

SUSTAINABILITY

OUR APPROACH TO SUSTAINABILITY

Being a prominent player in the global agrifood industry with a footprint spanning the entire value chain, Wilmar holds a strategic advantage in utilising our resources and knowledge to generate positive outcomes for our stakeholders in all our operational areas. We remain dedicated to delivering conscientious and eco-friendly agricultural and feed products that protect the welfare of both humanity and our environment.

Wilmar's sustainability commitments are centred on four key pillars which steer the formulation of strategies aimed at enhancing performance across all our business segments:

- Environmental protection and conservation
- Prioritising people and communities
- Responsibility to consumers
- Supply chain transformation

Our No Deforestation, No Peat, No Exploitation (NDPE) Policy introduced in 2013, as well as our No Deforestation, No People Exploitation Sugar Policy introduced in 2021, underpin our aspiration to make a positive impact and drive transformation across the palm oil and sugar sectors. They serve as the blueprint for our global operations, supplemented by other sustainability-related policies and frameworks that extend across various aspects, including environmental, human and labour rights, health and safety, equal opportunities, women empowerment, safeguarding children and ensuring food safety.

These policies and frameworks are available on our Sustainability Dashboard (<https://www.wilmar-international.com/sustainability>).



Wilmar employee at an oil palm plantation in Indonesia



Wilmar's riparian zone in Sabah, Malaysia.

ENVIRONMENTAL PROTECTION AND CONSERVATION

As a frontrunner in the industry, we believe in leading by example. We were an early adopter of identifying High Conservation Value (HCV) areas and designating them as protected zones.

BIODIVERSITY AND CONSERVATION

Protecting Conservation Areas

Building upon our overarching NDPE Policy, we are committed to the preservation of biodiversity within our operations and supply chain. Our environmental protection efforts are guided by two primary goals:

- Manage and sustain biodiversity and ecological functions existing within conservation areas in Wilmar-owned operations and across the wider landscapes where we operate
- Strive to provide technical guidance and support for our stakeholders, including our suppliers, enabling the mainstreaming of biodiversity conservation in the plantation landscape

Upholding our commitment to No Deforestation and No Peat throughout our entire palm supply chain, we seek to increase yields and extraction rates to meet production demands without further land-clearing activities. To date, we have maintained a total conservation area of over 32,000 hectares across the Group.

The preservation of these conservation areas is contingent upon ongoing assessments conducted for our palm oil operations, which entail monitoring all identified HCV and High Carbon Stock (HCS) areas. This crucial evaluation work is carried out by a dedicated team of qualified High Carbon Stock Approach (HCSA) practitioners, along with licensed HCV-HCSA assessors.

We also collaborate closely with local communities, civil society organisations, governments and suppliers to ensure the effective management of conservation areas within Wilmar's operations as well as the surrounding landscapes. Similar principles are applied to our sugar operations, where we stipulate that all sugarcane farm development activities must demonstrate their non-involvement in HCV areas or areas that hold international or national legal protection.



Sekar Imej Conservation Area (SICA) in Sabah Malaysia.

SUSTAINABILITY

Protecting Peatlands

Peatlands play a vital role in climate change mitigation given their capacity to store more carbon than all other forms of vegetation combined. These carbon-rich peatlands can pose a fire risk when drained or exposed to dry conditions, potentially releasing substantial amounts of trapped carbon into the atmosphere. Since the implementation of our NDPE Policy, we have prohibited any new development on peatlands while working with experts and local communities to explore viable solutions for peatland restoration, recognising the opportunities and benefits they offer, such as the reduction of greenhouse gas (GHG) emissions.

We apply best management practices outlined by peatland experts and the Roundtable on Sustainable Palm Oil (RSPO) in the 1% of our total planted palm area that is classified as peat. These practices encompass measures like maintaining optimal water tables to minimise peat subsidence and the release of carbon dioxide.

In addition to our on-ground efforts, we are actively involved in knowledge-sharing platforms and multi-stakeholder initiatives, such as the Fire Free Alliance, and contribute to peatland conservation endeavours. We also support the targets set forth by the Indonesian Peatland Restoration Agency (Badan Restorasi Gambut).

