

THE SUGAR MARKET



Sugar is one of the world’s most consumed agricultural products, serving as a versatile ingredient that sweetens foods and beverages, provides energy, acts as a preservative, and enhances flavour and texture. In pharmaceuticals, sugar stabilises medications, while sugar crops provide useful byproducts such as livestock feed, fibre, and energy, particularly sugar-based ethanol. The global sugar industry also drives agricultural markets and food costs, with price fluctuations heavily influencing both local and global economies.

Today, Brazil stands as the largest producer and exporter of sugar, holding a dominant position in global markets. The centre-south region of Brazil offers optimal lands and natural climate conditions, which do not require irrigation for cultivating this resilient yet complex crop. This makes Brazil the most cost-efficient producer in the world.

Sugar has also become a key player in the biofuel industry, with countries like Brazil converting sugarcane into ethanol fuel since as early as the 1970s.



Sugarcane crops in Australia.

GLOBAL MARKET DYNAMICS OF SUGAR

The global sugar market is centred around two primary sources, cane sugar and beet sugar, with significant trade flows between producing and consuming regions.

Total world sugar production is approximately 180 million metric tonnes (MT)¹, with 85% from sugar cane and 15% from sugar beet. The production process for both cane and beet sugar involves similar steps, including harvesting, crushing, juice purification, evaporation, crystallisation, centrifuging and drying.

Cane sugar is typically produced in tropical regions, with Brazil leading as the world’s largest producer, crushing over 600 million MT² of sugarcane in 2023/24. It also dominates as the world’s largest sugar exporter, with over 70% of the global trade market share.³ India is the second-largest producer, supplying the world’s largest domestic sugar consumption. Today, Brazil and India account for over 40% of the world’s total sugar production.¹ Thailand and Australia are also among the world’s largest producers, with their exports mainly directed to Asia-Pacific markets.

Unlike cane sugar, beet sugar is produced in temperate regions. The European Union is the largest producer of beet sugar with an estimated 15 million MT¹ produced in 2023/24, primarily to meet the demands of its large domestic market.

World trade flows in sugar account for over 60 million MT, or 30% of global production.¹ The primary trade flows involve the export of raw sugar to refineries, typically located in consuming countries, where it is processed into white 45 ICUMSA (International Commission for Uniform Methods of Sugar Analysis) sugar. China and Indonesia are two of the world’s largest importers of sugar.

On average, annual global consumption of sugar has increased by about two million MT¹ for the past five years, with over 80% of the growth driven by Africa, Asia and India subcontinent.

1 U.S. Department of Agriculture, Foreign Agricultural Service, “Sugar: World Markets and Trade,” November 2024, <https://fas.usda.gov/sites/default/files/2024-11/sugar.pdf>.
2 Cultivar, “Sugarcane harvest 2023/24 ends as the largest in history,” Revista Cultivar, December 7, 2023, <https://revistacultivar.com/news/sugarcane-harvest-2023-24-ends-as-the-largest-in-history>.
3 Reuters, “Brazil’s sugar exports hit record high in 2024, government says,” XM, December 10, 2024, <https://www.xm.com/au/research/markets/allNews/reuters/brazils-sugar-exports-hit-record-high-in-2024-government-says-53962248>.

OUR SUGAR JOURNEY

Wilmar expanded into the sugar business in 2010, adopting an integrated business model, similar to the Group's other core businesses. We are integrated from production and milling in Australia, India and Myanmar to refining in New Zealand, Australia, Indonesia, India, and Saudi Arabia, extending to consumer products and a global trading network that plays a crucial role in our business.



KEY MILESTONES

2010

Expanded into the sugar business through the acquisition of Sucrogen Limited (known today as Wilmar Sugar Australia). It is one of the world's largest sugar companies and the largest raw sugar producer and refiner in Australia.

Acquired PT Jawamanis Rafinasi, a leading sugar refiner in Indonesia.

2011

Further expanded the Indonesian sugar business through the acquisition of PT Duta Sugar International.

