

## ENVIRONMENTAL SOCIAL GOVERNANCE

ESG reporting and disclosure have become an important indicator of a company's DNA, how it operates and envisions its future. Increasingly, it is also becoming a key consideration behind decision-making by investors, banks, the financial community and customers.

Through ESG reporting, companies can demonstrate if sufficient care and consideration have been placed on ensuring overall sound management and governance of every operational aspect that could have an impact on its bottom line and the sustainability of its business model. By identifying and mitigating potential ESG risks, it reflects the level of awareness a company has of the extent of its impact on natural resources, its stakeholders, and shareholders.

For Wilmar, ESG reporting is not about ticking boxes. It is about making a meaningful difference to the way our businesses operate so that we create sustained value while

continuing to grow. We strive to embed ESG principles across our businesses to create a tangible and practical plan that delivers effective solutions and results.

2021 marked the 10<sup>th</sup> edition of Wilmar's Sustainability Report, representing 15 years of sustainability disclosure since 2007.

Sustainability has been a continuous and ongoing journey for Wilmar. When we first started our sustainability reporting, the focus was on the operations of our oil palm plantations as this was where the most material ESG risks were. We worked to evaluate and improve every aspect, from the land on which oil palms were planted, the well-being of our workers, their families and the surrounding communities to the building of infrastructure in underdeveloped rural areas in Indonesia, Malaysia, Ghana and Nigeria where our oil palm plantations are located.

# E

## ENVIRONMENTAL

### OUR MATERIAL TOPICS

#### PROTECTING OUR ENVIRONMENT

- Biodiversity and Conservation
- Climate Change
- Environmental Footprint of Our Operations
- Sustainable Packaging

# S

## SOCIAL

### OUR MATERIAL TOPICS

#### LOOKING AFTER PEOPLE AND COMMUNITIES

- Human Rights and Labour Standards
- Employee Health, Safety and Well-being
- Diversity and Inclusion
- Talent Management
- Economic and Community Contribution

# OUR PAST SUSTAINABILITY REPORTS

Today we are proud to have expanded our scope of ESG disclosures to cover the full breadth of our global businesses from trading, merchandising to product development.

We are encouraged that our efforts and achievements in this space have been reflected in our sustainability credentials. In 2021, Wilmar was included in the Dow Jones Sustainability Indices World Index, FTSE4Good Developed Index and the FTSE4Good ASEAN 5 Index. We also received an 'A' rating for ESG performance in the 2021 assessment by Morgan Stanley Capital International (MSCI), an international investment research firm, for long-term resilience to ESG risks by companies.

This edition of the Annual Report celebrates our ongoing efforts, achievements and is a renewal of our commitment to always strive for improvements in sustainability and ESG.

# G

## GOVERNANCE

### OUR MATERIAL TOPICS

#### DELIVERING PRODUCT EXCELLENCE

- Innovation and Technology
- Product Quality and Safety
- Product Marketing and Labelling
- Consumer Health & Well-being

#### TRANSFORMING OUR SUPPLY CHAIN

- Responsible Sourcing and Supply Chain Transformation

#### RESPONSIBLE BUSINESS PRACTICES

- Business Ethics and Compliance
- Data Security and Privacy



**2020**  
Reflect  
Adapt  
Thrive



**2019**  
Responsible  
Sourcing



**2018**  
Driving  
Transformation



**2017**  
Moving  
Forward  
Together



**2016**  
We Care



**2015**  
Focused  
on Driving  
Value



**2013**  
Transformation  
Through  
Engagement



**2011**  
Staying  
the Course  
through  
Challenging  
Times



**2007-2009**

# ENVIRONMENTAL

## OUR APPROACH TO SUSTAINABILITY

As a global leading agrifood company with a presence across the value chain, Wilmar is in a strategic position to leverage our resources, knowledge and expertise to create positive impacts for our stakeholders. We remain steadfast in our commitment to provide responsible and sustainable food, animal feeds and agri-products that safeguard the well-being of both people and our planet. Our operations are centred on a foundation of sustainability that is built on four main pillars:

- Protecting our environment
- Looking after people and communities
- Delivering product excellence
- Transforming our supply chain

Our sustainability pillars set a clear direction for our business while guiding the development of our strategies to boost performance across all business segments. They also take into account our material ESG topics, which were updated in 2020 (see pages 6 and 7 for our updated material ESG topics).

Our No Deforestation, No Peat, No Exploitation (NDPE) policy underpins our sustainability philosophy for our global operations and our supply chain. It is further strengthened by our other sustainability-related policies and frameworks covering environment, human and labour rights, health and safety, equal opportunities, women empowerment, child protection and food safety, all of which can be accessed on our Sustainability Dashboard (<https://www.wilmar-international.com/sustainability>).

## PROTECTING OUR ENVIRONMENT

At Wilmar, we firmly believe in leading by example and demonstrate this responsibility through our continued conservation efforts and investments. We are among the early adopters to identify High Conservation Value (HCV) areas and establish these areas as protected zones.

### BIODIVERSITY AND CONSERVATION

#### Protecting Conservation Areas

Wilmar takes a proactive approach to environmental protection. We are committed to biodiversity conservation in our operations and supply chain, which extends from our overarching NDPE policy. Our commitment is guided by two main objectives:

- To manage, maintain and sustain biodiversity and ecological functions existing within conservation areas in Wilmar-owned operations and across the wider landscapes where we operate
- To strive to provide technical guidance and support to our stakeholders, including our suppliers, to enable the mainstreaming of biodiversity conservation in the plantation landscape

Our total conservation areas Group-wide are maintained at more than 32,000 hectares (ha). We remain steadfast in our commitment to No Deforestation and No Peat across our entire supply chain. Our focus is to increase yields and extraction rates to meet production demand without any further land clearing.

All identified HCV and High Conservation Stock (HCS) areas are monitored and maintained as conservation areas based on evaluations done to date for our palm oil operations. This work is carried out by a dedicated conservation team made up of a number of qualified High Conservation Stock Approach (HCSA) practitioners and licensed HCV-HCSA assessors.







## CASE STUDY

**Retaining forest connectivity:****The Sekar Imej conservation area in Malaysia**

Wilmar has set aside total conservation areas of over 32,000 ha globally – roughly the size of Malta. Hence, it is imperative that Wilmar has a conservation strategy in place to preserve biodiversity and the environment. The Sekar Imej Conservation Area (SICA) is a picturesque forested area located within Wilmar's plantation boundaries in the Beluran district of Sabah. At 2,469 ha, it is Wilmar's largest conservation area in Malaysia, consisting largely of Lowland Mixed Dipterocarp Forest. The terrain is dissected and hilly, with steep slopes exceeding 25° angles. Given its hilly terrain, the conservation area is crucial for soil erosion

control while providing clean water supply, habitats and refugia for mammals and birds.

To date, about 83 species of fauna have been recorded around SICA, many of which are listed as protected under the Sabah Wildlife Conservation Enactment 1997 and the IUCN Red List. Among the species of interest recorded include the Sunbear (*Helartos malayanus*), Lesser Mousedeer (*Tragulus kanchil*), Bornean Yellow Muntjac (*Muntiacus atherodes*) and birds such as the Oriental Pied Hornbill (*Antheacoceros albirostris*), and the Great Argus (*Argusianus argus*).



The Sekar Imej Conservation Area is our largest conservation area in Malaysia. Wilmar's conservation team carries out regular monitoring patrols here to identify any possible encroachment, illegal hunting activities as well as to record wildlife sightings.