Fire Prevention, Monitoring and Suppression

We have been using an integrated fire monitoring platform since 2020 to monitor our operations. The platform automatically acquires hotspot data and transmits it to our field managers through a web-based instant messaging application. Developed by our in-house geographic information system team, this platform is now used in Indonesia, Ghana, Malaysia and Nigeria.

In addition to our proactive monitoring, we maintain a close partnership with the RSPO to exchange fire-related data and verify hotspot notifications through the RSPO Hotspot Monitoring Programme. Our response teams are immediately dispatched to extinguish fires if there are confirmed incidences.



Fire suppression training for employees in Africa.

CLIMATE CHANGE

Climate change presents a substantial risk to our planet, affecting livelihoods and agricultural activities, with the potential to jeopardise food production and security. As we explore avenues to enhance our business resilience, we continue to strengthen efforts to mitigate the repercussions of climate change.

We are committed to the progressive reduction of GHG emissions stemming from our operations, as we align with global efforts to mitigate climate change. Across all our business segments, we are working to reduce GHG emissions through various initiatives. We signed up to the Science Based Targets initiative (SBTi) and are committed to both near-term and net-zero emission targets. We are developing timebound plans over the next year to outline our strategy and approach to achieve comprehensive targets that are consistent with a 1.5°C pathway aligned with the SBTi.

We will continue to proactively address the evolving risks and opportunities in relation to our operations.

ENERGY CONSERVATION AND EMISSION REDUCTION TO CREATE LOW-CARBON FOOD PARKS IN CHINA

Our food parks are located close to our existing manufacturing complexes to optimise use of resources by sharing equipment and common facilities like electricity, sewage treatment and storage. In terms of food park design, we prioritise green building and sponge city principles by incorporating environmentally friendly materials such as steel structures and recyclable metal wall panels. Additionally, we allocate space for photovoltaic power generation.

Our first food park in Hangzhou is strategically positioned as it is not only connected through highways but also leverages waterway transportation for logistical operations. In engineering development, we have implemented independent metering for each unit in our factories. In addition, we utilise intelligent monitoring systems for

central air conditioning and refrigeration storages, as well as the sharing of steam and compressed air within our factories. This holistic approach ensures a comprehensive and sustainable reduction in energy consumption.

To enhance our energy management capabilities, we have introduced automatic energy statistics and settlement functions. These tools enable precise tracking and analysis of energy usage. In logistics and transportation, we have installed new energy infrastructure and deployed energy-efficient vehicles, as well as an intelligent warehouse management system. We also use modern processing technology and advanced cooking equipment to standardise operations, management and maintenance to minimise food waste during production.



Equipment maintenance at Hangzhou food park.

SUSTAINABILITY

ENVIRONMENTAL FOOTPRINT OF OUR OPERATIONS

Recognising the importance of efficient use of natural resources like water and energy, we actively endorse and employ effective strategies to ensure sustainable production. Our commitment to reduce the environmental footprint of our activities is outlined in our Environmental Policy. We adopt practices that involve the reuse, recovery, and recycling of waste materials, while responsibly managing waste, effluents and chemicals. In all the countries where we conduct our operations, we fully adhere to the local environmental laws and regulations.

The predominant source of renewable energy in our palm oil and sugar upstream operations is biomass, primarily derived from our operational waste. In our palm oil mills, the main energy sources are by-products of the milling process, such as empty fruit bunches (EFB), kernel shells, and mill fibre. In our sugar milling operations in Australia and India, the primary source of fuel for powering our mills is cane bagasse. In Australia, we are one of the largest producers of renewable biomass energy.



EFB recycling in Malaysia.

In our factories, we use a range of diverse technologies to decrease our energy consumption, enhance energy efficiency and reduce our dependence on non-renewable energy sources. These technologies include steam condensate recovery, waste heat recovery of exhaust gas, steam residual pressure power generation and rooftop solar. These initiatives also help to significantly reduce GHG emissions.

When it comes to managing water use in our oil palm plantations, we adopt a holistic lifecycle approach in the planning and operation of our mills. Where water usage is particularly high, such as for nursery irrigation and household needs, we have put in place water-conserving practices. These include rainwater collection and the recycling of wash water. These measures contribute to a reduction in water consumption and yield long-term cost savings.

