wilmar

SUSTAINABILITY
REPORT 2020

# Reflect
# Adapt
# Thrive

## Contents



# About this report

At Wilmar International Limited ('Wilmar'), we are committed to delivering transparency and demonstrating accountability to our stakeholders. For this, sustainability reporting is key.

We strive to ensure that our sustainability reporting not only reflects our progress in our sustainability journey, but that it also advances in parallel. Our coverage of information has increased to now include all of our key business segments (see details in Scope and Boundary below). We are also reporting against the **Sustainability Accounting Standards Board (SASB)** Standards and the **Task Force on Climate-related Financial Disclosures (TCFD)** recommendations for the first time, in addition to the **Global Reporting Initiative (GRI)** Standards.

This report provides a retrospective view of our sustainability journey for us to **reflect** upon, as we continue to identify the challenges that we face. Doing this allows us to **adapt** our approach, strengthen our effort and drive continuous improvement, so that we can **thrive** in the long term.

The content is based on our latest materiality assessment conducted for the group (**see page 171** for details). It communicates our sustainability commitments, performance and plans going forward. This report is intended to be read in conjunction with our **Annual Report 2020** and the sustainability-related disclosures on our **Sustainability Dashboard**.

All photographs featured in this report are of Wilmar's people, products and operations.



Sustainability Report 2020 | Wilmar International Limited


↑ Children attending a Humana School in Wilmar's Sabahmas Plantation in East Malaysia





## Scope and boundary

**102-46, 102-49, 102-50**

This report contains data and information pertaining to the financial year 1 January 2020 to 31 December 2020 and may reference events in previous years where relevant.

Performance data on governance and human resources covers all of Wilmar's subsidiaries. Data on safety and environmental indicators such as energy, water, waste and greenhouse gas emissions covers our global operations (i.e. factories and plantations) from our Plantations and Sugar Milling, Feed and Industrial Products and Food Products business segments. Unless otherwise stated, the sites included in this report are owned by entities in which we have a shareholding interest above 50% with operational control.

As a rapidly expanding business, mergers, acquisitions, commissioning of expansions and new sites occur continuously. At any point in time, we may be in the process of onboarding recently acquired businesses and commissioned sites into our global safety and environmental data reporting platform. We aim to have these additions completed within six months of acquisition or commissioning.

## Reporting framework

**102-54**

Wilmar has prepared this report in accordance with GRI Standards: Core option. GRI disclosures are included throughout the report using the notation: [XXX-XX] and the full **GRI content index** can be found on **page 208**.

This year, our report also contains disclosures recommended in the Agricultural Products Sustainability Accounting Standard (Industry Standard, Version 2018-10) and the Processed Food Sustainability Accounting Standard (Industry Standards, Version 2018-10) that was developed by SASB. These disclosures are referenced throughout the report using the notations: [FB-AG-XXXX.X] and [FB-PF-XXXX.X] respectively. Our **SASB disclosure index** can be found on **page 220**.

We are also for the first time using the TCFD recommendations to guide our climate change disclosures. Our **TCFD disclosure index** can be found on **page 57**.

The report also complies with the requirements of the Singapore Exchange Securities Trading Limited (SGX-ST) Sustainability Reporting Guide Listing Rules 711A and 711B and Practice Note 7.6 Sustainability Reporting Guide.


## External assurance

**102-56**

Ernst & Young LLP (EY) was engaged to provide independent, limited assurance on selected disclosures in this report. Traceability to mill data and NDPE Implementation Reporting Framework disclosures for palm oil operations have been assured by Control Union (CU). Further details can be found in the **Assurance Statements** on **pages 202~207**.

## Contact

**102-53**

We strive to remain cognisant, responsive and inclusive. We welcome any comments, questions or suggestions regarding this report and our sustainability performance.

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Attention: Sustainability Department

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Non-Executive and Independent Director

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**LIM SIONG GUAN**
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Non-Executive and Non-Independent Director

**JUAN RICARDO LUCIANO**
Alternate Director to Mr Raymond Guy Young

**KISHORE MAHBUBANI**
Non-Executive and Independent Director

**KUOK KHOON HUA**
Non-Executive and Non-Independent Director

**KUOK KHOON EAN**
Non-Executive and Non-Independent Director

**TEO LA-MEI**
Executive Director, Group Legal Counsel and Company Secretary

**PUA SECK GUAN**
Chief Operating Officer and Executive Director

**KUOK KHOON HONG**
Chairman and Chief Executive Officer

# Board statement

102-14

## Dear Stakeholders,
## Wilmar's Board of Directors is pleased to present our 2020 Sustainability Report.

Sustainability has always been an important part of our ethos at Wilmar and it is at the heart of our business strategy. This report is an opportunity for us to share our sustainability story with our stakeholders: **reflecting** on our journey, including the challenges and opportunities we have faced thus far; progressively **adapting** our approach to further strengthen our efforts and drive continuous improvement; and building a **thriving** business that creates long term value for our stakeholders.

On that note, Wilmar is emerging as a prominent player in food production, growing beyond our position as a leading agriculture business. In line with the growth in our business, we have increased the coverage of our report to represent all of Wilmar's key business segments. As part of our firm commitment to accountability and transparency, we have also expanded our approach to report against the **Sustainability Accounting Standards Board** (SASB) Standards and the **Task Force on Climate-related Financial Disclosures** (TCFD) recommendations for the first time, in addition to the **Global Reporting Initiative** (GRI) Standards. This expanded approach also clearly shows our commitment to specific climate change reporting and our intention to fully expand our emissions reduction efforts from a previously upstream focus.

* Retired from Wilmar's Board of Directors on 15 April 2021

## Responding to the COVID-19 pandemic

*The COVID-19 pandemic has impacted the world in unprecedented ways. While the pandemic has presented a major challenge, it has also served to reinforce our view that sustainable business practices are crucial to building resilience and creating long term value, while helping to safeguard the interests of our stakeholders.*

From the early outset of the COVID-19 pandemic, we quickly recognised the imminent risks to our business and our employees. We promptly put in motion, efforts and channelled significant resources towards mitigating these risks, including developing standard operating procedures (SOPs) to ensure our employees as well as our surrounding communities were protected. Our swift action also helped to ensure business continuity and our ongoing contribution to the economy and food security. More importantly, we ensured that our employees' jobs, wages and related benefits were secure and not negatively impacted due to the pandemic.

