

# SUSTAINABILITY



The Wilmar Women's Charter signifies a commitment to respect women's rights while ensuring a fairer and more inclusive workplace for women in our workforce.

Sustainability continues to play an integral role in our business strategy and operations. Our unwavering commitment to our NDPE policy precedes our efforts in 2019 to continuously improve and strengthen our sustainability-related initiatives, approaches and responsibilities.

We endeavour to fortify our policies, procedures and engagements surrounding our third-party suppliers in an effort to monitor, support and ensure their ongoing compliance to our NDPE policy. This is part of our enduring commitment and collective effort towards building a more sustainable and responsible supply chain and industry.

## JOURNEY OF CONTINUOUS IMPROVEMENT

### Strengthening our NDPE Policy

Working with technical and implementation partners, we reviewed and updated our NDPE policy which

was first established in December 2013. Following an extensive consultation process with stakeholders including non-governmental organisations (NGOs) and subject matter experts, the updated NDPE policy was published in November 2019.

Our NDPE policy is now better aligned with globally recognised frameworks and guidance, including the United Nations Food and Agriculture Organisation (FAO) Voluntary Guidelines on Responsible Governance on Tenure (VGGT), United Nations Global Compact, International Labour Organisation (ILO) conventions as well as the Roundtable on Sustainable Palm Oil (RSPO) guidance pertaining to peat and the integrated High Conservation Value (HCV) and High Carbon Stock (HCS) assessments for new plantings.

Our many other sustainability-related policies and commitments on

Health and Safety, Human Rights and Whistleblowing as well as those outlined in our Joint Statement published in December 2018 are now incorporated into the revised NDPE policy, which also includes our public commitment to adopt a conversion cut-off date of 31 December 2015.

### Managing Grievances

We reviewed our existing grievance mechanisms, in consultation with stakeholders including NGOs and subject matter experts, to identify areas for improvement. We are now better aligned with a stronger commitment towards the protection of human rights defenders, whistleblowers, complainants and community spokespersons, while ensuring a provision of anonymity for whistleblowing and reporting of grievance cases.

Wilmar, together with RSPO, trialled a mobile telephone-based grievance

reporting tool called Ulula across our estates in 2019. The tool allows workers to anonymously raise concerns, make enquiries or provide feedback related to working conditions directly to the RSPO.

### **Strengthening Human and Labour Rights**

Our employees form the backbone of our operations and prioritising them is essential in building a foundation for a sustainable and responsible business.

In May 2019, we launched our Human Rights Framework for implementation throughout Wilmar's supply chain. Developed based on the United Nations Guiding Principles on Business and Human Rights, the framework comprises the three key elements of Protect, Respect and Remedy while advocating human rights.

Concurrently, we set out the Women's Charter for our operations to ensure that women in our workforce have a fairer and more inclusive workplace. The charter reflects our commitment to respect women's rights while ensuring that their welfare as well as their families and those they care for are well-protected.

We have also invested significant time and resources in further improving labour conditions while addressing systemic issues in the Indonesian palm oil industry. Working with Verité Southeast Asia, our technical partner and expert over the past three years, we have developed and are implementing robust solutions to labour issues in our operations while equipping our employees with the tools and knowledge to raise awareness on human rights and labour concerns in plantations.

Wilmar is also working closely with labour unions in Indonesia to improve our workers' quality of life through initiatives that include conversion of workers' status from casual or

temporary to permanent, conforming to minimum wage for workers in the oil palm sector as well as provision of subsidies in addition to their wages.

### **Protecting Children in Plantations**

With over 12,000 children living with their parents in Wilmar-owned plantations, we place great emphasis on protecting and safeguarding their right to education and a secure childhood. We firmly believe that the opportunity for children to grow up in a safe and thriving environment is pivotal to building stable and healthy families.