Acquired Proserpine Mill, the fifth largest sugar mill in Australia.

2013

Acquired 27.5% stake in Cosumar S.A., the sole sugar supplier in Morocco and third largest sugar producer in Africa. Divested in 2023.

KEY MILESTONES

2014

Formed a joint venture (JV) company to operate two sugar mills, a bioethanol plant and an organic compound fertiliser plant in Myanmar.



Acquired a strategic 28% stake in Shree Renuka Sugars Limited (SRSL), one of India's largest sugar refiners and green energy producers.



2016

Formed a 50:50 JV, Raizen and Wilmar Sugar Pte Ltd (RaW), with Raizen Energia S.A., which ceased operations in April 2020.

2018

Expanded our global sugar trading operations through the acquisition of the sugar trading book of Bunge, following their exit from the business.



A Wilmar Group company

Consolidated our position in the Indian sugar and ethanol market when we increased our stake in SRSL to approximately 58%, making it our subsidiary. Today we own about 62% of SRSL, following a further increase in interest in 2020.

2019

Acquired two sugar beet processing factories in China through our subsidiary Inner Mongolia Hol-Wilmar Agriculture Co., Ltd (IMHWA). IMHWA is involved in sugar beet cultivation and processing.



2021

Commissioned our sugar refining operations in Saudi Arabia under Durrah Advanced Development Company (Durrah), one of the country's largest producers of refined sugar.



2022

Acquired a 15% stake in Sugar Global Trading S.L., a Spain-based company involved in sugar trading and distribution across Europe.

2023



Completed expansion of SRSL's ethanol production capacity in India from 720 kilolitres per day (KLPD) to 1,250 KLPD, becoming India's leading ethanol player.

Completed a 100% equity acquisition of Anamika Sugar Mills in October 2023 through SRSL, allowing us to establish a presence in Uttar Pradesh and cater to the markets of Northern India.



Divested our stake in Cosumar for an aggregate cash consideration of approximately USD 592 million and increased our equity interest in Durrah from 5% to 48%.

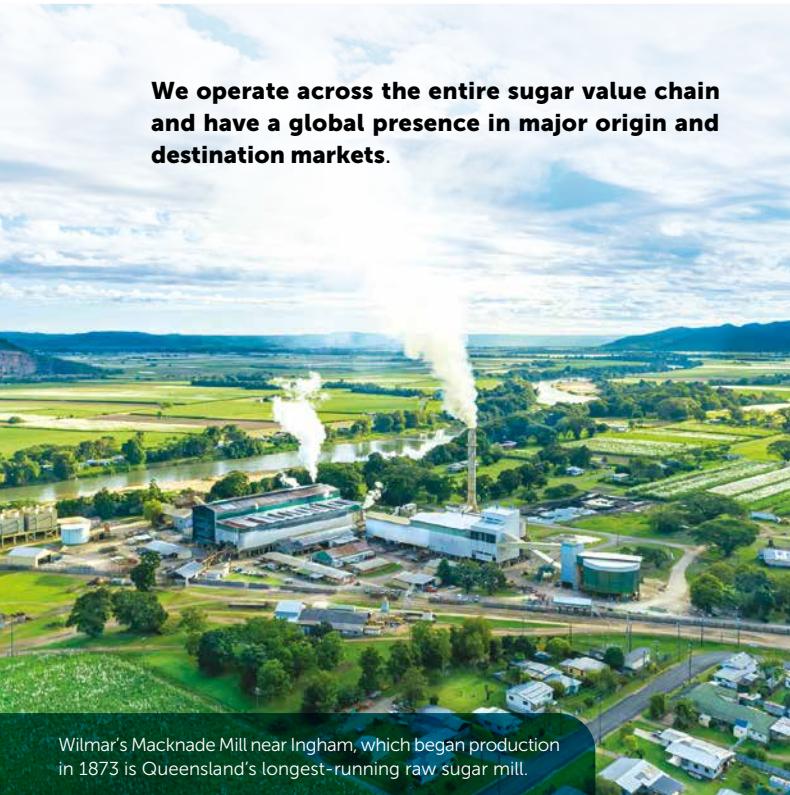
Set up Wilmar Labs, an algorithm-based commodity trading platform.