Beyond vigilance in our operations, we remained sensitive and responsive to the needs of our workforce and their families, local communities and governments in countries where we operate. In 2020, we channelled over US$15.69 million towards the provision of food supplies, medical equipment and supplies, and financial contributions. We also helped fight the pandemic by diverting the resources of some of our R&D laboratories to produce alcohol-based hand sanitisers for use by both our workers, as well as people in local communities.

During the pandemic, to ensure no children were marginalised, we worked closely with our schools and teachers to develop and roll out initiatives so that children were able to continue to learn despite limitations, such as the lack of adequate internet connectivity in the rural areas where we operate. Wilmar has long promoted education as a means to empower people and tackle poverty. We continue to provide funding and institutional support for schools in most countries where we operate, including China, Indonesia, Malaysia, Nigeria and Singapore, among others. This support is especially focused on schools in or near our plantation locations, to help ensure children of our plantation workers have access to free education.





## Reflecting on our No Deforestation, No Peat and No Exploitation (NDPE) commitments

*Aside from the lessons learned from COVID-19, 2020 was an important year for review and reflection, particularly with regard to our NDPE commitments. Since we first introduced our NDPE policy in 2013, we have channelled substantial resources into delivering on our sustainability commitments and are proud of the key milestones we have reached.*

We have achieved close to 98% traceability to mills, putting us on track to reach 100% traceability to mills by 2022. Beyond our own supply chain, we have been actively engaged in driving the transformation of the rest of the industry towards implementing similar commitments. In line with our own commitment to a deforestation-free supply chain, almost 90% of palm oil and lauric volumes to Wilmar's origin refineries in Malaysia and Indonesia are from suppliers that have at least company group level commitments and/or action plans in place to address the No Deforestation requirements, as per the categorisation of supplier mills using the NDPE Implementation Reporting Framework (NDPE IRF). Led by Proforest, a global non-profit organisation that supports sustainable agricultural commodity production and sourcing, the NDPE IRF provides palm oil companies with an industry-wide approach to measure progress in meeting NDPE commitments. We target to expand the scope of the NDPE IRF reporting to cover our global palm oil supply chain in 2022.

Overall, deforestation rates in Indonesia continue to decline, with over 6.4 million hectares of forests estimated to have been spared from oil palm development*. However, we recognise that there is still a lot of work to be done on this front and we are determined to continue to influence the industry to halt deforestation.

On the social front, palm oil is a people-centric business and we continue to value our workers and their families. Our ongoing efforts focus on supporting their livelihoods, safeguarding their well-being and strengthening labour and human rights practices. As of 2020, Women's Working Groups (WoW) or Gender Committees have been set up in all of our oil palm plantations in Indonesia, Malaysia, Ghana and Nigeria. We have also assessed 100% of our employees and contractors to ensure that they are paid a living wage.

> Palm oil is a people-centric business and we continue to value our workers and their families.

* '28 Percent of Indonesia's Palm Oil Landbank Is Stranded'. Chain Reaction Research, 9 July 2019, https://chainreactionresearch.com/report/28-percent-of-indonesias-palm-oil-landbank-is-stranded/ Accessed 18 February 2020.

## Our 2020 performance

*Despite the challenges brought about by COVID-19, Wilmar reported a net profit of US$ 1.53 billion for FY2020, a 19% increase (FY2019: US$1.29 billion), on the back of robust performance across all core segments. Our financial performance is supported by our sustainability strategy and on this front, we have also scored several achievements and recognitions.*

In 2020, Wilmar made its debut in the Dow Jones Sustainability Index (DJSI) for Asia Pacific. Other sustainability milestones include ranking among the top three companies globally in the Sustainability Policy Transparency Toolkit (SPOTT) by the Zoological Society of London; ranking first in the agriculture sector and third across all industries in East Asia and Pacific in the 2020 Corporate Human Rights Benchmark (CHRB); scoring the highest in Asia in the 2020 KnowTheChain benchmark. We were also assessed to be the best performing company for protecting children's rights in the Global Child Forum Southeast Asia 2020 benchmark report, which is the second consecutive time Wilmar has received this recognition in the regional benchmark.

In 2020, we continued expanding our operations internationally. Our China-incorporated subsidiary Yihai Kerry Arawana Holdings Co., Ltd was listed on the Shenzhen Stock Exchange ChiNext Board in October 2020. As our business continues to expand, we are also ensuring sustainability practices are upheld consistently across our operations.

One of the ways in which we commit to doing this, is through the uptake of sustainability-linked loans (SLL). We have obtained several SLLs pegged to our environmental, social and governance (ESG) performance with international and regional banks, including DBS Bank, Mitsubishi UFJ Financial Group, OCBC Bank and United Overseas Bank.






> Our priority for 2021 and beyond is to intensify our efforts to engage our stakeholders on sustainability, from our suppliers to our end consumers, in an inclusive and constructive manner.

## Looking to the future

*Our footprint continues to grow as we further expand our global business into other agriculture commodities and food products. In addition to the increase in our responsibilities, our sustainability focus is beginning to expand from palm oil and sugar to also include other agricultural commodities. As such we will need to manage new sustainability-related risks as they emerge and build a resilient supply chain.*

Our priority for 2021 and beyond is to intensify our efforts to engage our stakeholders on sustainability, from our suppliers to our end consumers, in an inclusive and constructive manner. To collectively push sustainability into the mainstream, it is vital that we continue to engage our stakeholders – palm oil customers and consumers in particular – to understand the sustainability context facing the industries we are in, including both the value we create and the challenges we still face. Notably on climate change efforts, we are focusing on an overall strategy that will begin with a target to reduce our greenhouse gas (GHG) emissions intensity by 15% for all our palm oil mills by 2023, against our 2016 baseline of 0.82 metric tonnes of carbon dioxide equivalent per metric ton of crude palm oil. We expect to add on to this target in the coming few years.

As the world recovers from the global pandemic, we are doubling down on our sustainability goals and efforts. We are committed to doing our part by taking urgent action to avoid catastrophic climate change, as well as using our influence and resources to promote sustainable development in line with the United Nations Sustainable Development Goals. As we turn the page and enter 2021, we are optimistic about the future and the opportunities we are presented with. We are proud of what Wilmar and our people have achieved over the last few years and offer our heartfelt thanks to our stakeholders and partners who are on this journey with us.  We look forward to their continued support.

**BOARD OF DIRECTORS,**
**WILMAR INTERNATIONAL LIMITED**
**29 APRIL 2021**

# Summary of progress

103-3

This section summarises our 2020 progress against our 2019 commitments and targets. It also sets out our current commitments and targets to manage our material sustainability topics.*

* For more information on our material topics, see the **materiality section** on **page 171**.