Following the development and implementation of our Child Protection Policy in 2017, we collaborated with global non-profit organisation, Business for Social Responsibility (BSR), to establish a specific programme aimed at further protecting the rights of children living in oil palm plantations. The programme, which also involves Colgate-Palmolive, Nestlé, PepsiCo as well as Procter and Gamble, among others, will run until the end of 2020.

We also collaborated with Earthworm Foundation (EF), Archer Daniels Midland Company (ADM), Avon and Nestlé to develop a directory of social services in an effort to guide the private sector in improving the education, health and safety of children living in or near plantations.

### **Managing Resources Efficiently**

Goodman Fielder, a subsidiary of Wilmar, is a leading food company across Australia, New Zealand and Asia Pacific. One of its key focus areas for sustainability in 2019 was to manage natural resources more efficiently and this involved implementing active programmes to reduce water, waste, energy and greenhouse gas emissions across their operations, with annual improvement targets for every manufacturing site. By actively engaging operational staff to drive improvements, Goodman Fielder successfully identified potential annual savings of 18 million litres of water, 380 tonnes of waste and 435 MWh of energy.



It is our priority to protect and safeguard the right of children living with their parents in Wilmar-owned plantations to education and a safe environment.



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In New Zealand, Goodman Fielder is collaborating with the Energy Efficiency and Conservation Authority to help drive further greenhouse gas emission reductions from our operations and distribution activities.

## RESPONSIBLE SOURCING

Our sustainability endeavours go beyond our own operations as we continuously work towards strengthening our supply chain to ensure that our suppliers comply with our NDPE policy. To this end, Wilmar has been implementing initiatives to complement and further strengthen our processes and procedures relating to supplier monitoring and compliance.

### Supply Chain Transformation

Engagement with our third-party suppliers is important in ensuring that our NDPE policy is implemented effectively. To enable better assessment of our suppliers' progress and implementation of the NDPE policy, we developed and launched the Supplier Reporting Tool (SRT) in 2017. The SRT is an online self-reporting tool that allows suppliers to report their current compliance to environmental and social risk-related issues within our supply chain.

The SRT allows us to collate reports on specific NDPE-related criteria as reported by each supplier mill. Based on the reports, we are able to utilise the SRT to identify potential risks within our direct mill suppliers. The SRT results are integrated with risk assessment scores to determine if a site assessment is necessary.

Site assessments are carried out with the help of a digital mobile audit tool called Nimble. Nimble is an online form and platform that generates an automated action plan for the mill and plantation, which ensures that the suppliers receive feedback and assessment results immediately with minimal lag time.



We leverage technology to gain clearer data-driven actionable insights and provide instant feedback to suppliers in order to address issues as they arise.

### Supplier Compliance and Engagement

We monitor our supply chain via the supplier group compliance programme. Through this programme, we have excluded 17 supplier groups at a group-level for non-compliance to our NDPE policy. This represents over 1.02 million hectares removed from our supply chain. However, in order to lead our suppliers towards more sustainable practices, we continue to provide guidance and support to suppliers facing suspension so they may close the gaps and comply with our NDPE policy.

### Sustainable Sourcing and Packaging

By adopting the broader Wilmar NDPE policy, Goodman Fielder further strengthened its approach towards a deforestation-free supply chain, while implementing a commitment to 100 percent Certified Sustainable Palm Oil (CSPO) under the Mass Balance supply chain across Australia and New Zealand. This commitment involves the certification of 21 facilities and over 100 different ingredients for our downstream operations.

Appropriate animal welfare standards are also adopted in its supply chain through collaborations with animal welfare organisation and suppliers, where suppliers are supported in the transition of farming practices.

Packaging plays a critical role in reducing food waste, maintaining product integrity and safety while communicating with consumers. Goodman Fielder is committed to deliver these outcomes in more sustainable ways by recognising the need for circular economy outcomes.