**Protecting Peatlands**

Peatlands store more carbon than all other forms of vegetation combined and therefore play a vital role in climate change mitigation. If these carbon-rich areas are drained or exposed to dry weather, they pose a risk of fire. Wilmar has prohibited any new development on peatlands, regardless of depth, since the implementation of our NDPE Policy. We research solutions for peat restoration where possible by collaborating with experts and local people as we recognise the opportunities and benefits these solutions provide, which includes reducing greenhouse gas (GHG) emissions.

About 1% of our total planted oil palm area is classified as peat. In these planted areas, we apply best management practices defined by peat experts together with the Roundtable on Sustainable Palm Oil (RSPO). This includes maintaining water tables at optimal levels to minimise peat subsidence and to minimise the release of carbon dioxide. We also participate in and contribute towards peatland conservation efforts and targets by the Indonesian Peatland Restoration Agency (Badan Restorasi Gambut) as well as in knowledge-sharing platforms and multi-stakeholder initiatives such as the Tropical Forest Alliance.



# ENVIRONMENTAL

## Fire Prevention, Monitoring and Suppression

In addition to daily on-ground fire monitoring since 2020, we have harnessed technology to develop an integrated fire monitoring platform that automatically downloads hotspot data and relays it to our field managers using a web-based instant messaging application. The platform was developed internally by our geographic information system team. In 2021, the programme has been extended beyond Indonesia to Ghana, Malaysia and Nigeria.

We also continue to work closely with the RSPO in sharing fire-related data and verifying fire alerts through the RSPO Hotspot Monitoring Programme. Our response teams are immediately dispatched to extinguish fires once they are confirmed incidences.



CASE  
STUDY

## Fire management programmes in Indonesia


Wilmar has focused efforts to engage local communities in Sumatra and Kalimantan, Indonesia, where slash-and-burn methods are still practised by local farmers for land clearance and preparation, which they perceive to be cost-effective, enrich soil fertility and require minimal labour. We aim to engage local communities and raise awareness of the risks of using fire for land clearance and preparation, which are key components of our Fire Free Alliance (FFA) fire management programmes in Indonesia.

Since joining the FFA in 2016, we also established fire-risk maps within Wilmar-owned plantations and five kilometres beyond our concession boundaries based on soil type, past incidences of fire, accessibility to the area as well as proximity to population, roads and rivers. The maps support our efforts to better plan, monitor and manage activities, especially in high-risk areas.



*Wilmar has been part of the Fire Free Alliance since 2016.*





*Biogas plants, such as this biogas tank system in one of our Malaysian mills pictured here, utilise waste from our palm oil mills to produce energy, which in turn powers the mills.*

### Climate Change

We recognise the risks climate change poses to our planet and people, including livelihoods and agricultural activities which in turn adversely impacts food production and security. We are gearing up to mitigate the impacts of climate change while identifying the opportunities to strengthen our business resilience.

Our climate change initiatives focus primarily on our upstream agricultural activities, such as oil palm and sugarcane production, where our expected outcomes will be most significant. Additionally, our efforts run across our entire global presence which is aligned with the world moving towards a low-carbon economy.

At the World Leaders' Summit on Forests and Land Use held at the Glasgow Climate Change Conference under the 26th UNFCCC Conference of the Parties (COP 26) in November 2021, Wilmar was one of 12 companies that committed to developing a sectoral roadmap for enhanced supply chain action that is consistent with a 1.5°C pathway to be achieved by COP 27. The 12 companies have a combined annual revenue of almost US\$500 billion and represent the major market share in key commodities including cattle, cocoa, palm oil and soy.

### Environmental Footprint of Our Operations

We rely on various resources including water and energy for our business to operate. We thus acknowledge the important role that we play in minimising the environmental footprint of our operations and to support sustainable production by implementing efficiency measures to reduce our use of resources. Our Environmental Policy sets out our commitment to minimise our environmental impact from all our operations. Where possible, we reuse, recover and recycle waste, while striving to responsibly manage disposed waste, effluents and chemicals. We also strictly comply with the relevant environmental laws and regulations in the countries where we operate.

In 2021, we commenced our global Industrial Sustainability Programme which focuses on driving efficiencies in energy, water and packaging in our factories. All our facilities, including those owned by our joint ventures, were surveyed as part of the programme and baseline data on energy, water and packaging were collected. We subsequently identified efficiency improvement projects to be implemented and worked with each site to determine reduction targets.

As of 2020, 56% of our Group-wide energy consumption was from renewable sources of energy, mainly generated from biomass, biogas and solar energy sources. Renewable energy remains a major part of our energy sourcing.

We rely mostly on renewable energy in our palm oil and sugar upstream operations that are generated from biomass, which is mostly derived from our operational waste. For our palm oil mills, the primary energy sources are by-products from the milling process, such as empty fruit bunches (EFB), kernel shells and mill fibre. For our sugar milling operations in Australia and India, the main source of fuel powering our mills is cane bagasse. We are one of the largest producers of renewable biomass energy in Australia.

We have adopted a range of different technologies in our factories to reduce our energy consumption and improve energy efficiency, including steam condensate recovery, waste heat recovery of exhaust gas and steam residual pressure power generation. These initiatives also result in significant GHG emissions reduction.

We are in the midst of implementing the Process Information Management System (PIMS) which monitors the key performance parameters of process and production in our manufacturing plants in real time on a cloud based platform. PIMS will enable us to track key parameters for overall equipment and process efficiency as well as the consumption of energy, water and raw materials across all production plants globally. It will also be able to detect deviations from key parameters and allow us to take corrective actions swiftly. Phase 1 of the implementation of PIMS has been completed and phase 2 is underway.

# ENVIRONMENTAL



CASE  
STUDY

## Photovoltaic power plants and reducing emissions through methane capture facilities in palm oil mills

In 2020, Yihai Kerry Arawana (YKA), our subsidiary in China, and Yihua Technology reached an agreement to construct photovoltaic (PV) power plants in all our factories across China. At our factory in Taizhou, a 1.557 MWp PV station was built on the roof of the building, generating power of up to 1,228,536 kWh and reducing GHG emissions by 1,057.5 metric tonnes (MT) CO<sub>2</sub>e. By the end of 2021, we aim to build a distributed PV station of more than 110 MWp, with an annual power generation of more than 109 million kWh. In addition, the design and construction of PV power generation projects take into consideration sustainable resources such as clean energy during the building phase.

To mitigate mill methane emissions, we have invested in methane capture plants across our operations. We use these for flaring, generating electricity or feeding into boilers to replace the burning of palm kernel shells. An operational methane capture facility can potentially reduce a palm oil mill's GHG emissions by 90%. We achieved our 2020 target to complete the construction of 25 methane capture plants by the end of February 2020. With 25 methane captures in full operation, we estimated in 2015 to be able to avoid 500,000 MT CO<sub>2</sub>e of emissions annually. As of December 2019, we saw a 571,596 MT CO<sub>2</sub>e of total emissions avoided at all our mills, far exceeding our initial estimations.



*We are constructing photovoltaic power plants in all our factories in China.*

We are one of the world's largest producers of biodiesel and the largest producer of palm biodiesel. Apart from first generation biofuels such as palm biodiesel and cane ethanol, we have capabilities to also produce second generation biofuels made from wastes and residues.

Palm biodiesel offers a cost-effective way to reducing reliance on fossil fuels in the energy transition world. Our palm biodiesel is compliant with the Group's NDPE policy amongst other international sustainability standards.

