial support from the RSPO Smallholder Support Fund. Wilmar expects to formally announce the projects by Q4.

Africa

Wilmar expects its suppliers to comply with its No Deforestation, No Peat and No Exploitation Policy ("Integrated Policy"), and the Group's operations are no exception, including its subsidiaries and joint venture companies, regardless of stake. These efforts are ongoing to ensure that the Group's operations in Africa continue to meet the stringent sustainability requirements set out in the Integrated Policy, see <http://www.tft-earth.org/stories/news/wilmar-update-from-nigeria-and-uganda/>.

Nigeria

TFT returned to PZ Wilmar plantation operations in May to evaluate progress on the action plan and help accelerate its implementation. A visit was also made to the refinery in Lagos State to obtain traceability data.

A meeting was held between two PZ Wilmar subsidiaries in Cross River State with the Cross River National Park Conservator and his colleagues. The Conservator asserted that there is no overlap between any PZ Wilmar concession and the National Park.

Meetings with local communities in Ibiae and Calaro have resulted in draft MoUs between them and Wilmar, to help guide ongoing engagement. Standard operating procedures for FPIC and HCS/HCV assessments have also been drafted by TFT and submitted to PZ Wilmar management. It is anticipated these will be finalised and adopted early in Q3.

Uganda

TFT visited Oil Palm Uganda Limited's (OPUL) operations in May and found improvements in the medical clinic, drinking water, and the recruitment of a community liaison officer and land surveyor officer with capacity building by the Malaysian team. While the investigations related to land claims are completed, there is ongoing engagement with smallholders and

other stakeholders, with an intern appointed to better understand relationships and prepare an action plan relating to the Wilmar Policy.

Housing renovations are still underway and the collective bargaining agreement is still to be finalised. Q3 work will also include identification of fishing villages and HCV (criteria 5 and 6), as well as assessment of further community grievances.

On allegations of land grabbing, Wilmar and TFT have conducted thorough investigations which included meeting claimants and other stakeholders, mapping land areas and determining historic and current cropping practices, and collating land titles and other documents. Wilmar had also earlier published two statements on its corporate website and Dashboard "[Wilmar Affirms Commitment to Open, Transparent and Responsible Practices](#)" and "[Wilmar Refutes Allegation of land grab in Uganda \(Update\)](#)".

The court of Uganda has ordered a mediation between all parties concerned, but as of now the mediator has yet to be appointed. Wilmar welcomes this mediation process, and will participate in and render full cooperation to the mediation when it happens. Updates will be provided when more information becomes available.