# Protecting the environment

* *ongoing*

| 2019 COMMITMENTS/ TARGETS | 2020 PROGRESS | CURRENT COMMITMENTS/ TARGETS |
|---|---|---|
| **BIODIVERSITY AND CONSERVATION** | | |
| ● No deforestation<br>• No development on High Carbon Stock (HCS) Forests or High Conservation Value (HCV) Areas*<br>• No burning in the preparation of new planting, re-planting of any other development*<br>● No new development on peatland regardless of depth.*<br>● Best Management Practices for existing plantation on peat* | ● Zero deforestation and zero new development on peatland in Wilmar's landbank<br>● 31,640 ha of HCV areas and HCS forests set aside for conservation area in our oil palm plantations in Indonesia, Malaysia, Ghana and Nigeria (about 10% of our total landbank)<br>● 826 ha of additional conservation area at our sugarcane plantations and mills in Australia and India | ● Continue to ensure no deforestation*<br>● Continue to ensure no new development on peatland*<br>● Maintain Best Management Practices for existing plantations on peat* |
| **CLIMATE CHANGE** | | |
| ● Complete construction of 25 methane captures at CPO mills by 2020 | ● 25 methane capture facilities at our CPO mills are operational, saving 598,435 MT $CO_2e$ of GHG** emissions annually | ● Reduce GHG emissions intensity by 15% for all our palm oil mills from our 2016 baseline of 0.82 MT $CO_2e$/MT CPO by 2023<br>● Map an energy and GHG emissions reduction pathway towards a low emissions future for our sugar operations |

** Metric tonnes of carbon dioxide equivalent.





* *ongoing*

| 2019 COMMITMENTS/ TARGETS | 2020 PROGRESS | CURRENT COMMITMENTS/ TARGETS |
|---|---|---|
| **CLIMATE CHANGE** *(continued)* | | |
| ● Reduce GHG emissions intensity by 15% for all our palm oil mills from our 2016 baseline of 0.82 MT $CO_2e$/MT CPO by 2023 | ● Achieved a GHG emissions intensity of 0.62 MT $CO_2e$/MT CPO in 2020, resulting in a 24.4% reduction, exceeding our target earlier than expected with the main driver coming from our methane capture plants<br>● Group GHG emissions intensity was 127.98 kg $CO_2e$ per MT of products | ● Achieve net-zero GHG emissions for Goodman Fielder operations by 2040<br>● Establish a GHG emission baseline for all global operations. Reduction target setting will be established in 2022 and linked to the energy and water efficiency programme |
| **ENVIRONMENTAL FOOTPRINT OF OPERATIONS** | | |
| ● Reduce water consumption intensity ($m^3$/MT FFB processed) for palm oil mills from our 2016 baseline with the following targets by 2023:<br>• Indonesia: 1.2$m^3$/MT FFB<br>• Malaysia, Ghana and Nigeria: 1.3$m^3$/MT FFB<br>● Reuse 100% of solid waste generated from our palm oil milling processes*<br>● Maintain effluent levels to be within local regulation thresholds across the Group* | ● Target so far achieved in Central Kalimantan (1.08$m^3$/MT FFB)# and Sumatra (0.96$m^3$/MT FFB)#<br>● Currently in progress in Sabah (1.48$m^3$/MT FFB)#, Sarawak (1.84$m^3$/MT FFB)#, West Kalimantan (1.53$m^3$/MT FFB)#, Ghana (1.67$m^3$/MT FFB)*# and Nigeria (1.33$m^3$/MT FFB)#<br>● All solid waste generated from our palm oil milling processing was mulched/composted or consumed for energy recovery<br>● Ghana's effluent discharge standard for the Oil & Processing sector is generalised at BOD of 50 mg/L (regardless of discharge destination or type of oil processing plant). We are currently in discussion with the local authority to set granular limits to differentiate the discharge standards between POME and PORE. In the meantime, we are working closely with the local regulators to ensure that our POME discharge quality can meet their expectations without being penalised. | ● Establishing a Sustainability programme in our Group factories***, including establishing a baseline and setting targets for 2022 and beyond<br>● Reuse 100% of solid waste generated from our palm oil milling processes*<br>● Maintain effluent levels to be within local regulation thresholds across the Group* |
| **SUSTAINABLE PACKAGING** | | |
| ● New material topic in 2020 | ● Launched a Global Packaging Data Questionnaire across business units (BUs) to find out how many BUs have made packaging pledges | ● Establish a baseline initially for PET plastics used and establish targets and objectives for 2022 and beyond. Develop a strategy for sustainability in packaging |

* As some of the flow meters used at the Ghana plant were faulty across different periods of 2020, the intensity of Ghana mill is estimated based on performance of another plant with similar capacity and design.

*** Factories include our palm oil refineries, sugar refineries as well as our food, feed and industrial production plants.

# EY has performed limited assurance procedures on these figures

# Looking after people and communities

* *ongoing*

| 2019 COMMITMENTS/ TARGETS | 2020 PROGRESS | CURRENT COMMITMENTS/ TARGETS |
|---|---|---|
| **TALENT MANAGEMENT** | | |
| ● New material topic in 2020 | ● Spent over US$ 4 million on employee training and development<br>● Employees, both male and female, attended an average of 10 hours of training<br>● Total employee turnover rate decreased from 12.2% in 2019 to 7% in 2020 | ● Continue to develop more e-learning courses for different employee levels* |
| **HUMAN RIGHTS AND LABOUR STANDARDS** | | |
| ● Ensure all employees and workers are paid at least the applicable local minimum wage in line with legal regulations*<br>● Provide all palm oil workers with accommodation choices<br>• Nigeria: by 2025<br>• All other countries: completed | ● Assessed 100% of our employees and contractors to ensure that they are paid a living wage<br>● 27.4% of permanent workers are provided housing in Nigeria**<br>● Built schools and crèches at 100% of our oil palm plantations. Provide free transportation to schools and subsidies for school fees and uniforms. In 2020, supported 10,840 children of compulsory school-going age (92.2%# of children at our plantations) in their education | ● Assess all our suppliers to ensure they are paying their workers a living wage using our Supplier Reporting Tool (SRT) by 2021<br>● Ensure all employees and workers are paid at least the applicable local minimum wage in line with legal regulations and the available local living wages*<br>● Protect and safeguard the rights of children throughout our operations by supporting children's education and having zero tolerance for child labour or exploitation* |

** The total number of persons housed in our Nigeria palm operations between 2019 and 2020 increased by 16%. The drop from 2019's reported figure of 31% to 2020's 27.4% is due to several factors: (1) we converted the status of most of our temporary workers to permanent in 2020, resulting in an increase in the total number of permanent workers. (2) Our plans for new housing were also disrupted in 2020 due to COVID-19 risks management which includes restriction of movements into plantations and temporary halts to new construction activities.