Our biodiesel is non-toxic, safe to handle and meets the European (EN14214) and USA (ASTM D6751) standards. It contains virtually zero sulphur and is renewable and biodegradable, thereby burning cleaner and offering an improved carbon intensity than traditional petroleum-based fuel.

Our biofuels support government mandates focused on increasing the energy share from renewable sources and reducing reliance on fossil fuels. Such government mandates, like Indonesia's B30 programme, act as a price support policy for oil palm farmers and in turn aid the government in managing the country's foreign reserves.

Wilmar has adopted a lifecycle approach in the management of our water use in our oil palm plantations, from the design to the construction and running of our mills. We have also implemented water efficiency measures, especially for our water-intensive mills, nursery irrigation and household use. This helps us to reduce the use of water and enable cost savings in the long term. For example, in 2021, we explored ways to increase operational water consumption from wastewater recycled from our operations.

We also implemented comprehensive procedures to protect the quality of discharged water. We identify priority substances of concern in the water discharges and regularly monitor and report our progress in reducing significant pollutants. We adhere to all discharge limits specified in local regulations of the countries we operate in.

Wilmar also applies the principles of a circular economy, where possible, and is committed to reducing the amount of waste generated. We recover and reuse all the waste produced in our upstream palm activities, with organic waste including EFB, mesocarp fibre and palm kernel shells being used as fuel or organic fertiliser. Similarly, our sugar milling operations use cane bagasse as fuel for our boilers while other by-products such as press mud, ash, sludge and yeast sludge are used for soil enhancement purposes.





### Manufacturing facilities designed to reduce environmental footprint

Our large-scale integrated manufacturing complexes are built to reap operational efficiencies and minimise our carbon footprint. Different plants within the same manufacturing complex are able to share common infrastructure and utilities such as steam boilers, effluent treatment and storage tanks, which reduce energy consumption. The output from one plant is often the feedstock for another plant located in the same manufacturing complex thereby reducing transportation emissions. Further energy savings are achieved by using waste products from plants as feedstock for co-generation plants to produce steam and electricity for the manufacturing complexes.

In China, we are building central kitchens in integrated and landscaped Food Parks to manufacture quality food products at affordable prices for different customer segments. Located within or close to our existing integrated manufacturing complexes, our central kitchens will use oil, flour, rice, noodles and condiments produced by our factories to prepare convenient ready-to-eat yet fresh meals.

The Food Parks will house other central kitchen operators and food manufacturers to form a complementary eco-system of tenants with products and services that enhance quality and innovation. Through bulk purchasing of raw materials, consolidated deliveries, more efficient logistics, lower inventory and shared services such as boilers and effluent treatment, the Food Parks will be able to lower carbon emissions.

A new subsidiary, Yihai Shunfeng (Shanghai) Supply Chain Technology Co., Ltd, was formed in China in November 2021 to support the logistics and warehousing requirements of our Food Parks by consolidating deliveries and optimising distribution routes to destinations to reduce our carbon footprint.

The Food Parks will also provide food safety testing and inspection as well as quality control and assurance to ensure the strictest food safety standards are met.



Central kitchen in Hangzhou, China.



# ENVIRONMENTAL

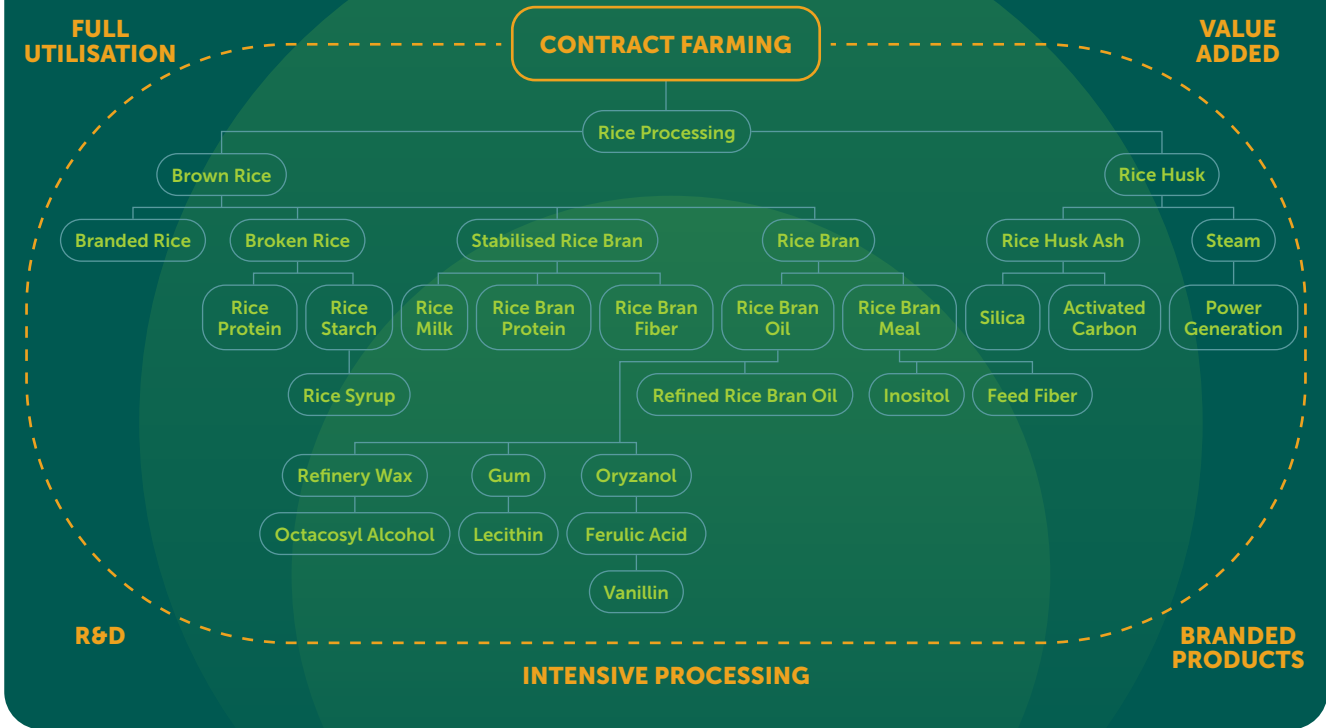


## Minimising wastage through the circular economy of rice

Since the establishment of our first rice mill in Heilongjiang, Jiamusi in 2006, we have invested more than RMB 1 billion in the research and development of a green and low carbon circular economy model for rice through intensive processing and maximising the usage of all by-products. This model is now adopted in all our rice mills in China.

In 2017, our rice mill in Jiamusi embarked on a pilot programme to implement a standardised circular economy model on a national level, with the approval from the National Development and Reform Commission and the National Standards Committee. In 2021, it became the official standardised circular economy of rice model that is included in the national green development plan.

### CIRCULAR ECONOMY OF RICE



### Sustainable Packaging

We work closely with our research and development (R&D) teams as well as the wider industry to develop packaging solutions using the least number of materials and those that can be reused or recycled by end-users. This is part of our effort to address the impact of packaging waste, particularly plastic waste, while still prioritising food safety and quality as well as seeking to lengthen product shelf life and reduce food waste. We have made significant progress with sustainable packaging across our businesses thus far.

We launched a Global Packaging Data Questionnaire in 2020 across our business units in an effort to collect

comprehensive baseline data. It concluded that we used around 300,000 tonnes of plastic across our operations. We were also able to determine the material efficiency for plastics in general and identify areas where we can potentially increase efficiency. Material efficiency refers to the amount of product packed per tonne of plastic.

Aside from material efficiency, we are also exploring the use of bioplastics and recycled plastics while being mindful that some countries have strict restrictions on the use of recycled plastics for food packaging due to food safety concerns.