In 2019, Goodman Fielder developed a sustainable packaging framework focusing on three pillars: using less material and from sustainable sources, achieving best functionality with the least impact and to actively drive the circular economy for used packaging. Through projects delivered in Australia and New Zealand, Goodman Fielder has avoided the use of 184 tonnes of plastic for packaging, transitioned 54 tonnes of packaging out of non-recyclable materials, reduced cardboard use by 100 tonnes and eliminated over 100 truck movements by optimising pallet efficiency.

Through the Redcycle scheme in Australia, Goodman Fielder collected over 12 million bread bags for recycling in 2019. Similarly, Goodman Fielder supports the New Zealand Soft Plastic Recycling Scheme in 2019.

### KEEPING THINGS SWEET: OUR SUGAR BUSINESS

Wilmar is among the world's top ten raw sugar producers, with a global footprint that includes India's leading sugar company, Shree Renuka Sugars (SRS) Ltd, acquired in 2018. Given the significant presence and role we play in the sugar industry, we strive to continue improving ourselves as well as to endeavour towards becoming a more responsible industry player.

### Health and Safety

Health and safety continue to be a top priority in our operations, including our 1,600km rail network in Australia that transports our cane and sugar. We stage mock rail incidents annually in all four of our Queensland milling regions to better prepare crews for emergency situations. One of our new initiatives involves using GPS technology to further improve response times for emergency services. A mock railway incident in the Herbert region conducted in 2019 enabled us to trial Wilmar's new track layer over the Google Earth system, which provided the police, fire and ambulance crews with the exact GPS coordinates of the training incident, thus enabling the fastest possible emergency response. Wilmar continues to develop, empower and strengthen our biggest asset, which is our employees. Wilmar Sugar Australia continues to support the national 'R U OK?' initiative through our own efforts to raise awareness of mental health among employees and to encourage them to identify, reach out and support colleagues who may have personal struggles.

### Supplier and Community Engagement Efforts

We continue to recognise the important role our stakeholders play towards supporting and ensuring the success of our commercial and sustainability endeavours. Our sugar division channels significant effort and resources into strengthening our ties with our suppliers and the communities surrounding our operations.

In India, Wilmar continues to raise awareness on sustainable sugar cane among farmers aside from sharing best management practices to further enhance the productivity and quality of cane, which include the adoption of wide-row planting, promoting in-situ mulching and advising against burning of trash, among others. These awareness and capacity building programmes are



A mock railway incident in the Herbert region was conducted to ensure cane train crews are sufficiently prepared for emergencies.

carried out through meetings, workshops and demonstrations among farmers.

In the state of Karnataka, there is a high demand but limited supply for electricity, which sugar cane farmers require for irrigation of crops especially during the summer. This often affects their productivity and consequently their profitability. To assist farmers to overcome this challenge, we introduced solar-powered pumping systems.

In Australia, we developed a more cohesive relationship between sugarcane growers and Wilmar, being millers. Emphasis is placed on improving communications through dialogues and regular updates, which include bi-annual newsletters, weekly mill production reports and timely engagements to address operational or cane supply issues.

We also conduct frequent face-to-face sessions with growers which include tours of sugar terminals and mills, information sharing on innovative pricing and pooling options as well as workshops by subject matter experts to discuss current and anticipated trends in the sugar market, among others.

We strive to be an exemplary corporate citizen in the communities in which we operate. Wilmar advocates safety

education programmes targeted at children and safety awareness campaigns for the community. We also provide ongoing support to community festivals, events and sports endeavours through sponsorships and donations.

### Improving Productivity

In a cross-border effort to embrace technology and increase efficiency, our Information Technology teams in Australia and Singapore co-developed a customised reporting app for sugar mills, farms and bioethanol operations in Australia. Using the app, we can quickly and easily report issues and concerns identified on-site, together with supporting photographs. The innovation eliminates the need for a paper-based reporting process while enabling quicker resource allocation to resolve the issues.