# EY has performed limited assurance procedures on this figure





* *ongoing*

| 2019 COMMITMENTS/ TARGETS | 2020 PROGRESS | CURRENT COMMITMENTS/ TARGETS |
|---|---|---|
| **HUMAN RIGHTS AND LABOUR STANDARDS** *(continued)* | | |
| ● Protect and safeguard the rights of children throughout our operations including zero tolerance for child labour or exploitation and supporting children's education* | ● Funded 38 schools in 16 provinces, municipalities and autonomous regions across China. There are currently more than 16,000 students studying and more than 1,200 teachers working at the schools<br>● Developed a **Child Protection and Safe-guarding Implementation Manual** in collaboration with Business for Social Responsibility (BSR) and consumer companies including Nestlé, Colgate-Palmolive, PepsiCo, Neste and Procter & Gamble | |
| **DIVERSITY AND INCLUSION** | | |
| ● Establish Women's Working Groups (WoW) at 100% of Wilmar's oil palm plantations | ● Women's Working Groups or Gender Committees have been set up in 100% of our oil palm plantations in Indonesia, Malaysia, Ghana and Nigeria | ● Beginning in Malaysia, work to address women's rights, specifically on addressing violence against women. In Malaysia, we will be working with Women Aid's Organisation (WAO) |
| **EMPLOYEE HEALTH, SAFETY AND WELL-BEING** | | |
| ● Developing and delivering on the Group EHS Plan<br>● Reduce LTIR*<br>● Working towards zero fatalities* | ● 18 fatalities involving employees and contractors<br>● Lost Time Injury Rate (LTIR) increased slightly by 2% from 0.89 in 2019 to 0.91<br>● Reduced our Lost Work Day Rate (LWDR) by 30% | ● Implementation of the Group EHS Plan*<br>● LTIR - establishing a baseline and setting targets for 2022 and beyond<br>● Working towards zero fatalities* |
| **ECONOMIC AND COMMUNITY CONTRIBUTION** | | |
| ● Contribute to community investment and philanthropic activities for education, health, well-being and community welfare initiatives* | ● Contributed US$36.76 million towards community investment and philanthropic activities***<br>● Contributed US$15.69 million to COVID-19 relief projects | ● Continue contributing to community investment and philanthropic activities for education, health, well-being and community welfare initiatives* |

*** The Business for Societal Impact (B4SI) framework (formerly known as London Benchmarking Group (LBG)) was applied to disclose our community investments and community causes addressed by our philanthropic activities. This, together with the scope of our Sustainability Report, explains the difference between the amount of charitable donation disclosed in page 3 of our **Annual Report 2020**.

| 2019 COMMITMENTS/ TARGETS | 2020 PROGRESS | CURRENT COMMITMENTS/ TARGETS |
|---|---|---|
| **ECONOMIC AND COMMUNITY CONTRIBUTION** *(continued from Looking After People and Communities section)* | | |
| ● Upgrade and modernise schools in the vicinity of our oil palm plantations:<br>• Indonesia: 15<br>• Nigeria: 6<br>• Ghana: 2 | ● Completed the redevelopment and upgrading of 21 out of 23 schools in the vicinity of our oil palm plantations<br>• Indonesia: 14 out of 15<br>• Nigeria: 5 out of 6<br>• Ghana: 2 out of 2 | |
| ● Benefit 100% of independent smallholder palm oil suppliers enrolled in/covered by our smallholder support programmes<br>• Ghana: by 2020<br>• Nigeria: by 2023<br>• Indonesia: by 2025 | ● 100% of 300 smallholders under the Adum Smallholder scheme in Ghana have been trained under the alternative livelihood scheme. Programmes in Nigeria and Indonesia are on track | |

↑ Nursery school for children of Wilmar employees





# Delivering product excellence


* *ongoing*

| 2019 COMMITMENTS/ TARGETS | 2020 PROGRESS | CURRENT COMMITMENTS/ TARGETS |
|---|---|---|
| **INNOVATION AND TECHNOLOGY** | | |
| ● New material topic in 2020 | ● Over 500 R&D projects across our global operations focused on:<br>• Advancing agricultural practices<br>• Optimising factory processes<br>• Enhancing product quality across different segments<br>• Studying food science to understand the health benefits of various ingredients | ● Continue to drive R&D efforts across our operations* |
| **CONSUMER HEALTH AND WELL-BEING** | | |
| ● New material topic in 2020 | ● Continue to partner with other organisations and conduct R&D to understand the evolving science around nutrition and consumer preferences, to help design and produce market-leading, nutritious products<br>● Continue to provide transparency, including product information and educating consumers | ● Continue to work on improving the formulation of our current products and develop new ranges with specific health or nutrition attributes*<br>● Goodman Fielder aims to improve the health star rating of 50 million loaves of bread in 2021 |

* *ongoing* ** Due to our updated materiality assessment, targets related to palm oil certification are now categorised under our Product Marketing and Labelling topic

| 2019 COMMITMENTS/ TARGETS | 2020 PROGRESS | CURRENT COMMITMENTS/ TARGETS |
|---|---|---|
| **PRODUCT MARKETING AND LABELLING**** | | |
| ● Achieve 100% MSPO certification for all our palm oil Malaysia mills and plantations<br><br>● Achieve RSPO certification for all our own palm oil operations ***<br>• Refineries by 2020<br>• Mills by 2023<br><br>● Achieve ISPO certification for all our own palm oil mills in Indonesia by 2023<br><br>● Complete ISPO certification audits for our 10 independent palm oil mills in Indonesia by 2023<br><br>● Comply with relevant regulations and industry codes to ensure we meet the highest standards of responsible product marketing and labelling* | ● 9# out of 9 mills are MSPO certified (100%)<br><br>● 27# out of 36 mills are RSPO certified (75%)<br><br>● 133 out of 135 palm downstream operations are RSPO certified (99%)<br><br>● 14# mills out of 34 mills are ISPO certified (41%)<br><br>● 4# out of 10 independent palm oil mills completed ISPO certification audits (40%)<br><br>● No incidents and no fines incurred related to non-compliance with industry codes or regulatory requirements on product labelling or marketing in 2020 | ● Continue to comply with relevant regulations and industry codes to ensure we meet the highest standards of responsible product marketing and labelling*<br><br>● Achieve 100% MSPO certification for all our palm oil Malaysia mills and plantations<br><br>● Achieve RSPO certification for all our own palm oil operations ***<br>• Refineries by 2020<br>• Mills by 2023<br><br>● Achieve ISPO certification for all our own palm oil mills in Indonesia by 2023<br><br>● Complete ISPO certification audits for our 10 independent palm oil mills in Indonesia by 2023 |
| **PRODUCT QUALITY AND SAFETY** | | |
| ● New material topic in 2020 | ● No incidences of non-compliance with regulations or voluntary codes concerning the health and safety impacts of our products | ● Maintain zero food safety related incidents across all our business*<br><br>● Continue the expansion of our Good Manufacturing Practice (GMP) programme, in partnerships with AIB* |