CASE STUDY

### Sustainable packaging initiatives in China, Australia and New Zealand

#### Yihai Kerry Arawana's progress

In China, we have started factoring in product circularity from the development stages of our products. Packaging efficiencies are considered from the beginning to the end of the product lifecycle. Our projects include plastic, paper and glass where we strive to reduce materials used for plastic and rice bags as well as reduce polyethylene terephthalate (PET) and glass bottles as well as bottle caps.

We have also been reusing or recycling plastic into packaging not in direct contact with food and reformulating our plastic into single-type forms so that they are more easily recyclable.

Currently, we are using calcium-plastic boxes instead of cardboard boxes, which are reusable up to 100 times for intermediate product transfers.

Through jointly developing and optimising formulas with upstream raw material suppliers to reduce material consumption and improve performance,

we have succeeded in reducing the usage of over two million woven bags and 85,000 plastic barrels by 2020. Concurrently, we are working with other industry players to conduct research on alternative plastic bags to reduce the packaging volume of rice and flour products.

We are introducing higher capacity options for our edible oil products to reduce the amount of raw materials used to make PET annually.

#### Goodman Fielder's progress

In New Zealand, we were able to use 30% of recycled high-density polyethylene (HDPE) plastic in our milk bottles, representing 250 tonnes of recycled plastic used instead of virgin plastic. To do this, we had to remove the white resin colouring which results in a clear plastic milk bottle. This allows the bottles to be recycled into food-grade recycled HDPE to make new bottles. While in Australia, we launched a 100% PET mayonnaise jar and bottle range, representing 380 tonnes of PET recycled. In both Australia and New Zealand, all our bread tags have been converted from polystyrene plastic into cardboard, representing 300 million fewer items of plastic produced.

## LOOKING AFTER PEOPLE AND COMMUNITIES

As a multinational Group with a worldwide presence and a workforce of different nationalities and cultural backgrounds, we support the universal acknowledgement of each person's inherent dignity and remain committed to upholding the human rights and labour standards of our workers and local communities.



Plantation workers are briefed on safety standard.



# SOCIAL

## HUMAN RIGHTS AND LABOUR STANDARDS

We are committed to respecting human rights, as defined in the United Nations (UN) Declaration of Human Rights and International Labour Organisation (ILO) Core Conventions on Labour, and implementing the UN Guiding Principles on Business and Human Rights. Our objective is to ensure that this applies to all parties or individuals throughout our value chain. Wilmar is also a signatory of the UN Global Compact.

We adhere to local, national and ratified international laws and where legal frameworks are not yet in place, we commit to international best practices as well as Wilmar policies.

### Human Rights Policies and Frameworks

In 2021, Wilmar launched our first Group-level Human Rights Defender Policy which was developed with input from key human rights experts. This came on the heels of our Human Rights Framework, which was launched in 2019. The Framework, which was developed in reference to the Organisation for Economic Co-operation and Development (OECD) guidelines, provides detailed instructions on the practical implementation of all principles, including due diligence mechanisms for identifying, preventing, mitigating and accounting for our impact on human rights, including remediating any adverse impacts.

Within our Human Rights Framework, we outlined several procedures and policies upholding human rights, including Wilmar's NDPE policy, Human Rights Policy, Whistleblowing Policy, Grievance Procedure and No Exploitation Protocol.

Wilmar works closely with human rights experts and civil society to ensure that we keep abreast of the latest developments while seeking feedback on our approach and progress. We also actively participate in partnerships and various multi-stakeholder platforms that advocate the protection of human rights.



**for the agriculture sector,  
and 3<sup>rd</sup> across all industries in  
East Asia and Pacific in the 2020  
Corporate Human Rights Benchmark**



To better understand our systemic labour and human rights risks, we have been collaborating with our technical partner and expert, Verité – an independent non-profit organisation working to strengthen labour rights in supply chains. Verité has also been working with us to better understand the possible root causes of child labour, the link between work and pay practices as well as emerging labour issues.

We were ranked first in the agriculture sector, and third across all industries in East Asia and Pacific in the 2020 Corporate Human Rights Benchmark. A total of 57 of the world's largest products companies were assessed in the same category.

### Decent Living Wages

Wilmar is also committed to ensuring that our employees, contractors and suppliers are paid a living wage. We assessed all our employees and contractors to ensure that they are paid a living wage. We also assessed our suppliers using our Supplier Reporting Tool to ensure that they are also paying their workers a living wage. We base our calculations on available frameworks for countries we operate in, including the Global Living Wage Coalition, Wage indicator Foundation, Massachusetts Institute of Technology Living Wage Calculator and the RSPO Living Wage Benchmark.

RSPO is a part of the RSPO Decent Living Wage (DLW) Task Force, which was formalised in January 2021 and formed to oversee the development of the RSPO DLW benchmarks globally.

In countries without furnished data on what is considered a living wage, we ensure that workers in our supply chain receive at least the minimum wage and have access to benefits such as savings schemes, free childcare and free transport. For Wilmar, we provide free housing, facilities and benefits for employees who choose to stay on-site at our operations in remote areas.



CASE STUDY

### Creating conducive communities for our employees in our oil palm plantation operations

We provide all workers in our plantations with adequate housing to ensure they live comfortably and have access to all essential amenities. For example, apart from a concrete housing complex for workers in Malaysia, Wilmar also provides amenities like mosques, chapels, clinics, crèche and a Humana (Borneo Child Aid Society) school to provide primary education for children of migrant workers who have no access to government schools.

Similar facilities are provided in Indonesia for workers who opt to stay in the plantations where housing with electricity and water is available. As part of Wilmar's efforts to keep children in schools, we have embarked on a school redevelopment programme where 14 out of 15 schools were redeveloped and upgraded in Indonesia. The crèches and schools in our plantations are accessible for children from neighbouring communities as well.

Wilmar strives to provide similar facilities in our African plantations. In Ghana and Nigeria, free water is provided in our housing areas. In Ghana, there is a central water treatment plant with pipes linking to all housing areas whilst in Nigeria, we have borehole water at each of the workers' housing areas that supply water directly into the homes of workers.

### Building layers of trust

Wilmar prohibits any form of forced, trafficked or bonded labour within our operations or supply chain. Wages, identification documents and personal belongings are not withheld from employees and workers, unless with their consent. Secure lockers are provided for workers to store their personal belongings.

### Healthcare and community safety

At Wilmar, we consider health and well-being to be essential components of sustainable development. This is in line with Sustainable Development Goal 3, which focuses on ensuring healthy lives and promoting well-being for all. In addition to providing healthcare for our workers and their families, the clinics in our oil palm plantations are also accessible to local communities for basic healthcare services. In 2018, we invested in building new clinics as well as maintaining existing facilities in Indonesia and Nigeria.

Our efforts in providing essential benefits, amenities and increased freedom in movement have translated to a high employee retention rate at our plantations.

Wilmar was recognised by the ASEAN CSR Network in 2019 as the top Singapore-listed company and second in the overall ASEAN category for its human rights disclosure, aside from previously winning the inaugural RSPO Excellence Award in 2019 in the Human Rights and Labour Initiative category.



Early childhood education is a priority for Wilmar. This is a Wilmar nursery school in Benso Oil Palm Plantations in Ghana.



Worker housing in one of our plantations in Sabah, Malaysia.