Wilmar invests significantly in research and development efforts aimed at increasing farm productivity in our milling regions and the broader Australian sugar industry. Our current research focuses on developing guidelines for the use of mill mud and ash, being sugar milling by-products. The research is being conducted on 13 trial sites across Australia, making it one of our biggest trials, to test the best ways to apply mill mud and ash to reduce the potential loss of nutrients

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from farms while potentially increasing the profits of sugarcane growers, who are our suppliers.

## CARING CORPORATE CITIZEN

Beyond our commitments to sustainable business practices, we also strive to be a responsible and caring corporate citizen. Wilmar allocates approximately US\$10 million annually towards corporate responsibility and philanthropic efforts. This budget is in addition to the building and improvement of housing, infrastructure and facilities for our workers and surrounding communities.

### Education

Wilmar believes that access to education is the catalyst to poverty alleviation, especially for rural families. We continue to manage or support over 70 schools where we operate, comprising 33 in China, 15 in Indonesia, 19 in Malaysia and six in Africa.

Underprivileged students with academic potential continue to receive scholarships and bursaries from Wilmar. About US\$400,000 was offered in scholarships for tertiary education in China.

### Health & Well-being

Wilmar continues to aid and support those in need of medical attention, especially cataract operations and prosthetic limb surgeries, as we strive to provide them with the means to improve their quality of life.

In China, we have funded over 27,000 cataract operations and over 1,000 prosthetic limb surgeries to date, of which close to 1,000 cataract operations and over 340 prosthetic limb surgeries were conducted in 2019.



The newly redeveloped Yihai elementary school caters to children from three villages in Shandong, China.

In India, the free basic medical care and treatment for employees have been extended to communities as well. We also established an immunisation programme for the community while supporting efforts to raise awareness on polio.

### Community Welfare

In China, our third orphanage opened in Hebei, bringing the total number of children under our care to 182. In 2019, over US\$800,000 went towards the development and upkeep of the orphanages. We also continue to support the elderly and physically disabled in China through nursing homes that we establish and manage. We completed the development of another nursing home in Shandong, which commenced operations in January 2020.

In Indonesia, Wilmar contributed about US\$313,000 for community welfare, empowerment and development initiatives ranging from donations, disaster relief efforts, scholarships to festive contributions. Wilmar also contributed US\$110,000 in 2019 to disaster relief efforts in China to help

those affected by forest fires in Shanxi and tornado victims in Liaoning.

We also readily provided in-kind contributions for disaster relief efforts in Australia which included the unprecedented floods that occurred in North Queensland in February 2019.

In India, Wilmar contributed close to US\$50,000 to flood relief efforts. We also mobilised aid and support for flood victims in Karnataka including sugar cane farmers and their families. In addition to food supplies, we contributed over US\$5,000 to the Karnataka state government in support of flood relief efforts.

In Uttarakhand, India, where the Munoli village was hit by unprecedented floods, we provided the villagers with food, drinking water as well as shelter during the time of need. We have also been consistently supplying drinking water to the Munoli community, contributing overhead tanks to store drinking water and donating a reverse osmosis plant.



In Australia, we continue to support the initiatives by our charity partner, Foodbank Australia, through Wilmar Sugar Australia (WSA) and Goodman Fielder. In preparation for the seasonal festivities, volunteers from WSA helped pack close to 400 grocery hampers which equated to about 8,300 meals for the less fortunate while Goodman Fielder donated about 1.5 million meals.

Goodman Fielder also provided monetary and product donations to support orphanages and nursing homes in Fiji. In 2019, this expanded to include providing food to the families participating in the Solo Moms Project, which is a three-month training programme on life skills for single mothers with no sustainable economic source to support their families.

Goodman Fielder encourages the pursuit of tertiary education and professional careers of indigenous youths in Australia by supporting the Career Trackers programme. Goodman Fielder also received the Career Trackers Co-Chair's Award for supporting the expansion of the programme to Papua New Guinea.