2024

Increased our stake in Geowatch Labs to approximately 75%, enhancing our capabilities in using satellite imagery analysis powered by algorithms and artificial intelligence (AI), to provide insights into crop performance and weather monitoring.

GLOBAL SUGAR OPERATIONS

We operate across the entire sugar value chain and have a global presence in major origin and destination markets.



Wilmar's Macknade Mill near Ingham, which began production in 1873 is Queensland's longest-running raw sugar mill.



Durrah's state-of-the-art sugar refinery in Yanbu is one of the largest producers of refined sugar in Saudi Arabia.



SUGAR MILLING

We operate **20 mills** with a total capacity of over **25 million MT** per annum.

Wilmar produces over **50%** of Australia's total sugar output⁴ and is the leading miller in India.

- Australia:** 8 sugar mills
- India:** 8 sugar mills
- Myanmar:** 2 sugar mills
- China:** 2 sugar beet processing facilities



SUGAR REFINING

We operate **eight refineries**, and we are one of the **largest** sugar refiners globally, with a total capacity of over **four million MT** per annum.

- Australia:** 2 sugar refineries
- India:** 2 sugar refineries
- Indonesia:** 2 sugar refineries
- New Zealand:** 1 sugar refinery
- Saudi Arabia:** 1 sugar refinery

⁴ U.S. Department of Agriculture, Foreign Agricultural Service, "Sugar: World Markets and Trade," November 2024, <https://fas.usda.gov/sites/default/files/2024-11/sugar.pdf>.

CONSUMER PACK

We hold a leading market share for our consumer-packed sugar products in Australia, New Zealand, India, Saudi Arabia and Myanmar through renowned brands such as CSR, Chelsea, Madhur, Fortune, Albayt and Meizan.

Australia



New Zealand



India



Saudi Arabia



Myanmar



GLOBAL SUGAR OPERATIONS

COGENERATION

Installed capacity of 481 Megawatts (MW) in Australia and India.

ETHANOL

We operate **four** ethanol distilleries in India and Australia, with a total capacity of **1,500 KLPD**.

From our Sarina distillery in North Queensland, Wilmar Sugar Australia (WSA) produces the largest amount of ethanol from sugarcane in the country, making about **60 million litres** of ethanol annually.

Our ethanol production is primarily used for ethanol fuel in India, and for pharmaceutical and industrial applications in Australia.



Sarina ethanol distillery in Mackay, Queensland.

TRADING

In **2011**, we set up the trading division of Wilmar Sugar, and within a decade, we expanded into offices in key global hubs such as **Singapore, Dubai, Geneva, Sao Paulo and Mexico**. Today, we are a leading raw and white sugar trader globally with an annual trading volume of around **16 million MT**, accounting for nearly **27%** of global trading volumes.

This extensive reach enables us to meet diverse market needs while maintaining a strategic edge in international trade.



Dubai sugar trading office.

BIBO

Through WSA, we operate the world's only specialised food grade bulk refined sugar BIBO vessel, MV Pioneer, with a cargo capacity of 20,000 tonnes.

The acronym 'BIBO' describes how the vessel operates. Refined sugar is loaded into the ship as a "Bulk In" process which can then be subsequently unloaded either in bulk (Bulk Out) or in bags (Bag Out).



MV Pioneer (BIBO).

SUSTAINABILITY AND ENVIRONMENTAL PRACTICES



Being one of the largest sugar traders in the world, we are committed to extending our approach to sustainability across our supply chain. We launched our No Deforestation, No People Exploitation Sugar (NDPE Sugar) policy in September 2021, reinforcing our dedication to ethical and sustainable practices.