# SOCIAL

## Recruitment of Workers

In Malaysia and Indonesia, we recruit workers directly and bear all recruitment fees and related costs to mitigate the risk of human trafficking and forced labour in our palm oil operations. This typically occurs through contract misrepresentation and debt bondage brought about by excessive recruitment fees charged by agents – a common problem in the agricultural sector especially when hiring foreign workers are involved. In cases where we do use recruitment agencies, it is only to support the documentation processes.

In Ghana and Nigeria, the use of any contracted agent is limited to logistical and administrative purposes only. Salaries and remuneration are transacted directly between Wilmar and our workers to prevent risks of exploitation.

## Protecting Children's Rights in our Supply Chain

Wilmar does not tolerate child labour, exploitation and abuse of any form and is committed to protecting and safeguarding the rights of children throughout our operations. We pay closer attention to our palm oil upstream operations where the risk of child labour is highest.

We published our Child Protection Policy in 2017, outlining our commitment to protect the rights of children living with their parents in our plantations as well as within our suppliers' and contractors' operations.

Since 2018, we have been conducting annual child safety assessments covering our upstream palm operations in Indonesia and Malaysia. This was expanded to our operations in Africa in 2020. These assessments are carried out internally by a team independent of the plantation operation reporting structure, with the aim of understanding potential risks to children, if any are reoccurring issues, and to record programmes or interventions being put in place to improve overall child safety.

In 2021, we identified and reported on additional measures linked to the Covid-19 pandemic. These include creating a safer environment for children, raising awareness among caretakers and children, and protecting the health of children and families living in our plantations.

In collaboration with our plantation Women's Working Groups (WoW), we also studied health records in our



*We have 145 crèches across our plantations to care for younger children so that our workers can work with peace of mind.*

plantation clinics to understand and identify any potential blind spots related to the health of mothers, infants and children.

Wilmar developed a Child Protection and Safeguarding Implementation Manual, in collaboration with Business for Social Responsibility (BSR) and consumer companies including Nestlé, Colgate-Palmolive, PepsiCo, Neste and Procter & Gamble. The Manual is comprehensive field guidance for a universal understanding of the rights and protection of children and applies to the wider agriculture industry. We have progressed to the next phase by conducting two pilots, in Malaysia and Indonesia respectively, to test the practical application of the Manual. Key lessons from the assessment of the pilots will be shared with our supplier base in both countries.

In our oil palm plantation operations, Wilmar provides access to free and quality education to children of our employees as we firmly believe that education is the key to addressing poverty and improving lives. We also operate 145 crèches across our plantations to care for younger children.

Despite the challenges brought upon by the Covid-19 pandemic, these efforts persevered to ensure that these children have the facilities and instruments to gain a meaningful education that will allow them to thrive.

In 2021, Wilmar was recognised by the Global Child Forum, a Swedish non-profit foundation, as the highest achiever globally across all industries for championing the protection of children’s rights by integrating them into our operations.



**Refurbishment and upgrading of schools**

In addition to operating and supporting 40 schools and 145 crèches linked to our plantation operations in Ghana, Indonesia, Malaysia, and Nigeria, Wilmar has ongoing programmes to upgrade schools to ensure they are equipped with up-to-date facilities including computer labs, science labs and libraries. We also aim to ensure that school facilities can accommodate extracurricular activities such as music, arts and sports. The redevelopment programme annually benefits between 6,500 and 7,000 children from pre-primary school age through to secondary school age.



Students at a Wilmar funded and managed school in Indonesia attending computer class.

**OPERATING & SUPPORTING**

**40** Schools | **145** Crèches

linked to our plantation operations in Ghana, Indonesia, Malaysia, and Nigeria

**REDEVELOPMENT PROGRAMME**

annually benefits between **6,500 – 7,000** children

from pre-primary school age through to secondary school age



# SOCIAL

## Employee Health, Safety and Well-being

With our workers undertaking a wide range of different tasks such as harvesting, operating heavy machinery and transporting goods, inculcating a culture of safety across our entire business is our highest priority as any lapses in health and safety protocols will potentially have an adverse impact on our people as well as our operations. We therefore strive to ensure the health and well-being of our employees, workers and everyone involved in our operations, which is their fundamental right, while ensuring we have a healthy, motivated and productive workforce.

We are reviewing and reissuing the standards under our Wilmar Integrated Management System (WIMS) while developing new guidelines to ensure we can manage emerging risks more effectively. These new guidelines will be supported by leading indicators that are meaningful, easy to measure, and that will improve safety. This will include the implementation of activities, practices and measures including:

- Implementation of WIMS
- High Risk Work Compliance Assessment
- Training
- Hazard and Near Hit Reports and Closures
- Environmental, Health and Safety Audit Results

In 2021, we focused on strengthening our seven High Risk Work (HRW) Standards, training and best management practices for high-risk work which includes workplaces involving the seven riskiest work types such as work at height and energy isolation.

## Diversity and Inclusion

We believe in the importance of having a work environment that is diverse, non-discriminatory and provides equal opportunities as we strive to attract the right talent and empower our employees to be their best and unique selves. Having a diverse workforce allows us to benefit from new and unique perspectives that help us to serve our wide range of customers.

Wilmar has in place key policies to support our approach to diversity, including our Equal Opportunity Policy and Board Diversity Policy, among others. Every Country Head and Business Head in Wilmar is accountable for ensuring that diverse and inclusive practices are implemented in the workplace. For instance, one of our packaging facilities in China is planning to hire over 300 persons with disabilities out of a total of 1,000 employees.

In Australia, we have committed to developing an Indigenous Recognition Plan and we are part of Diversity Council Australia Limited, an independent organisation spearheading equitable diversity and inclusion in the workplace. We also have in place an apprenticeship programme for both young men and women to apply and be evaluated based on their own merits.



We also recognise the importance of empowering women in our workplace and creating a fair and inclusive environment for them to thrive in. We are committed to providing our women employees with the best possible means to support them as we recognise that they may have particular responsibilities and vulnerabilities, both in and outside the workplace.

We launched our Women's Charter in 2019 which outlines our commitment to respect women's rights and ensuring their welfare while taking into account the diverse work environments in Wilmar, including plantations, factories and offices. The Charter, which applies to our operations globally, is complemented by a number of other policies, including the Sexual Harassment, Violence and Abuse, and Reproductive Rights Policy.

Our Women's Charter outlines five key focus areas:

- Protection and care of female health
- Care of family life and welfare
- Protection from sexual harassment and violence
- Non-discriminatory, fair and equal opportunities at work and in worker representation
- Continuous education for personal and family life improvement

We formed the Women's Committee Steering Group in April 2019 to ensure that there is consistency and alignment with these five key focus areas. We began establishing women's committees in our palm oil plantations in 2007. Since 2020, we have had Women Working Groups (WoW) or Gender Committees in all our palm oil plantations in Indonesia, Malaysia, Ghana and Nigeria.

Through the efforts of our WoW, we have launched a number of initiatives focusing mostly on maternal health in our plantations. This includes trainings and group sessions to raise awareness on various topics ranging from reproductive rights to birth control options and the importance of regular screenings for breast and cervical cancer. We also ensure that there is equal access to health services while distributing maternal health cards to help track women's prenatal health indicators.

In Indonesia, we provided training on prenatal care and maternal health during the Covid-19 pandemic for women in plantations.

We support efforts to help women take better care of their children and families by conducting trainings and group sessions on topics such as childhood nutrition and awareness on child diseases as well as conducting health-related campaigns with local hospitals or health authorities to provide a better understanding of the importance of childhood vaccinations.

We also established crèches, which provide a safe space for childcare while their parents are at work, as part of our efforts to enhance women's welfare. To further improve the safety of our crèches, we have in place registration and attendance records which also include vaccination history. Through our crèches, we ensure that these children receive all the mandatory immunisations.