#### RECOGNITION FOR OUR EFFORTS

We received several accolades in 2019 in recognition of our sustainability initiatives, particularly those related to improvements made in human rights, labour and children's protection.

Wilmar ranked first among Singapore-listed companies and second in the overall ASEAN category in a collaborative study by the ASEAN CSR Network, Mahidol University in Thailand and Article 30, titled 'Human Rights Disclosure in

ASEAN'. The study measured the top 50 publicly listed companies across Indonesia, Malaysia, the Philippines, Singapore and Thailand against the UN Guiding Principles on Business and Human Rights (UNGPs) and the Global Reporting Initiatives (GRI) standards. Key focus areas of the study included company commitments and policies related to safeguarding human rights as well as its implementation, engagement, monitoring and resolution efforts.

Wilmar was also recognised by Swedish non-profit foundation Global Child Forum (GCF) as among the top global achievers in creating a positive impact on children's rights in an independent 2019 report titled 'The State of Children's Rights and Business: From Promise to Practice'. The report was published following an extensive assessment of performance by private sector in integrating children's rights into their operations while evaluating their relations with communities.

During the inaugural RSPO Excellence Awards held in Bangkok in November 2019, Wilmar emerged as the winner for the 'Human Rights and Labour Initiative' for our efforts related to human rights, protection and rights of women and children in oil palm plantations, strengthening labour rights and for improving the welfare of workers in oil palm plantations.

We were honoured to be recognised at the inaugural Hinchinbrook Business Awards where we received the 'Heart of Hinchinbrook Community Spirit Award 2019' for our commitment to the local community and the contribution made to the social fabric of the region.



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Wilmar contributed

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# SUSTAINABILITY

## SUSTAINABILITY PERFORMANCE

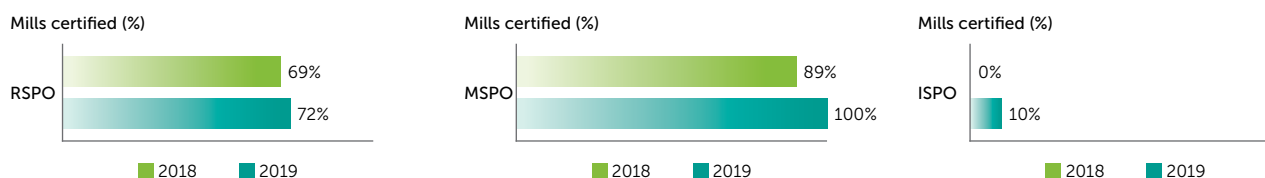
To effectively evaluate our performance against measurable targets, we monitor key performance indicators pertaining to the environment, social as well as supply chain.

Note: Sustainability performance indicators have not undergone limited assurance engagement at the time of printing.

## ENVIRONMENT Certifications

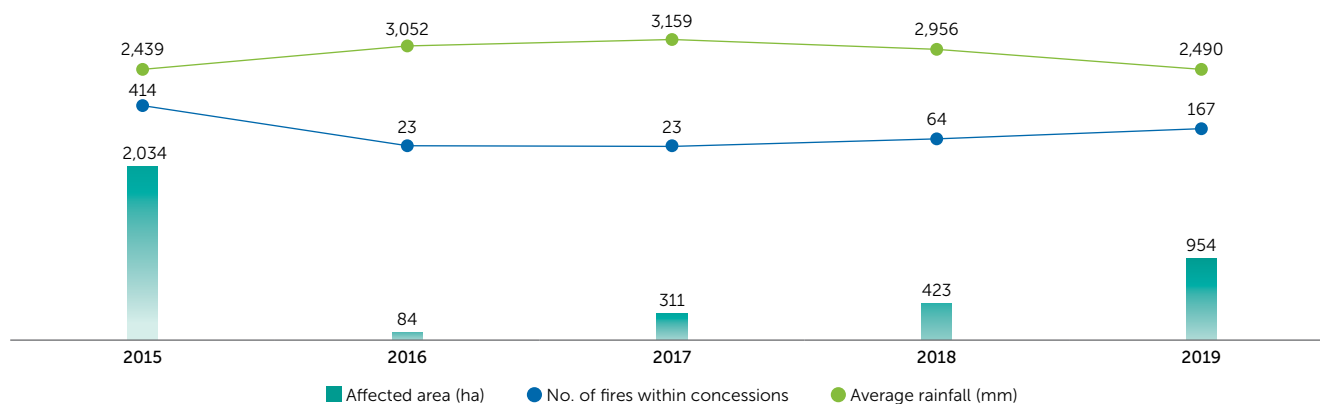
### Targets:

- To complete Roundtable on Sustainable Palm Oil (RSPO)\* certification for all Wilmar mills by 2023.
- To attain Malaysian Sustainable Palm Oil (MSPO) certification for all Wilmar mills and estates in Malaysia by 2019.
- To complete Indonesian Sustainable Palm Oil (ISPO) audits for 10 stand-alone mills in Indonesia by 2025.



\* Independent mills are not subjected to RSPO requirements for time-bound plan

## Fire monitoring in Indonesia\*



Note:

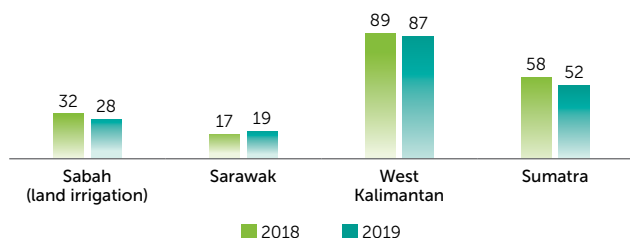
The fire incidences and affected area were higher in 2019 due to the lower rainfall. Comparing with 2015 which had similar rainfall conditions, the number of fires in 2019 were much lower and can be attributed partly to the successful implementation of fire prevention and monitoring system put in place by Wilmar.

\* No fires were detected in our operations in Malaysia, Nigeria and Ghana in 2019.

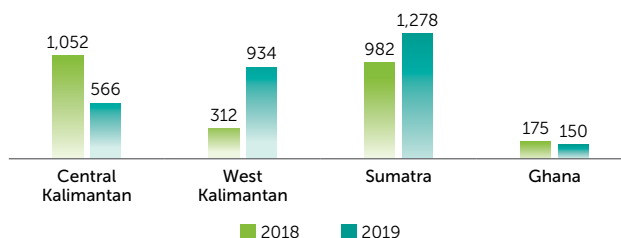
## Biological Oxygen Demand (BOD) Levels - Mills

BOD is the amount of oxygen used when organic matter undergoes decomposition by microorganisms. Testing for BOD is done to assess the amount of organic matter in water.

### River discharge BOD levels by region (mg/L)



### Land application BOD levels by region (mg/L)



Notes:

- The mill in Nigeria is new hence there is sufficient pond capacity to contain all effluent without land discharge.
- BOD level legal limits of the respective regions for river discharge:
  - Sabah: 20/50/100 mg/L, depending on the year the mill is built
  - Sarawak: 50 mg/L
  - Indonesia: 100 mg/L
- BOD level legal limits of the respective regions for land application:
  - Indonesia: 5,000 mg/L
  - Ghana: The first effluent discharge standard (developed based on existing guidelines) was gazetted and promulgated to Wilmar in August 2019 with a limit of 50 mg/L for the Oil & Fat Processing Sector (regardless of river discharge or land application). We are currently in discussion with the local authority to set a standard specifically for the palm oil sector.