BONSUCRO

Bonsucro, established in 2008, is a global sustainability standard and certification organisation for sugarcane products. Wilmar became a member of Bonsucro in 2014. Of the Wilmar-owned farms in Australia, 53% are certified in compliance with Bonsucro Production Standards, with three raw sugar mills certified. We have also certified downstream operations in Australia, New Zealand and Singapore in line with the Bonsucro Chain of Custody certification.

SMARTCANE BMP

Smartcane BMP is an industry-led initiative available to all sugarcane growers across Queensland in Australia. Our Burdekin farms were first accredited in 2015 and we now have 100% of Wilmar-owned farms accredited.



RESEARCH AND DEVELOPMENT



Cane breeding programme in Australia.

FARMING PRACTICES

To maximise sugarcane yields while reducing any potential loss of nutrients from the farm, we invest in research to develop best cane farming practices for our own farms and across the broader Australian sugar industry.

Key areas of research include:

- The use of milling by-products to improve soil quality and increase cane yields
- Optimising mechanical harvesting to minimise cane losses in the field
- Variable-rate nitrogen application to enhance nutrient use efficiency

CANE BREEDING

Cane breeding is vital for enhancing both the productivity and sustainability of sugarcane farming. By developing new varieties with improved disease resistance, higher sugar content and greater adaptability to environmental changes, breeding programmes help increase yields while reducing the need for chemical inputs.

Our Technical Field Department in Australia plays a key role in developing new cane varieties for the growers who supply our mills. We run a cane-crossing programme at Macknade Mill in the Herbert region and a variety selection programme at our Kalamia Mill in the Burdekin.

Today, our varieties account for a significant percentage of Australia's total sugarcane production.

THE FUTURE OF SUGAR

RISING DEMAND

The global demand for sugar continues to rise, primarily driven by emerging economies in Africa and Asia, where we have a strong presence. The growing demand is expected to drive the company's expansion in sugar operations, not only in refining but also in cane production and consolidation.

ENERGY TRANSITION AND ETHANOL FUEL

The global focus on climate change and the transition towards sustainable energy sources has sparked increasing attention on alternative uses of sugar, bagasse, and ethanol. As the world seeks cleaner and renewable energy sources, sugarcane and its byproducts have emerged as crucial components in this transition. Sugarcane's potential to serve as a feedstock for biofuels, such as ethanol, is a key element in addressing both energy needs and environmental concerns. Our strategic involvement in this sector positions us to benefit from the growing demand for renewable energy and support the global push toward reducing dependence on fossil fuels.

Ethanol, produced from sugarcane, has emerged as a highly viable renewable fuel with significant environmental benefits, including reducing carbon dioxide (CO₂) emissions by more than 70% compared to fossil fuels.⁶ The widespread adoption of ethanol as biofuel is a key component of the global energy transition. Countries like Brazil, which has been a pioneer in ethanol use, have demonstrated the fuel's potential by powering Flex Fuel Vehicles entirely with ethanol produced from sugarcane. India, with its ambitious ethanol blending programme set to reach 20% by 2025, is poised to double its ethanol market in the next decade⁷, driven by rising fuel consumption. Through SRSL, we are already utilising a significant portion of our cane to produce ethanol for blending with gasoline, further solidifying our role in the growing renewable fuel market.

GREEN ELECTRICITY

Bagasse, the fibrous byproduct from sugarcane, can be used as biomass fuel to generate electricity or steam, serving as a renewable energy source for sugar mills. In many sugar-producing countries, bagasse is already being used in cogeneration plants to produce electricity for local grids or to power sugar mills, similar to SRSL's approach in India. This process not only reduces waste but also offers a cleaner energy source compared to fossil fuels. The use of bagasse in sugarcane processing significantly lowers carbon emissions, making cane sugar production both cost-effective and environmentally sustainable.



Cogeneration plant in Queensland, Australia.