Our WoWs and Gender Committees were also set up as channels to investigate any sexual harassment-related cases. We also organised trainings in Malaysia and Indonesia to provide further knowledge and understanding of gender-based violence and sexual harassment.





# SOCIAL

## Talent Management

Our global workforce, comprising approximately 100,000 people spread across 39 countries, is a key pillar of our success. We continue to prioritise attracting and retaining the right talent across our business and value chain by creating an engaging and inclusive workplace while adhering to the highest standards of human and labour rights across our supply chain. We appreciate the importance of local talent and employ local people in our overseas operations as far as possible to leverage their local knowledge and network.

Temporary workers play an important role in fulfilling either seasonal harvest needs, specialist or timebound tasks in our upstream operations, especially in sugarcane plantations and sugar mills as sugarcane is a seasonal crop.

All our employees, regardless of their employment status, are entitled to health care and parental leave in addition to receiving life insurance as well as disability and invalidity coverage.



## OUR GLOBAL WORKFORCE

comprises approximately

**100,000** people

spread across **39** countries

We also recognise the increasing need and preference for flexible work arrangements, especially due to the Covid-19 pandemic. We have since amended our Human Resource policies to allow employees to exercise flexibility between working in the office or from home for work functions that are not tied to a specific site.

Our employees now have access to an e-learning platform, which is a key tool that enables us to continue delivering training during the Covid-19 pandemic. We are also developing more e-learning courses to cater to different employee levels to complement the current formal training, mentoring and on-the-job technical training.



CASE  
STUDY

## Recruiting and retaining top talent in China

Every year, our subsidiary in China, YKA recruits high-potential university graduates to train as future company leaders. Selected candidates undergo detailed psychometric testing to identify their skills and suitability for various business positions.

They then attend a 42-month systematic training programme that is tailored to each professional specialisation. Our trainers, both internal and external, cover topics related to professional and managerial development. Upon completing the programme,

candidates can choose to pursue a managerial or specialist professional path.

To retain top talent, we have a robust training programme in place that provides staff with customised training based on their seniority and specialisations. All levels of staff receive training, with distinct tracks for newly hired managers, recently promoted managers, sales managers and other groups. The duration of general training spans one to six months while specialised training is usually two to three days.

*We are committed to helping smallholders achieve NDPE compliance and enhance their livelihoods.*

### Economic and Community Contribution

It is imperative to our long-term success that we support and empower the surrounding communities in which we operate through rural development programmes encompassing education, health and in recent times, Covid-19 relief measures. We rely on effective stakeholder engagement and meaningful partnerships to ensure that these programmes have a long-term impact.

The establishment of our oil palm estates have resulted in the development of infrastructure in remote rural areas, such as roads, electricity and safe drinking water. In our palm oil operations, we support rural development through stable employment opportunities and provision of infrastructure such as schools, housing for our workers, roads for better access to and around our plantations and more.

We are also in a unique position to improve the livelihoods of our palm oil smallholders and sugarcane outgrowers as a large integrated business with a global footprint across the full value chain of food production.

Our independent smallholder programmes are specific to each country and aim to address the unique challenges

faced by farmers in their respective locations. For example, in Malaysia, there are requests for support around the provision and application of fertilisers. In Ghana, farmers require support around the best agronomic practices. Our programmes also sometimes help farmers achieve relevant certification although it is not exclusively an objective.

We are committed to ensuring all smallholders in our programmes have access to a platform for expertise and sharing of best practices to enhance their livelihoods as well as guidance to achieve NDPE compliance.

We have implemented training programmes for sugar outgrowers, covering good farming practices for land preparation, planting systems, cane nutrient requirements, fertiliser application, weed control and the safe handling and application of chemicals.

We empower our subsidiaries to manage their own approach to economic and social contributions that are in line with the needs of local communities. Each subsidiary manages its own programmes which can include cash donations, employee volunteering or employee workplace giving.



CASE  
STUDY

#### Supporting palm oil smallholders in Ghana

In Ghana, our subsidiary Benso Oil Palm Plantation (BOPP), has been running a 1,650 ha oil palm smallholders scheme since 1994 at the Adum Bansa Estate in the Mpohor District in Western Ghana. 438 farmers from surrounding communities were invited to be part of this scheme. The Agence Française de Développement (AFD) provided loans to the farmers to develop their land through the Government of Ghana and the African Development Bank (ADB), which have been fully repaid.

Besides providing the land, we rendered technical support to set up the plantations and ensure they are able to adhere to our sustainability standards. Smallholders have land-use rights of up to 25 years and are committed to selling their FFB to BOPP exclusively at a guaranteed price. The annual yield of these farmers is currently 13.57 tonnes per ha which is higher than the average of eight tonnes per ha, constituting 17% of the FFB processed by our mill.

Together with our smallholders, BOPP achieved RSPO certification in 2014, becoming the first company in Ghana and the second in Africa to do so. Following the success of our first programme and in response to requests from various community groups, we established the Adum Smallholder Scheme programme in 2018 to assist 300 smallholders in developing 1,400 ha of their land into oil palm plantations.

Co-financed with the Foreign, Commonwealth & Development Office, this programme has a particular focus on protecting forests and biodiversity within the broader landscape. It was also designed with an alternative livelihood scheme to help diversify farmers' income through activities such as baking, poultry farming and beekeeping. It is important to provide an additional source of income for farmers as new plantings take an average of four years to mature. It also helps farmers to repay their initial loan. We have completed the RSPO New Planting Procedure and initiated 400 ha of planting which is currently being allocated to farmers.



# SOCIAL



CASE  
STUDY

## PHILANTHROPIC ACTIVITIES

### Yihai Kerry Education Aid Programme

The Yihai Kerry Education Aid Programme was launched by YKA to provide access to education and improve the conditions of schools in underprivileged regions. Apart from building schools, a team of employee volunteers actively work with the principal and teachers to discuss the school curriculum. YKA and the Arawana Charity Foundation have funded Yihai schools in 16 provinces, municipalities and autonomous regions across the country.

The Arawana Scholarship was set up to provide children of migrant workers in cities and children from poor rural families in western China with the means to pursue an education.

### Scholarships and educational support

We work with various educational institutions in Singapore to provide scholarships and bursaries for underprivileged students with academic potential. The Wilmar Scholarship, established in 2009, and the Kuok Khoo Hong (KKH) Scholarship, established in 2012, provide undergraduates with the opportunity to embrace a holistic education and to give back to society in the years ahead.

Since 2017, Wilmar and our subsidiary, PPB Oil Palms Berhad, have been offering the Goh Ing Sing Agriculture Science Scholarship to Malaysian students who want

to pursue agriculture science and related courses. This scholarship was set up in memory of the late Mr Goh Ing Sing, who was Wilmar's Group Plantations Head until his passing in August 2016.

Apart from scholarships, Wilmar and our Chairman and CEO, Mr Kuok Khoo Hong, have collectively pledged to donate S\$7 million to The Straits Times School Pocket Money Fund over a three-year period from 2020 to 2022. The donation will provide pocket money to children from low-income families to help them through school in Singapore.

### Support for those in need of medical attention

Wilmar continues to support those in need of cataract operations and prosthetic limb surgeries as we strive to improve their quality of life. We have funded over 28,000 cataract operations and over 1,000 prosthetic limb surgeries.