## SOCIAL

### Access to education

#### Target:

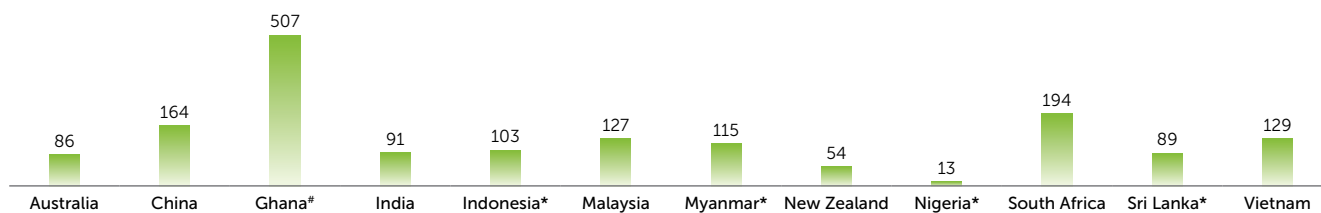
All children living in Wilmar's oil palm plantations and of compulsory school-going age to attend full-time education programmes by 2030.

	INDONESIA	MALAYSIA	GHANA	NIGERIA
Total number of children of compulsory school-going age living in Wilmar plantations	6,599	2,054	551	344
Children of compulsory school-going age living in Wilmar plantations who attend:				
Wilmar schools	} 94%	46%	98%	31%
Government schools		39%	2%	69%
<b>Total school attendance rate</b>	<b>94%</b>	<b>85%</b>	<b>100%</b>	<b>100%</b>

### Minimum wage

We are committed to paying fair wages to all employees to ensure their incomes always meet at least the legal minimum wage while our median wages paid are always above the minimum rates by respectable margins.

### How much Wilmar median wage is above minimum wage (%)



Note: Ethiopia has been excluded as there is no minimum wage.

\* Median wage calculations for Indonesia, Myanmar, Nigeria and Sri Lanka do not include the management level.

# Ghana's median wage is aligned with the local palm oil industry standard which is significantly above the minimum wage.



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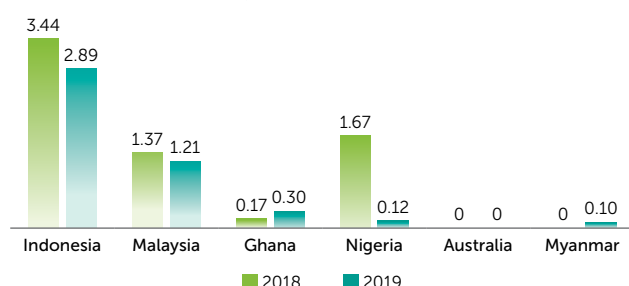
## SOCIAL

### Lost Time Incident Frequency Rate (LTIFR)

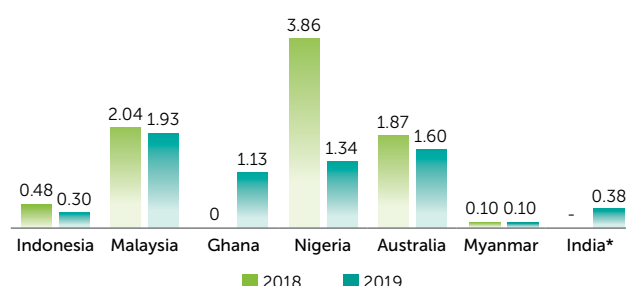
#### Target:

To minimise the lost time incident frequency rate through intensified efforts in health and safety awareness and training programmes.

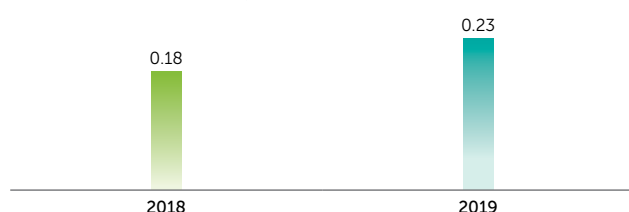
#### LTIFR - Plantations (per 200,000 working hours)



#### LTIFR - Mills (per 200,000 working hours)



#### LTIFR - Downstream Operations (per 200,000 working hours)



The LTIFR for downstream operations is aggregated from the data entered in our global reporting platform - Enablon. Since 2017 when Enablon was first implemented, we have been continuously developing an open and transparent reporting culture across all regions. There has been significant uptake noted, allowing us to investigate, take action and learn from lost time injuries to ultimately achieve a downward trend in future.