We have implemented comprehensive measures to safeguard the quality of discharged water. This involves the identification of priority substances of concern within water discharges, ongoing monitoring, and the regular reporting of our progress in reducing significant pollutants. We adhere to all discharge limits stipulated in the local regulations of the countries where we conduct our operations.

Furthermore, we adhere to the principles of a circular economy and are committed to minimising waste generation. In our upstream palm activities, all waste generated is recovered and reused. Organic waste, including materials like EFB, mesocarp fibre and palm kernel shells, is utilised as either fuel or organic fertiliser. Similarly, in our sugar milling operations, cane bagasse serves as a primary fuel source for our boilers, while other by-products such as press mud, ash, sludge, and yeast sludge are applied for soil enhancement purposes. We also follow the waste management hierarchy in our factory operations, striving to minimise waste sent to landfills. Where feasible, we adjust our factory production processes to maximise waste recovery and reduce landfill-bound waste.

SUSTAINABLE PACKAGING

Our packaging R&D teams engage with the broader industry to develop packaging solutions that use the least materials possible and are reusable or recyclable by end-users. We continuously assess and enhance the sourcing criteria for the materials we procure to ensure they originate from sustainable sources.

We tailor packaging solutions and sustainable strategies to align with distinct local regulations and customer preferences, as each operating region actively contributes to our progress in sustainable packaging. Through the establishment of regional packaging sustainability committees and regular progress meetings, we continue to evaluate and improve on our packaging solutions for consumer products, seeking to introduce recycled or recyclable materials that helps to reduce waste.

PRIORITISING PEOPLE AND COMMUNITIES

Wilmar is a multinational group with a global footprint and a diverse workforce of various nationalities and cultural backgrounds. We maintain a steadfast commitment to safeguarding the human rights and labour standards of our employees and the local communities where we operate. We recognise and support the inherent dignity of every individual.

HUMAN RIGHTS AND LABOUR STANDARDS

We are committed to upholding human rights in accordance with the principles outlined in the United Nations (UN) Declaration of Human Rights, International Labour Organisation (ILO) Core Conventions on Labour and the UN Guiding Principles on Business and Human Rights. We strive to ensure that these principles are applied across our entire value chain, encompassing all parties and individuals.

In addition to these global standards, we strictly adhere to local, national, and ratified international laws. In instances where local legal frameworks are not yet established, we commit to uphold international best practices as well as Wilmar's policies.

HUMAN RIGHTS POLICIES AND FRAMEWORKS

We published our Human Rights Framework in 2019 in accordance with the guidelines established by the Organisation for Economic Co-operation and Development (OECD). The framework offers guidance on the application of all principles, including due diligence mechanisms for identifying, preventing, mitigating and accounting for our impacts on human rights as well as remediating any adverse impacts.

Our Human Rights Framework outlines several procedures and policies including Wilmar's NDPE Policy, Human Rights Policy, Whistleblowing Policy, Grievance Procedure and No Exploitation Protocol.

We continue to work closely with human rights experts and civil societies as they help to solicit feedback on our approach, track our progress and ensure that we are kept abreast with insights that reflect current contexts. By incorporating valuable input from key human rights experts, we were able to develop our Group-level Human Rights Defender Policy in 2021. As part of ongoing initiatives to advocate human rights, we have been collaborating with our technical partner and expert, Verité, to strengthen labour rights in our supply chains. As an independent non-profit organisation, Verité provides support for us to better understand our systemic labour and human rights risks, potential root causes of child labour, the relationship between work and compensation practices, and emerging labour issues.



Community engagement at SICA, Sabah, Malaysia.

SUSTAINABILITY

LIVING WAGE

We are committed to ensuring that 100% of our employees, contractors, and suppliers are paid a living wage by conducting comprehensive assessments throughout our operations. Similarly, we verify that our suppliers adhere to living wage standards through our Supplier Reporting Tool (SRT). Our assessments are based on living wage frameworks specific to the countries where we operate, such as the Global Living Wage Coalition, Wage Indicator Foundation, Massachusetts Institute of Technology Living Wage Calculator, and the RSPO Living Wage Benchmark.