# EY has performed limited assurance procedures on these figures

*** Following RSPO Principles and Criteria (P&C) for palm oil mills and RSPO Supply Chain Certification Standard (SCCS) for refineries that process palm oil products only.





# Transforming our supply chain


* *ongoing*

| 2019 COMMITMENTS/ TARGETS | 2020 PROGRESS | CURRENT COMMITMENTS/ TARGETS |
|---|---|---|
| **RESPONSIBLE SOURCING AND SUPPLY CHAIN TRANSFORMATION** | | |
| ● 100% traceability to palm oil mills by 2022<br><br>● 100% response rate to all grievances raised via Wilmar's Grievance Procedure* | ● Achieved 97.7%## traceability to mills<br><br>● Monitored more than 20 million ha#, covering 500 parent groups representing more than 3,000 plantation units across Malaysia, Indonesia, Papua New Guinea, Cambodia, Myanmar and Thailand through our Supplier Group Compliance Programme (SGCP)<br><br>● Sourced 89.5%## of palm oil and lauric volumes to Wilmar's origin refineries in Malaysia and Indonesia from suppliers that have at least company group level commitments and/or action plans in place to address the No Deforestation requirements as per the categorisation of supplier mills using the NDPE Implementation Reporting Framework (NDPE IRF)<br><br>● Achieved a 100% response rate consistently since 2015. 75# grievance cases raised as of December 2020; 64# cases closed while 11# are in progress | ● Achieve 100% traceability to palm oil mills by 2022<br><br>● Expand the scope of the NDPE IRF reporting to cover our global palm oil supply chain by 2022<br><br>● 100% response rate to all grievances raised via Wilmar's Grievance Procedure* |

# EY has performed limited assurance procedures on these figures
## CU has conducted limited assurance procedures on these figures

↑ Bagasse stock piles during sugarcane harvest and milling season in Queensland, Australia





# Responsible business practices

* *ongoing*

| 2019 COMMITMENTS/ TARGETS | 2020 PROGRESS | CURRENT COMMITMENTS/ TARGETS |
|---|---|---|
| **BUSINESS ETHICS AND COMPLIANCE** | | |
| ● Maintain no incidents of anti-competitive behaviour, monopolistic practice or corruption cases involving Wilmar* | ● No reported incidents of anti-competitive behaviour, monopolistic practice or corruption cases involving Wilmar | ● Maintain no incidents of anti-competitive behaviour, monopolistic practice or corruption cases involving Wilmar* |
| ● Maintain no significant incidents of non-compliance with any relevant environmental and socio-economic laws or regulations in our operations* | ● No significant incidents of non-compliance with any relevant environmental and socio-economic laws or regulations in our operations | ● Maintain no significant incidents of non-compliance with any relevant environmental and socio-economic laws or regulations in our operations* |
| **DATA SECURITY AND PRIVACY** | | |
| ● New material topic in 2020 | ● Updated the **Wilmar Group Privacy Policy** and Wilmar's Internal Privacy Policy | ● Maintain no substantiated complaints concerning breaches of customer privacy and losses of customer data* |

# About Wilmar

## Overview of Wilmar

**102-2, 102-3, 102-5**

***Founded in 1991 and with headquarters in Singapore, Wilmar is Asia's leading agribusiness group and one of the largest listed firms by market capitalisation on the Singapore Exchange Securities Trading Limited (SGX).***

At the core of Wilmar's strategy is an integrated agribusiness model. It encompasses the entire value chain of the agricultural commodity business, from cultivation and milling of palm oil and sugarcane; to processing, branding and distribution of a wide range of edible food products in consumer, medium and bulk packaging; to animal feeds and industrial agri-products such as oleochemicals and biodiesel.

Our diverse global portfolio of consumer products includes edible oils, rice, wheat flour, noodles, sauces, condiments, margarine, sugar, chocolates and plant-based protein. Information on our consumer products and brands can be found on our **corporate website**.

# The scale of our operations

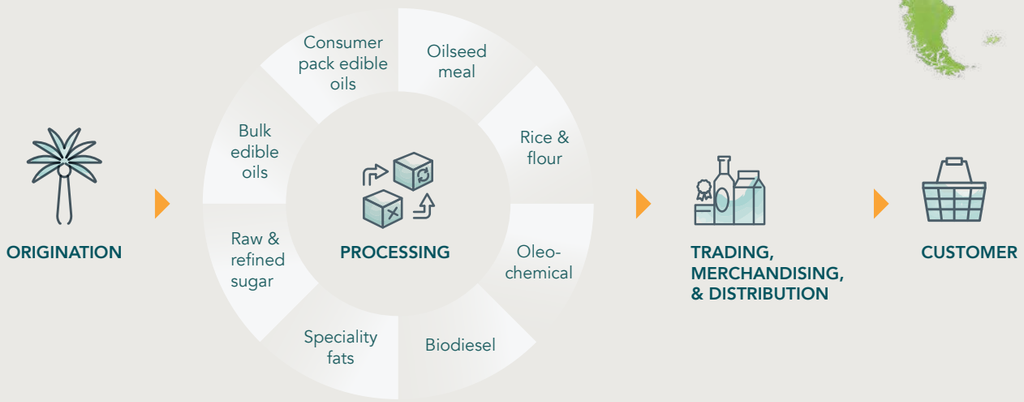
**102-4, 102-6, 102-7, FB-PF-000.B, FB-AG-000.B**

*Our products are sold and distributed through an extensive sales and distribution network to a wide range of customers globally.*

For our consumer products, we are able to reach traditional retail outlets, supermarkets, convenience stores and hypermarts. Through scale, integration and logistical advantages, we are able to achieve operational synergies and cost efficiencies.