The Arawana Charity Foundation's "Respect for the Elderly and Children" project focuses on improving the living and rehabilitation conditions of vulnerable groups such as the elderly and disabled. Apart from donations, activities undertaken as part of this project include the purchase of medical equipment for disabled children's rehabilitation centres and the construction of orphanages and nursing homes for the elderly.



Employee volunteers organise birthday celebration for residents at an elderly nursing home and educational activities for children at an orphanage.



*Covid-19 vaccination drive in one of our plantations in West Sumatra, Indonesia.*

### Mitigating the Impact of Covid-19

From the early outset of Covid-19, Wilmar recognised the risks the pandemic posed to our employees as well as to our business. As the world continues to battle the pandemic, it is apparent to us that sustainability is an important pillar in building business resilience. Significant resources were channelled towards identifying and developing initiatives to mitigate risks, including implementing standard operating procedures to ensure the safety and well-being of our employees and their families as well as our surrounding communities. In tandem, we also ensured that our employees' jobs, wages and related benefits were secure and not negatively impacted due to the pandemic as well as education continuity despite the closure of schools during lockdowns.

Wilmar also collaborated with local authorities in certain countries to organise local vaccination drives not just for our employees and their dependents, but for surrounding communities as well. Our multi-purpose halls were converted into vaccination centres, with all mandated regulations observed, and buses were chartered to ferry people between their homes and the vaccination centres.

We also recognise the difficulties faced by individuals, families and communities arising from the pandemic. We supported local and national relief efforts by contributing personal protective equipment (PPE), food products, medical equipment, disinfectants, hygiene products as well as monetary contributions.

The pandemic also saw the closure of schools which negatively impacted the access to education for millions of children. Children living in oil palm plantations faced additional challenges in home-based learning due to unstable internet connectivity in remote locations where our plantations are located, the unaffordable cost of mobile internet data for video streaming or virtual classrooms as well as the general lack of devices in households to access online education.

Working closely with the schools that Wilmar funds or manages in our plantations, we ensured that we were able to continue providing education through innovative solutions and novel approaches ranging from social media to smartphone apps such as WhatsApp, platforms such as Google Classroom and Zoom as well as local radio and television broadcasts to transmit educational programmes.

We also designed and implemented an 'internal homework postal system', with plantation offices and members of our Women's Working Group printing and delivering worksheets for children, which were then collected and submitted to teachers for checking. Teachers could also conduct walkabouts to check in on their students. Where possible, we would also make laptops available for students attending home-based schooling.

These efforts continued well through 2021, especially when lockdowns were in effect.



# GOVERNANCE

## DELIVERING PRODUCT EXCELLENCE

Wilmar is deeply committed to delivering product excellence by ensuring that we meet the highest standards of product quality and safety. We continue to focus on developing products that contribute to the health and well-being of our consumers, with transparent product marketing and labelling. An important part of our strategy revolves around R&D to continue driving innovation in our business processes, operations and product offerings.



*We engage in research and development activities to drive product innovation and quality.*

### Innovation and Technology

We continue to invest in R&D and adopt new technologies to drive innovation.

We currently have in place over 500 projects across our global operations looking into advancing agricultural practices, optimising factory processes, enhancing product quality across various segments as well as better understanding the health benefits of various ingredients through the study of food science. We have also established strategic partnerships with leading academic and national research centres in Australia, China, New Zealand and Singapore, among others, that continue to contribute to our pipeline for talent and research collaborations.

### Improving Yields and Reducing Pressure on Land Use

To increase yields without additional land expansion, we continue to focus on cloning in our upstream palm oil operations to identify and select oil palm variations based on yield performance and other parameters. We are scaling up production to 500,000 clonal palms per year by 2026 following the establishment of our new oil palm clonal lab in Central Kalimantan, Indonesia. We expect yields to improve by as much as 30 per cent through these variations.

We have been conducting research in collaboration with Temasek Life Sciences Laboratory (TLL) on the use of genetic screening to shorten the palm breeding cycle, which has the potential to halve the breeding process time compared to conventional methods. We are currently carrying out field tests on selected genetic markers against fresh fruit bunches (FFB) yields in sampled palms.

The TLL team is also currently testing DNA markers associated with Ganoderma resistance while also discovering that drought-tolerant oil palms could be selected at the seeding stage.

Wilmar Sugar Australia is trialling the use of Genomic Selection technology using Single Nucleotide Polymorphism (SNP) chips as part of its plant breeding programme to identify 'super' parents that contain additive traits that will help improve sugarcane yields and sugar content of their progeny.

### Improving Nutrition

The WIL@NUS Corporate Laboratory has undertaken an important study over the last three years to identify food ingredients that can better contribute towards healthy living and well-being. Clinical trials were completed and its results published in the Journal of Nutrition. WIL@NUS is a US\$110-million, five-year partnership between Wilmar, the National University of Singapore (NUS) and the National Research Foundation that was launched in 2018.



*WIL@NUS Corporate Laboratory is jointly set up by Wilmar, National University of Singapore and the National Research Foundation.*

Wilmar is committed to providing consumers access to healthy, nutritious and affordable food especially in emerging markets. We are well-positioned to respond to consumer needs for healthier lifestyles through new, innovative and enhanced products with additional nutritional attributes.

Our edible food products range from vegetable oils to sugar, flour, rice, noodles, specialty fats, snacks, bakery and dairy products. Regardless of whether the product is distributed wholesale or sold directly to customers, Wilmar consumer brands are renowned for their quality and reach five billion consumers worldwide. Our approach is centred on understanding the evolving science around nutrition and consumer preferences, to help us design and manufacture market-leading and nutritious food products. We also believe in being transparent in providing product information and educating our consumers. Starting with our employees, we released the first internal Wilmar Nutrition Newsletter in September 2020. This is a good way to raise



### Addressing nutritional needs of indigenous communities

Goodman Fielder has been collaborating with the Menzies School of Health Research, one of Australia's leading medical research institutes dedicated to improving the health and well-being of Aboriginal and Torres Strait Islander peoples. Since the 1980s, we have developed a type of bread to help address the nutritional requirements of indigenous peoples. We initially developed a bread called Darwin Hi Fib, followed by Territory Hi Fib. Our current brand, Bush Oven Outback Bread, has been well-received by indigenous communities and is helping to address common deficiencies in folate, fibre and iron.

awareness on health and well-being topics and to provide Wilmar employees with factual news relating to progress on clinical trials, nutrition and health.

### Product Quality and Safety

The quality and safety of our products are of utmost importance and we have in place Food Safety Policy, Food Fraud Policy and Food Defence Policy to ensure that our food products consistently meet regulatory and compliance standards.

Our food factories are required to be certified under the food safety certification scheme accredited by the Global Food Safety Initiative while a majority of our factories are also certified under the Food Safety System Certification (FSSC 22000) scheme, both of which are internationally recognised food safety certifications. Where relevant, Wilmar also complies with the British Retail Consortium Global Standard for Food Safety as well as the Safe Quality Food programme for our operations in the United States of America. We also adhere to the Good Manufacturing Practice system which ensures our products meet food safety, quality and legal requirements. To control food safety risks especially in retail products, we commenced implementing the Hazard Analysis Critical Control Point system in 2021.

### Responsible Marketing and Labelling

Wilmar strictly complies with applicable legal requirements and regulatory guidelines in each region where we operate, to ensure that we market and label our products in a responsible manner while upholding a high level of ethical standards. This includes, but is not limited to, not targeting children in our sales and marketing activities.