Wilmar has co-chaired the RSPO Living Wage Task Force (LW TF) since 2021. Together with LW TF, we develop living wage benchmarks with stakeholders for the different regions in which RSPO operates. This follows the RSPO Guidance for Implementing a Living Wage, which was published in 2020 with Wilmar's input.

In countries where living wage is not clearly defined, we ensure that our workers receive at least the minimum wage and access to various benefits such as non-mandatory savings schemes, free childcare and complimentary transport services. Additionally, for our employees stationed in remote areas, Wilmar provides free housing, facilities and benefits to support their well-being.

RECRUITMENT OF WORKERS

In our palm oil operations in Malaysia and Indonesia, we recruit workers directly, bearing all recruitment fees and related costs to prevent human trafficking and forced labour. This proactive stance mitigates common issues faced by foreign workers within the agricultural sector such as contract misrepresentation and debt bondage due to exorbitant recruitment fees charged by agents. In situations where recruitment agencies are involved, they are solely engaged to assist in documentation processes.

We employ contracted agents in Ghana and Nigeria for logistical and administrative functions. All matters related to salaries and remuneration are managed directly with workers to minimise risks of exploitation.

PROTECTING CHILDREN'S RIGHTS IN OUR SUPPLY CHAIN

Child labour, exploitation, and any form of abuse are not tolerated, and we are deeply committed to safeguarding and upholding the rights of children across our operations. We place particular focus on our oil palm upstream operations, where the risk of child labour is highest.

In 2017, we published our Child Protection Policy, which sets out our commitment to protect the rights of children within our plantations and within the operations of our suppliers and contractors. Since 2018, we have been conducting annual child safety assessments for our upstream palm operations in Malaysia and Indonesia, and have since expanded this to our operations in Africa from 2020. These assessments are carried out by an internal team independent of the plantation reporting structure. Their purpose is to identify potential risks to children, address recurring issues, and document the programmes or interventions in place to enhance overall child safety.

Together with our Women's Working Groups (WoW) in plantations, we studied health records within our plantation clinics to gain insights and pinpoint any potential areas of concern related to the well-being of mothers, infants and children.

Additionally, in collaboration with Business for Social Responsibility (BSR) and consumer companies such as Nestlé, Colgate-Palmolive, PepsiCo, Neste and Procter & Gamble, we developed a comprehensive Child Protection and Safeguarding Implementation Manual. It serves as a functional resource for understanding the universal rights and protection of children, with a specific focus on application within the broader agricultural industry.



We provide free and quality education to children in our plantation operations, recognising education as the cornerstone for poverty eradication and the enhancement of lives. We have built schools and crèches in all of our plantations to cater to the needs of younger children.

In 2023, Wilmar received recognition from the Global Child Forum, a Swedish non-profit foundation, for topping the 2023 Benchmark Report Global Leaderboard. This distinction positioned Wilmar as the global leader among 795 of the world's most influential companies that underwent assessment.



Sharing session at a Nature School in Indonesia.

EMPLOYEE HEALTH, SAFETY AND WELL-BEING

In 2023, we continue to prioritise and enhance our commitment to creating a robust culture of safety across our extensive operations. We acknowledge the diverse range of tasks our workers undertake, including harvesting, operating heavy machinery, and transporting goods, making the maintenance of strict health and safety protocols imperative. The overarching goal is to safeguard the fundamental rights of employees and workers, ensuring their well-being while fostering a healthy, motivated and productive workforce.

Key Initiatives and Achievements:

1

Serious Injury and Fatality Reduction: We have reduced Fatality and Permanent Disability incidents by 50% through risk-based programmes. Initiatives include targeted programmes addressing work at height, confined space, electrical safety and lockout-tagout. We actively engage in construction safety measures to mitigate risks associated with diverse operations.

2

Safety Leadership Development: We place a strong focus on making frontline managers effective safety leaders. Over 1,500 leaders have completed the safety leadership programme. Safety committees, chaired by site managers, actively participate in Environment, Health, and Safety (EHS) walkabouts, reinforcing the importance of safety at the workplace.

3

Risk Based Programmes: We are exploring the integration of technology and Artificial Intelligence to enhance workplace safety. Site-specific lost time injury intervention programmes have been initiated, along with the establishment and deployment of life-saving rules in plantations and palm oil mills. Construction safety management standards have been issued, and a global permit-to-work system is being implemented.