For more information about Wilmar, please refer to our **Annual Report 2020** and **corporate website**.


# Overview of our value chain




**> 1,000** manufacturing plants in **33** countries

an extensive distribution network covering **China, India, Indonesia** and some **50 other countries**

multinational workforce of about **100,000 individuals** globally

**US$ 50.53b** in revenue and **US$ 1.53b** in net profit


# Our approach to sustainability

## Sustainability in perspective

**102-11**

*The global population is progressively experiencing an improvement in quality of life. This is mostly driven by increasing wages which, in turn, provide access to better education, healthcare and various other benefits and opportunities. Higher wages have also led to an increase in purchasing power, which is resulting in growing pressure on finite resources to fulfil escalating consumer demands.*

There are also growing concerns about the negative risks and impacts this will have on natural resources and, more importantly, the environment. These concerns include, among others, deforestation, forest fires, fresh water scarcity and pollution in various forms. A paradigm shift in how the world produces, distributes, consumes and disposes is essential in order to address these concerns.

The agriculture and food industries have always represented the backbone of society. They support lives and livelihoods by addressing food security while driving economies to generate employment opportunities. These sectors have also begun to demonstrate how they can play a major role in supporting this paradigm shift through their own efforts and initiatives.

As a global integrated agriculture and food company with a presence across the value chain, Wilmar is in a strategic position to leverage our resources, experience and expertise to address these shared concerns. At the same time, we remain steadfast in our commitment to deliver responsible and sustainable agriculture and feed products that safeguard the well-being of both, people and the planet. Sustainability is at the heart of our operations and our business-as-usual.

**WILMAR'S SUSTAINABILITY AGENDA FOCUSES ON FOUR MAIN AREAS:**

**PROTECTING THE ENVIRONMENT**

**LOOKING AFTER PEOPLE AND COMMUNITIES**

**DELIVERING PRODUCT EXCELLENCE**

**TRANSFORMING OUR SUPPLY CHAIN**

> We are committed to delivering sustainable agriculture and food products that safeguard the well-being of both people and the planet.

Our sustainability focus areas set a clear direction for our business while guiding the development of our strategies to drive performance across all our business segments. They also take into account our material Environmental, Social and Governance (ESG) topics, which were updated in 2020. For details on the **materiality assessment** process, please refer to **page 171**.

Our **No Deforestation, No Peat, No Exploitation (NDPE) Policy** is the blueprint for our global operations and our supply chain, which is further strengthened by our other sustainability-related policies and frameworks. These cover the environment, health and safety, equal opportunities, human rights, labour rights, women empowerment, child protection and food safety and can be accessed on our **Sustainability Dashboard**.





# Fulfilling our commitments

**DELIVERING OUR SUSTAINABILITY POLICY COMMITMENTS IS AN ONGOING ENDEAVOUR THAT HINGES ON FIVE KEY PILLARS:**

**STAKEHOLDER ENGAGEMENT** | **CERTIFICATION** | **SUPPLY CHAIN TRACEABILITY** | **CONSERVATION AND BIODIVERSITY** | **TRANSPARENCY AND REPORTING**

## Stakeholder Engagement

**102-12, 102-13, 102-40, 102-42, 102-43, 102-44**

Our sustainability ambitions are shared across sectors and stakeholder groups, which is why Wilmar values input from stakeholders and commits to proactive and constructive engagement. Our stakeholders have been identified as those on whom our operations have a significant impact; those with a vested interest in our sustainability performance; and those in public positions who influence our activities. They include governments, local communities, smallholders, employees, civil society organisations (CSOs), certification bodies, customers, financial institutions, industry bodies, shareholders and the investing public, suppliers, our sustainability partners and collaborators.

We strive to ensure that it is a two-way process when engaging our stakeholders. We welcome their feedback and input just as much as we look forward to proactively sharing our progress updates. This provides our stakeholders with a clear avenue to question or raise concerns on Wilmar or our suppliers. We established our **Grievance Procedure** to allow stakeholders to raise any sustainability-related grievances through a rigorous and transparent resolution process. Further details on our Grievance Procedure can be found in the section on **Transforming our Supply Chain**.


For more information on our engagements with stakeholders, key issues or concerns raised and our response, refer to the **stakeholder engagement** section of our **Sustainability Dashboard**.

> We believe that engagement with our stakeholders is a two-way process.


**MULTI-STAKEHOLDER INITIATIVES**

Sustainability issues often require a multi-stakeholder approach to be addressed properly and practically. Hence, it is key that we actively participate and, more importantly, contribute in various relevant multi-stakeholder initiatives. This provides us with the opportunity to be part of developing or revising industry-level or topic specific standards, while also leverage on these organisations' capabilities to keep abreast of emerging trends and best practices.

- As a member of the Roundtable on Sustainable Palm Oil (RSPO) since its inception in 2004, we have been an active participant in various RSPO working groups over the years. We have representations within the RSPO, which include the Board of Governors, the Smallholder Support Fund Panel, the Steering Committee for the Sabah Jurisdictional Approach for Sustainable Palm Oil Production, the Fresh Fruit Bunch (FFB) Legality & Traceability Taskforce, the Shared Responsibility Working Group, the Biodiversity and High Conservation Values (BHCV) Working Group, the Compensation Task Force (CTF) as well as the Human Rights Working Group, which includes the related Taskforce on Labour and the Taskforce on Decent Living Wage.

- We are also members of the European Palm Oil Alliance (EPOA), Tropical Forest Alliance (TFA), Fire Free Alliance (FFA), Grow Asia and Grow Africa.

- Wilmar joined Bonsucro as a member in 2014 and through our membership, we are committed to the development of sustainable sugar.

- To ensure that we produce responsible soy products, we are members of the Round Table on Responsible Soy (RTRS) Association.

- Through our consumer product businesses, Sugar Australia and Goodman Fielder, we are part of the **REDcycle** scheme in Australia and the **Soft Plastic Recycling Scheme** in New Zealand.

**COLLABORATIONS AND PARTNERSHIPS**

We are also continuously looking for new partnerships and opportunities to collaborate with others who can help us to deliver on our commitments. Some of our key ongoing partnerships include biodiversity and conservation initiatives with research institutions and CSOs, R&D programmes with academic and national research centres across the world to optimise process efficiencies and enhance product quality, as well as social diversity and community programmes with local partners. Details on some of our key partnerships are disclosed throughout the various sections of this Report.