WSA is a leading producer of green electricity from bagasse in Australia. Every year, we convert over five million tonnes of bagasse into renewable energy, generating and supplying green electricity to the grid. We operate the largest biomass-only generator in Australia, and our eight mills in Queensland have a total generation capacity of 202 MW, exporting about 295,000 MWh to the grid – enough to power more than 52,000 households.⁸

SUSTAINABLE AVIATION FUEL (SAF)

SAF is key to reducing the environmental footprint of the aviation industry.

Governments, international organisations, including the International Civil Aviation Organisation's carbon offsetting and reduction scheme (CORSIA), are also incentivising SAF adoption through regulations (targets, mandates, or tax incentives).

Multiple countries and airlines have set goals to blend 10% or more⁹ of aviation fuel with SAF by 2030, with even more ambitious long-term targets aiming for net-zero emissions by 2050.

Compared to existing methods, Ethanol-to-Jet (ETJ) represents numerous advantages including:

- **Lifecycle Emissions Reduction:** SAF derived from sugarcane ethanol can reduce greenhouse gas emissions by up to 74% over its lifecycle compared to conventional jet fuels.¹⁰ This reduction is essential for meeting global climate targets.
- **Established Industry:** Brazil already has a well-established sugarcane ethanol industry with infrastructure that can be easily adapted for SAF production. Brazil would likely play a major role in this energy transition. The same applies for both Australia and India, given their existing cane industry.
- **Scalability:** The scalability of sugarcane cultivation and ethanol production ensures its long-term viability for meeting the large fuel demands of global aviation unlike other feedstocks.
- **Land Use Optimisation:** Sugarcane can often be grown on land unsuitable for food crops, reducing concerns about competition with food production.

Given our experience and scale in the sugar industry, we are well-positioned to capture emerging opportunities in this area, especially on the back of potential supportive legislation.

BIOREFINERIES

The concept of sugarcane biorefineries represents the next generation of sugar mills which aims to maximise the value of sugarcane beyond its traditional use in producing sugar and ethanol to support a wider range of product applications.

Biorefineries integrate various biological processes to convert biomass, in this case, sugarcane and bagasse, into a broad range of sustainable products, including biofuels, biogas, biochemicals, electricity and bio-based materials.

Sugarcane biorefineries can produce a variety of biochemicals, like lactic acid, which can be used to produce biodegradable plastics and succinic acid, a precursor to numerous industrial chemicals, can be extracted from sugarcane.

Sugarcane bagasse can also be used to produce fibre board, paper and other materials, reducing the need for wood and fossil-based resources.

By utilising every part of the sugarcane plant, biorefineries promote a circular economy.

WSA, through its Research Centre, closely follows technical innovations and new product applications derived from sugarcane, with a continuous focus on improving costs of production and operational efficiency.



Bioethanol sampling in Yarraville, Australia.

6 Nebraska Corn Board, "How ethanol reduces greenhouse gases," Nebraska Corn, <https://nebraskacorn.gov/cornstalk/sustainability/how-ethanol-reduces-greenhouse-gases/#:~:text=As%20technology%20evolves%2C%20researchers%20are,emissions%20by%2080%25%20or%20more.>

7 Press Information Bureau, "India's sugar exports expected to reach record levels," PIB, December 10, 2024, <https://pib.gov.in/PressNoteDetails.aspx?Notid=153363&ModuleId=3®=3&lang=1>.

8 What Is The Average Electricity Bill People Are Paying In QLD, Econnex, <https://www.econnex.com.au/energy/blogs/average-electricity-bill-people-are-paying-in-qld>.

9 Norton Rose Fulbright, "A new sustainable aviation fuel mandate," Norton Rose Fulbright, 2024, <https://www.nortonrosefulbright.com/en/knowledge/publications/b5f9f70c/a-new-sustainable-aviation-fuel-mandate>.

10 Roundtable on Sustainable Biomaterials (RSB), Sugarcane: Greenhouse gas emissions assessment (Part III), RSB, October 2020, https://rsb.org/wp-content/uploads/2020/10/Sugarcane-report_Part-III-GHG-emissions_compressed.pdf.