4

Open Reporting Culture: We are fostering an open reporting culture supported by the Enablon platform, where we maintain a 100% closure rate for all reported events. We are proactively reporting and monitoring potential serious injury and fatality incidents, demonstrating a commitment to preventing more serious incidents.

5

Integrated EHS Management Systems: We are implementing effective integrated EHS management systems to showcase legal compliance and continual improvement in EHS performance. Twelve lead auditors have been qualified, and 16 sites have successfully undergone the Global EHS Audit Programme in 2023. Approximately 20% of Wilmar sites have been certified in either ISO 14001, ISO 45001 or both. Construction safety audits are being intensified; major oleochemical sites audited by Dupont Safety Resources in PSM (Process Safety Management).

6

EHS Awareness and Competency: We are actively enhancing EHS awareness and competencies among our workforce through learning and development programmes. Over 10,200 EHS courses have been delivered through the Learning Management System. Plantations have developed specialised competency programmes for plantation workers focusing on harvester, motorcycle, and tractor safety.

SUSTAINABILITY

We are on a journey to cultivate a robust safety culture that goes beyond fundamental compliance with rules and regulations. The emphasis is on a collective commitment to the well-being of our workforce. Our progress is evident in the implementation of targeted risk-based programmes, leadership development, risk management practices, an open reporting culture, integrated management systems, and continuous efforts to enhance awareness and competencies in EHS across our operations. Our dedication to safety underscores our commitment to the health, safety and welfare of our employees, fostering a safe, healthy and productive working environment.



Employee safety training at an oil palm plantation in Sabah, Malaysia.

DIVERSITY AND INCLUSION

At Wilmar, we believe that it is essential to foster a diverse and non-discriminatory work environment with equal opportunities to attract top talent and empower employees to reach their fullest potential as unique individuals. The diversity within our workforce brings forth fresh and unique perspectives that enable us to better serve our wide customer base.

We have established policies such as the Equal Opportunity Policy and the Board Diversity Policy, among others, to build an inclusive organisation. Every Country Head and Business Head in Wilmar is responsible for ensuring that diverse and inclusive practices are consistently implemented in the workplace.

In Australia, we are committed to develop an Indigenous Recognition Plan and we are proud members of the Diversity Council Australia Limited, an independent organisation at the forefront of promoting equitable diversity and inclusion in the workplace. We also run an apprenticeship programme that welcomes both young men and women to apply and be evaluated based solely on their individual merits.

Recognising the importance of empowering women within our workplace, and fostering a fair and inclusive environment for their growth, we launched our Women's Charter in 2019. This charter outlines our commitment to upholding women's rights and ensuring their well-being, all while considering the diverse work environments within Wilmar, including plantations, factories and offices. This Charter, which applies globally across our operations, is supplemented by several 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

Wilmar started establishing women's committees within our oil palm plantations back in 2007. In April 2019, we set up the Women's Committee Steering Group to ensure that there is consistency and alignment across our operations in relation to the five key focus areas. Today, we have WoWs or Gender Committees at all our oil palm plantations in Indonesia, Malaysia, Ghana and Nigeria.

WoW has launched initiatives for the well-being of women, including training sessions that raise awareness on topics such as reproductive rights, birth control, and the importance of regular screenings for breast and cervical cancer. We are committed to ensuring equal access to health services and have distributed maternal health cards to help women track their prenatal health indicators.

We provide training and group sessions on topics such as childhood nutrition and childhood diseases. We also collaborate with local hospitals and health authorities to conduct health-related campaigns that emphasise the need for childhood vaccinations.

To ensure the safety and well-being of children in our care, we have established crèches on our plantations. These crèches provide a secure environment for children while their parents are at work. To further enhance the safety of our crèches, we maintain registration and attendance records that also include vaccination history. Through these crèches, we ensure that all the children receive the necessary and mandatory immunisations.

Our WoWs and Gender Committees also serve as channels for addressing and investigating cases related to sexual harassment. We have organised training sessions in Malaysia and Indonesia to enhance knowledge and understanding of gender-based violence and sexual harassment.