## Certification

Certification plays an important role in providing our customers and consumers with the confidence that our products are of high safety, quality and sustainability standards. We actively work towards obtaining relevant certifications. These include certifications by the RSPO, the Indonesia Sustainable Palm Oil (ISPO), the Malaysian Sustainable Palm Oil (MSPO) and the International Sustainability Carbon Certification (ISCC) for palm oil and certification by Bonsucro and the Smartcane Best Management Practices (BMP) for sugar.





Our food production facilities are certified by the Global Food Safety initiative (GFSI), which is an accredited certification scheme for food safety. We also adopt a number of certification schemes such as ISO 22716:2007 for non-food products.

For our animal feed products, the majority follow the GMP+ certification scheme. We are also beginning the Hazard Analysis Critical Control Points (HACCP) certification process for retail products.

## Supply Chain Traceability

Traceability allows us to map our supply chain and gain in-depth knowledge on the origins of our raw materials, which is fundamentally important for the implementation of our sustainability commitments within our supply chain. In addition to providing greater transparency, supply chain traceability allows us to identify the suppliers linked to our operations, thus enabling us to develop ongoing partnerships for improvements while monitoring compliance against our sustainability commitments.

## Conservation

We recognise the unique role and responsibility of upstream industries in the landscapes where they operate. Wilmar took the opportunity to demonstrate this responsibility through our own ongoing conservation activities and investments, as we firmly believe in leading by example. Wilmar was among the early adopters of identifying High Conservation Value (HCV) areas and establishing these areas as protected zones. They house key wildlife species while also providing critical landscape level services such as water catchments. To date, we have identified and set aside 31,640 hectares of land for conservation in Indonesia, Malaysia, Ghana, Nigeria – almost 10% of our total landbank.

Similarly, we encourage our suppliers to identify areas for protection using the integrated HCV and High Carbon Stock Approach (HCSA) methodology, as outlined in our NDPE Policy. Through a combination of satellite monitoring and grievance reporting, we ensure our NDPE Policy is implemented by our own operations as well as that of our suppliers.

## Reporting and Transparency

Monitoring and reporting our progress transparently and regularly is essential in demonstrating our commitment to operating a responsible and sustainable business. Aside from our Annual Reports and Sustainability Reports, the Wilmar **Sustainability Dashboard** is also consistently updated with information related to certification, conservation, supply chain monitoring and NDPE compliance, grievances, traceability and more.

We are also constantly assessed and included in various sustainability indices and benchmark ratings, which include the Carbon Disclosure Project (CDP), Corporate Human Rights Benchmark (CHRB), Dow Jones Sustainability Index (DJSI), Global Child Forum (GCF), KnowTheChain Food and Beverage Benchmark and the Sustainable Policy Transparency Toolkit (SPOTT) by the Zoological Society of London (ZSL). External assessments and benchmarking such as these are important to us as they help identify potential gaps or risks in our approach and performance, while holding us accountable to our stakeholders. They also play a role in acknowledging our positive efforts, which further encourages us as it provides assurance that we are heading down the right path.

> We recognise our unique role and responsibility in steering the industry towards more sustainable agricultural and food production practices.

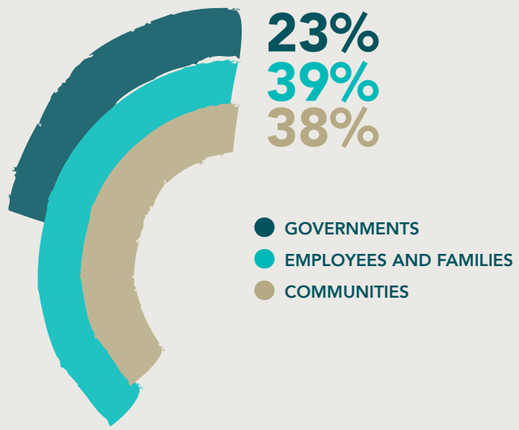
# Our support during the COVID-19 pandemic

The COVID-19 pandemic highlighted that more than ever, safety and caring for people comes first. From the onset of the pandemic, Wilmar promptly introduced guidelines and SOPs to keep our employees safe in the workplace.

In addition, we channelled significant resources and put in place plans to support our employees and their families, local communities and governments where we operate, to navigate some of the impacts brought about by the pandemic.


**> US$15.69m**

Total contribution directed by Wilmar towards COVID-19 relief projects.




## 23%

HELPING GOVERNMENTS

**Donated**
**> US$ 3.3 million**
to government initiatives.

**Contributed**
**~US$ 175,000**
in items and cash to the Ghanaian government's COVID-19 fund.

**Donated**
**US$ 1 million**
to the Indonesian government for the purchasing of COVID-19 test kits and face masks.

**Contributed**
**~US$ 33,000**
of medical equipment to the University Malaya Medical Centre Kuala Lumpur in Malaysia.

**Donated**
**US$ 23,000**
through the Chinese Chamber of Commerce of Tawau for the purchase of 2 ventilators for the Tawau Hospital.
See page 125

## 39%

HELPING EMPLOYEES AND THEIR FAMILIES

**Donated**
**> US$ 400,000**
worth of food products (flour, oil, rice, pasta, tin fish, sugar) to employees and their families across our operations.

**Distributed**
**face masks**,
hand sanitisers and other hygiene products to employees and their families.

**Donated**
**> US$ 531,000**
to support employees' relatives who were unemployed during COVID-19 in Vietnam.

**Distributed**
**~ US$ 50,000**
worth of food items and other essentials to all workers as well as to communities around our operations in Nigeria.
See page 125

**Worked closely**
with our partners, schools, teachers and parents to develop out-of-the-box solutions to continue supporting children's education during school closures.
See page 95

## 38%

HELPING COMMUNITIES

**Donated**
**> US$ 3.1 million**
to local communities

**Provided**
**~US$ 23,000**
of foodstuff via the government and 3 charitable organisations to poor families and the homeless in collaboration with the Kuok Group of companies in Malaysia.
See page 125

**Donated**
**10 million**
rice noodle products (58,489 boxes of grain, oil, milk and food) to medical staff and patients in Wuhan, Hubei, as well as Xianning and Shiyan police officers in China.

**Donated**
**244.4 tonnes**
of disinfectants and 6.52 tonnes of alcohol to hospitals, communities, schools, public security and other front-line workers in China.

**Donated soap**,
thermometers, facemasks and Veronica buckets to dispense water for handwashing to the local communities living around our oil palm plantations in Ghana.
See page 125

Wilmar's Women's Committee members in Central Kalimantan made
**12,000 cloth face masks**
for distribution to workers' families and local community members.