# GOVERNANCE

## TRANSFORMING OUR SUPPLY CHAIN

As one of the world's largest agrifood companies, Wilmar is well-positioned to create a lasting influence on our supply chain. Recognising that a significant portion of our environmental and social impact derives from our supply chain instead of our direct operations, it is imperative for us to engage and work closely with our suppliers to make sustainable agriculture and food production a reality.



*Wilmar's suppliers include smallholders, such as this smallholder family from South Sumatra.*

Responsible sourcing and supply chain transformation remain a strategic priority for Wilmar. We must ensure that our sustainability commitments extend beyond our operations to cover the rest of our supply chain.

Prioritising palm oil and cane sugar, we have in place programmes that ensure traceable and transparent supply chains while ensuring that our suppliers meet our sustainability commitments through capacity building and monitoring. At the group level, our suppliers are expected to uphold basic principles related to legal compliance, business integrity, labour and human rights, environmental protection as well as product quality and safety.

### Responsible Sourcing and Supply Chain Transformation in Palm Oil

A large proportion of our supply of FFB, crude palm oil (CPO) and palm kernel oil (PKO) come from third-party suppliers all over the world. To help with the implementation of our NDPE commitments, we have put in place a comprehensive traceability programme since 2015. Our interactive supply chain map shows all our suppliers by country and refinery, providing further details such as the name of the facility/company, location, percentage traceability to mill and progress on sustainability. In addition, we continue to monitor compliance of our direct supply chain through our Supplier Reporting Tool for each mill supplier, and our indirect supply chain through our Supplier Group Compliance Monitoring Programme using satellite data.





CASE STUDY

### Our key programmes in ensuring palm supplier compliance

As part of our efforts to ensure that sustainability is integrated into all relevant business processes, including the supply chain, we conduct a due diligence process for all new suppliers. Existing suppliers are subject to supplier assessments, where relevant and necessary.

To meet our commitment to being 100% deforestation-free, Wilmar is taking a three-pronged approach to monitoring our entire supply chain.

#### Key Programmes

#### Implementation Methods



#### SATELLITE MONITORING

- Supplier Group Compliance Programme (SGCP) and Radar Monitoring Technology to Detect Deforestation (RADD) platform



#### SUPPLIER COMPLIANCE

- Commitment to NDPE
- Traceability to mill
- Assessing suppliers through Supplier Reporting Tool
- NDPE Implementation Reporting Framework



#### GRIEVANCE

- Suspend first
- Supplier re-entry criteria

### Strengthening our Approach to Sustainability in our Sugar Supply Chain

Being one of the world's leading sugar players, we recognise the importance of extending our sustainability approach to also include our sugar supply chain and have thus launched our NDPE Sugar Policy in September 2021. This policy takes into account the specific context of the sugar supply chain while remaining fundamentally aligned with our approach and core beliefs outlined in our original NDPE policy, which we first launched in 2013 focusing on our palm oil supply chain. Core to this policy is a commitment to creating a transparent sourcing network through traceability mapping, which is a continuation of our previous work on tracing raw sugar supplies for our refineries.

We do recognise the importance of having flexibility in our approach to reflect the realities and available tools. In Australia, for example, we take into consideration its national programmes as well as the legal frameworks and their enforcement when determining compliance with our policies. In addition, we also recognise standards and schemes that are benchmarked gold or silver by the Sustainable Agriculture Initiative as equivalent to our NDPE Sugar Policy.



# GOVERNANCE



*Wilmar Sugar agronomist in Australia measuring apparent electrical connectivity of soil in our sugarcane farm to identify physico-chemical properties that influence crop yield patterns.*



CASE  
STUDY

## Improving traceability and sustainability in our sugar supply chain

Smallholders make up the bulk of our sugar supply base, and to ensure inclusivity of sustainability for farmers, we launched the Wilmar NDPE Sugar policy in September 2021 based on three core principles:

- Protecting & Respecting People & Communities
- Protecting Natural Ecosystems
- Enhancing Operational Practices

### PRINCIPLE 1. PROTECTING AND RESPECTING PEOPLE AND COMMUNITIES

- Respect and support internationally recognised human rights
- Respect and recognise the rights of all workers
- Respect and protect the rights of children and their welfare
- Respect land tenure rights
- Respect the rights of indigenous and local communities to give or withhold their Free, Prior and Informed Consent (FPIC) to operations on lands to which they hold legal, communal, or customary rights
- Identify measures to provide remediation where the company has caused or contributed to negative human rights impacts

### PRINCIPLE 2. PROTECTING NATURAL ECOSYSTEMS

- No conversion of legally protected areas or HCV areas
- GHG emissions are measured, with reduction targets in place

### PRINCIPLE 3. ENHANCING OPERATIONAL PRACTICES

- Improving overall efficiency of operations
- Effective management of water
- Progressive implementation of agricultural best practice
- Preserve and enhance relevant biodiversity and ecosystem services

# RESPONSIBLE BUSINESS PRACTICES

Conducting business activities responsibly is the foundation of any successful business. We are committed to maintaining the trust and confidence of our stakeholders by fostering a culture of ethical business conduct and ensuring everyone complies with all relevant laws and internal policies.

## Business Ethics and Compliance

Wilmar instils a widespread culture of strong business ethics and compliance throughout our business and all our operations. This guides the right behaviour and decision-making within the Group and ensures we uphold the highest standards of integrity.

All Wilmar employees receive training and specific guidance on our corporate policies, either during onboarding or refresher training sessions, while the Board of Directors is encouraged to participate in training programmes that are relevant to their role. These corporate policies, which are reviewed and approved by our Board of Directors, include Code of Conduct, Code of Ethics, Anti-Bribery and Corruption Policy, Anti-Fraud Policy and Whistleblowing Policy.

Wilmar's Tax Policy sets the direction on how all companies within the Group are to conduct their tax affairs. Our approach is based on key principles to ensure that we manage tax in a fair and responsible manner.

Our Whistleblowing Policy provides the framework for our employees and external parties, who have a business relationship with Wilmar, to raise concerns or incidences of corporate improprieties in confidence and without risk of reprisal. It also establishes the process to investigate and verify concerns followed by determining the appropriate follow-up actions.

There were no reported incidents of anti-competitive behaviour, monopolistic practices or corruption cases that involved Wilmar in 2021. There were also no significant incidents of non-compliance with any relevant environmental and socio-economic laws or regulations in our operations.

Wilmar also did not make any contributions to political organisations or campaigns in 2021.

## Data Security and Privacy

Wilmar has established a dedicated system to address concerns surrounding data management as we strive to protect our employees' and stakeholders' rights to privacy while preventing cyber attacks from occurring.

Key developments, initiatives and emerging issues on IT security are regularly reported by our Chief Information Officer to the Chief Operating Officer and Board of Directors.

Wilmar's Internal Privacy Policy addresses how employees must handle data in accordance with these regulations.

Externally, the Wilmar Group Privacy Policy outlines how we collect, process, use and disclose personal data, while respecting the rights of individuals. In 2021, there were no substantiated complaints concerning breaches of customer privacy and losses of customer data.

More information on our efforts can be found in the Information Technology chapter on page 44.



## Implementing cybersecurity measures

To prevent, detect and respond to cyber attacks efficiently, we reference the National Institute of Standards and Technology (NIST) Cybersecurity Framework in our IT Security strategy, which aims to drive productivity without compromising cybersecurity. We also follow industry best practices to reinforce our cyber resiliency by ensuring high availability and recoverability of our infrastructure and services.

We recognise the importance of building a cyber-aware culture and strive to do so by conducting interactive awareness training and sending cybersecurity bulletins with tips and advice regularly. This inculcates good cyber hygiene amongst our employees and reminds them to stay vigilant.