Group session on support systems for female workers in Sabah, Malaysia.

TALENT MANAGEMENT

With a global workforce of approximately 100,000 individuals spanning 38 countries and regions, our people are the cornerstone of our success. At Wilmar, our priority is to not only attract and retain the right talent throughout our business and value chain, but to also create a workplace that is engaging, inclusive and aligned with the highest standards of human and labour rights across our supply chain. We recognise the importance of harnessing local talent, knowledge, and networks, and thus, we value the employment of locals in our overseas operations.

In our upstream operations, particularly in sugarcane plantations and sugar mills where sugarcane is a seasonal crop, we engage temporary workers to fulfil seasonal harvest needs, time-bound tasks, or specialised positions.

Irrespective of their employment status, we ensure that all our employees have access to essential benefits such as healthcare, parental leave, life insurance, as well as disability and invalidity coverage.

We continue to offer diverse courses through our e-platform, addressing different employee groups. Our ongoing initiative involves building a comprehensive training framework to equip employees with essential soft skills and technical knowledge for career advancement. Tailored entry-level courses are being developed through Litmos, a corporate training platform that can be accessed globally. Advanced training courses focus on technical and leadership skills, fostering exchanges and knowledge sharing between Wilmar employees across different countries and regions.

ECONOMIC AND COMMUNITY CONTRIBUTIONS

For long-term success at Wilmar, we place great emphasis on supporting and empowering the surrounding communities in our operational areas. We have a range of rural development programmes on education, healthcare and other aspects.

The establishment of our oil palm estates have resulted in the development of infrastructure such as roads, electricity and safe drinking water in remote rural areas. We also contribute to rural development by providing stable employment opportunities and building schools, workers' housing and improved road networks for better accessibility to and within our plantations.

Our independent smallholder programmes are tailored to meet the specific needs and challenges faced by farmers in different countries. For instance, in Malaysia, support is focused on the provision and application of fertilisers, while in Ghana, the emphasis is on guiding farmers on best agronomic practices. Our programmes also assist farmers to achieve relevant certifications, although this is not the exclusive objective.

Our programmes ensure that all participating smallholders have access to a platform which helps enhance their livelihoods and provides guidance for them to comply with our NDPE policy through the sharing of expertise and best practices. For our sugar outgrowers, we have implemented training programmes on good farming practices such as land preparation, planting systems, cane nutrient requirements, fertiliser application, weed control and the safe handling and application of chemicals.

SUSTAINABILITY

We empower our subsidiaries to independently manage their economic and social contributions that align with the specific needs of the local communities. Each subsidiary manages its own programmes, which may include cash donations, employee volunteering, or employee workplace giving.

YIHAI STUDENT SUPPORT CENTRE

The “Yihai Student Support Centre” is a joint philanthropic initiative led by Yihai Kerry Arawana in collaboration with the Arawana Foundation. Rooted in a unique model of orphan assistance, the programme places paramount importance on the fundamental concept of “mother’s love,” cultivating a nurturing and familial environment for children to develop under its care. Across various locations in Jiangsu province, Shandong province, and Hebei province, the Student Aid Centres have become vital hubs of positive transformation, extending support to over 414 beneficiaries. Through our sponsorship, we are also proud to contribute to the education of 109 youths in high schools, universities, or technical skills training. To-date, 66 individuals from this programme have already successfully transitioned into full-time employees at Wilmar, underscoring the initiative’s success in providing these young minds with a springboard to a promising future.



Mr Lim Siong Guan, Wilmar’s lead independent director, with students from the Yihai Student Support Centre.

SUPPLY CHAIN TRANSFORMATION

Our commitment to sustainability goes beyond our own operations, extending throughout our entire supply chain. Responsible sourcing and supply chain transformation are strategic priorities for Wilmar.

We recognise our responsibility and capability to guide and influence our supply chain, which contributes to our environmental and social impact. As such, we are committed to maintain close engagement and collaboration with our suppliers to realise sustainable agriculture and food production.

We have implemented traceability and transparency initiatives in our palm oil and cane sugar supply chain. Through monitoring efforts and capacity-building programmes, we ensure that our suppliers stay in compliance with Wilmar’s sustainability commitments. 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.