## Fatalities

Every unfortunate fatality is followed by a thorough review of cause and actions to prevent recurrence. The reviews are reinforced with continued efforts in training and protective equipment use to minimise, if not eliminate, risks.

The dataset below is for employees only and contractors data would be included in future versions.

#### Number of work-related fatalities in Upstream Operations

	2018	2019
Indonesia	5	3
Malaysia	0	3
Ghana	0	0
Nigeria	1	0
Australia	0	0
Myanmar	0	0
India*	-	0

#### Number of work-related fatalities in Downstream Operations

	2018	2019
Australia	0	0
China	1	1
Ethiopia	0	0
Ghana	0	0
India*	-	1
Indonesia	0	0
Malaysia	0	0
Netherlands	0	0
New Zealand	0	0
Philippines	0	0
Poland	0	0
South Africa	0	0
Sri Lanka	0	0
USA	0	0
Vietnam	0	0

\* Shree Renuka Sugars Limited was not in the reporting scope prior to 2019.

## SUPPLY CHAIN

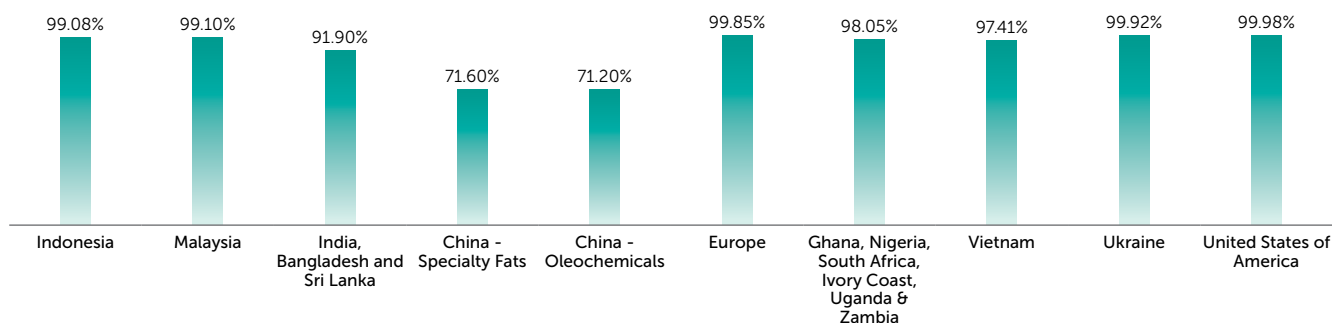
### Target:

We will continue to monitor all of our third-party suppliers for compliance to our NDPE policy.

### Traceability

Traceability analysis and summary data continued to be collected across Wilmar's global operations throughout the year. As of 30 September 2019, we have achieved 96.3% traceability to mills for our global operations.

#### Traceability (%) from October 2018 to September 2019



### Supplier Group Compliance (SGC)

Since the launch of our NDPE policy in 2013, we have been engaging Aidenvironment to conduct proactive mapping and monitoring of geospatial information using regular satellite updates of at-risk areas.

The SGC programme entails a more efficient mapping and monitoring process and helps to strengthen our suppliers' commitment and compliance to our NDPE policy.

The current scope includes 509 parent groups with more than 3,000 plantation units spanning Indonesia, Malaysia, Papua New Guinea, Cambodia, Myanmar and Thailand to ensure a comprehensive coverage for our monitoring. For instance, in 2019, our monitoring covered about 70% of the total oil palm concession area in Indonesia.

### Total hectareage (ha) of suppliers' area monitored under SGC programme implemented by Aidenvironment