In 2023, we released the Palm NDPE Implementation Annual Report in conjunction with our annual Sustainability Report, which provides a clear account and progress of our sustainability efforts.

RESPONSIBLE SOURCING IN OUR PALM OIL SUPPLY CHAIN

We have in place an extensive traceability programme since mid-2013 to support the implementation of our NDPE commitments, as a substantial portion of our footprint is linked to third-party suppliers. Information regarding our suppliers is publicly available through the traceable supply chain section on our online Sustainability Dashboard. We release comprehensive data on this platform, including details about the parent company, mill or refinery/trader/bulker name, location, percentage of traceability to the mill and plantation, as well as information on progress related to sustainability.

Our SRT allows us to actively monitor each mill supplier for compliance with our NDPE commitments and our Supplier Group Compliance Programme employs satellite technology to monitor both our direct and indirect supply chain.

STRENGTHENING OUR SUSTAINABILITY COMMITMENTS IN OUR SUGAR SUPPLY CHAIN

Being one of the world's leading sugar producers, it is crucial for us to establish a robust sustainability commitment for our sugar supply chain.

The implementation of our NDPE Sugar Policy has enabled us to be benchmarked against the Sustainable Agriculture Initiative Platform (SAI Platform) and recognised by the industry. Farm Sustainability Assessment (FSA) 3.0 by the SAI Platform has recognised Wilmar's NDPE Sugar to be equivalent to FSA Gold Level which is the highest possible level for outstanding sustainable farming practices against the FSA.

We engage with our suppliers and buyers through awareness and capacity-building programmes to foster inclusivity for smallholder sugarcane growers, as well as promote recognition and the adoption of the NDPE Sugar Policy. This collaborative effort is further supported by the monitoring of our mill suppliers using the SRT. This allows us to identify potential areas for collaboration with our suppliers to enhance sustainability and ethical practices within the sugar industry.



Sugarcane farm in Australia.

RESPONSIBILITY TO CONSUMERS

We remain committed to the development of products that are beneficial to the health and well-being of our consumers. Continuous innovation, R&D and transparent product marketing and labelling reflect our commitment towards delivering product excellence which meets the highest and most stringent standards of product quality and safety.

RESEARCH AND DEVELOPMENT

Our key strategic focus continues to revolve around the adoption of innovations and cutting-edge technologies. To bolster our R&D initiatives, we established strategic partnerships with leading experts, academic institutions, and research centers in Australia, China, New Zealand, and Singapore among others. These collaborations unlock access to a global pool of talented individuals, accelerating our research and innovation efforts.

In partnership with Jiangnan University, we have conducted microbiological safety tests on fermented protein feed, encompassing assessments for endotoxins and antibacterial efficacy. Our collaborative efforts extend to esteemed institutions such as the China Agricultural University, Zhejiang University, Shanghai Ocean University and Guangdong Academy of Agricultural Sciences. These collaborations aim to develop fermented protein feed tailored for different animals. Our products have gained substantial market acceptance due to their exceptional quality and innovative application methods. During the initial product launch phase, we achieved monthly sales exceeding 10,000 tonnes.

We have also collaborated with the China Agricultural University to pioneer application methods for fermented protein feed in poultry, swine and aquaculture. The adoption rate of fermented protein feed in this project has risen from 0 to 5%, leading to a significant 15% increase in farmers' income.

SUSTAINABILITY

Improving Yields and Reducing Pressure on Land Use

We continue to develop and apply our cloning programme to increase yields without the need for further land expansion. These programmes involve the identification and selection of oil palm varieties based on various criteria, including yield performance. We anticipate that these variations will lead to yield improvements of up to 30%. To support this effort, our oil palm clonal lab in Central Kalimantan, Indonesia, is scaling up production with the goal of reaching 500,000 clonal palms annually by 2026.

In collaboration with the Temasek Life Sciences Laboratory (TLL), we are conducting research to apply genetic screening techniques, which could potentially reduce the palm breeding cycle by halving its duration compared to conventional methods. Field tests are currently underway, focusing on selected genetic markers and their correlation with fresh fruit bunch (FFB) yields in sampled palms.

Furthermore, TTL is conducting tests on DNA markers linked to Ganoderma resistance and drought-tolerant oil palm varieties at seeding stage.

Wilmar Sugar Australia (WSA) is actively working to identify 'super' parent plants that carry additive traits contributing to improved sugarcane yields and higher sugar content in their progeny. As part of its breeding programme, WSA is experimenting with the use of Genomic Selection technology by using Single Nucleotide Polymorphism (SNP) chips to further enhance our sugarcane varieties.

Improving Nutrition

In 2023, we completed our first five-year WIL@NUS Corporate Laboratory programme with the National University of Singapore (NUS) and the National Research Foundation (NRF). All projects in Cluster 1 (clinical trials) and Cluster 2 (Biotransformation) achieved their respective milestones. To ride on the success of our first programme, we are now establishing a second 5-year collaborative research programme with NUS and NRF, focusing on enzyme development and biotransformation processes.

Similarly, in New Zealand, Goodman Fielder introduced a new range of plant-based chicken products. These products have received a 4-star rating from the health star rating system due to their high protein content and low levels of saturated fat. These products are free from artificial flavourings and colours.



R&D in the WIL@NUS Corporate Laboratory programme.

PRODUCT QUALITY AND SAFETY

Wilmar has established several policies to uphold the quality and safety of our food products while maintaining compliance with regulatory standards. These policies include the Food Safety Policy, the Food Fraud Policy, and the Food Defense Policy. We are committed to ensure that our food products consistently meet rigorous quality and safety standards.

A large portion of our food and food ingredient facilities hold certifications from food safety certification schemes accredited by the Global Food Safety Initiative (GFSI). These certification schemes include:

- Food Safety System Certification 22000 Scheme
- United Kingdom: British Retail Consortium Global Standard for Food Safety
- United States: Safe Quality Food

RESPONSIBLE MARKETING AND LABELLING

Wilmar practices responsible product marketing and labelling. We maintain a commitment to ethical standards and adhere to all relevant legal and regulatory requirements in the regions where we operate. We avoid targeting children in our sales and marketing efforts, among other responsible marketing practices.

CONSUMER HEALTH AND WELL-BEING

We seek to address consumers' needs, particularly in emerging markets, by offering access to healthy, nutritious, and cost-effective food. We achieve this through continuous innovation and enhancements to our products, adding nutritional attributes to meet evolving consumer preferences.

Our consumer brands, distributed both wholesale and directly to consumers, are recognised for their quality. Our wide range of edible food products caters to over five billion consumers worldwide. This diverse product line includes vegetable oils, sugar, flour, rice, noodles, specialty fats, snacks, bakery items, dairy products, and more.

We take a targeted approach by understanding consumer requirements and preferences and aligning them with the ever-evolving field of nutritional science. This approach guides us in creating market-leading, nutritious food products that meet consumer demands.

RESPONSIBLE BUSINESS PRACTICES

We pursue a culture of ethical and responsible business conduct, recognising it as a key element of every successful business. We ensure that all our employees worldwide comply with applicable laws and regulations, while also conforming to Wilmar's internal policies. This goes towards building and maintaining the trust and confidence of our stakeholders.

BUSINESS ETHICS AND COMPLIANCE

Excellence in business ethics and regulatory compliance is strongly emphasised across our global operations. This effectively guides decision-making and employee conduct to uphold the highest standards of integrity. Our directors and employees are provided with comprehensive training programmes and guidance on our corporate policies, which include our Code of Conduct, Code of Ethics, Anti-Fraud Policy, Anti-Bribery and Corruption Policy, and Whistleblowing Policy. These policies have all been thoroughly reviewed and approved by our Board of Directors.

Wilmar's Tax Policy outlines how all companies within the Group manage their taxes in a responsible and credible manner and are in compliance with all relevant tax regulations.

Our Whistleblowing Policy establishes a framework for employees and external parties with business relationships with Wilmar to report concerns or incidents of corporate improprieties in confidence, without the fear of reprisal. The policy outlines the investigation and verification process, followed by the determination of follow-up actions.

Wilmar does not make any direct or indirect contributions to political parties, political associations, or political candidates. We recognise employees' rights to engage in the political process as individuals, provided they comply with our Code of Conduct and other relevant Group policies.