**Diverted some of our R&D labs**
to produce alcohol-based hand sanitisers for use by both our workers, as well as people in local communities. See page 113

# Protecting the environment

It is imperative that we play an active part in safeguarding our environment.

Given our reliance on natural resources including land, water and energy to grow and produce agriculture and food, we must operate within our planetary boundaries. We are especially conscious of fragile ecosystems within our surrounding areas. We continue focusing our efforts to protect High Carbon Stock (HCS) forest, High Conservation Value (HCV) areas and peatland, taking actions on climate change, minimising our operational footprint and developing sustainable packaging solutions.



# Biodiversity and conservation

**103-1,103-2, 103-3, 304-1, 304-2, 304-3, 304-4**

*Indonesia and Malaysia house some of the world's richest biodiversity. They are also the two primary locations for our palm oil upstream operations. That is why we channel resources towards protecting and restoring HCV and HCS areas, together with other ecologically and culturally important lands, as we strive to ensure that our supply chain is deforestation-free.*

## Identifying and conserving HCV areas and HCS forests

As of December 2020, a total of 31,640 hectares in Wilmar oil palm plantations, which is almost 10% of our total landbank, are conservation areas. We added an additional 335 hectares to our HCV areas in Calaro and Ibad, Nigeria, in 2020.

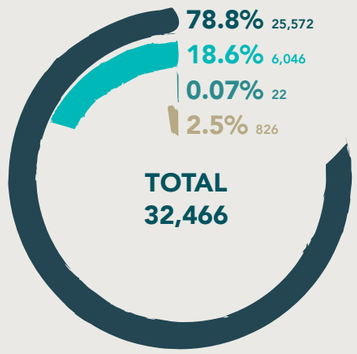
We apply the High Conservation Value Network (HCVN) and High Carbon Stock Approach (HCSA) toolkit to help us identify and conserve HCV and HCS areas, especially for new land developments by Wilmar or our third-party suppliers as required by our **No Deforestation, No Peat, No Exploitation (NDPE) Policy**.

Our NDPE policy was updated in November 2018 and is further aligned with the revised RSPO Principles and Criteria (P&C) that requires all new land developments after 15 November 2018 to undergo combined HCV and HCSA assessments.

The integrated HCV-HCS assessments must be led by licensed HCV assessors accredited by HCVN Assessor Licensing Scheme (ALS). Thus, to build and strengthen our internal capacity, 14 members of the Wilmar sustainability team underwent training and passed the Integrated HCV-HCSA Assessor Training in 2020. In total, we currently have 16 employees who are qualified as HCSA practitioners, as well as one licensed ALS HCV/HCS Assessor who supports HCV-HCSA related work.

All identified HCV and HCS areas are monitored and managed as conservation areas, following assessments conducted to date for our palm oil operations. Within our conservation areas, we identified various types of wildlife, including animals and plants from the Red List of Threatened Species by the International Union for Conservation of Nature (IUCN). More information on this can be found on Wilmar's **Sustainability Dashboard**.

**CONSERVATION AREA BY TYPE (HA)**




- HCV (EXCLUDING RIPARIAN ZONES)
- RIPARIAN ZONES
- HCS
- OTHER CONSERVATION AREAS







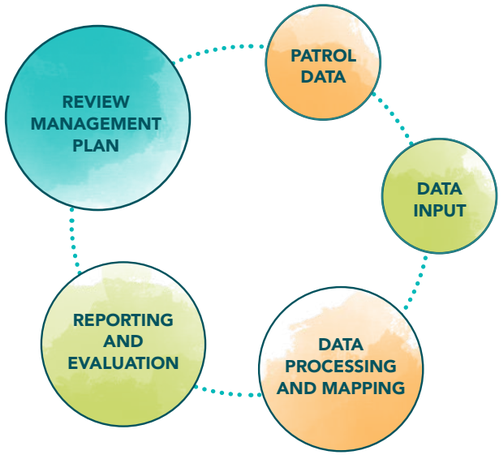

**MAP: TOTAL CONSERVATION AREA BY REGION (HA)**

**OTHER CONSERVATION SET ASIDE AREAS**

We have also embarked on conservation efforts outside of our oil palm plantations. In our sugar plantations in Australia, we identified and are conserving 675 hectares of vegetation, which is categorised as *'endangered'* or *'of concern'*. In India, the entire periphery of our mills and plants, making up 33% of our compound areas, are green belts planted with native tree species. We planted over 9,000 trees, totalling 151 hectares, at seven of our mills throughout 2018 and 2019.

We also recognise the important role played by our workers, as well as local and indigenous communities, which is why we developed a range of programmes to raise awareness while building capacity to further strengthen our ongoing conservation efforts.

# Conservation activities in Indonesia




## MONITORING CONSERVATION AREAS USING SMART

Spatial Monitoring and Reporting Tool (SMART) is an open source and freely available software to help better monitor and patrol protected landscapes. As part of our efforts to improve the monitoring of our conservation areas, Wilmar has been using the SMART Patrol System since 2013, when it was originally being piloted in collaboration with the Zoological Society of London (ZSL).

SMART provides four main data retrieval components, including: 1) Location spatial data; 2) Date and time of patrol; 3) Observation data of wildlife in HCV areas; 4) Human activities in HCV areas such as encroachment and illegal logging.

SMART can also be used as a database system to compile and compare year-on-year data. With this system, trend analysis can help to identify HCV areas and encroachment within our plantation areas and immediate mitigation actions can be taken. In addition, we can easily evaluate and adapt our management and monitoring plan using five key steps: 1) Collecting patrol data from our field team; 2) Data input to the system; 3) Data processing and mapping; 4) Reporting and evaluation with plantation management; 5) Developing plans to manage HCV area based on the findings.

Since adopting this system, we recorded more than 7,629 data patrols, 15,439 field photo activities related to the findings, 9,522 wildlife where 207 were rare, threatened or endangered (RTE) species, including the *Pongo pygmaeus wurmbii* (the Borneo Orangutan).

↑ Camera trap photo of Sunbears, *Helarctos malayanus*





↑ Lubuk Larangan meeting with local communities

## CENTRALISED DATABASE SYSTEM FOR CONSERVATION MONITORING AND MANAGEMENT

Effectively protecting conservation areas is a complex task that requires a suite of processes. One important part is the long-term monitoring of our conservation areas, through consistent and accurate data, in order to understand the effectiveness of our programmes on the ground.

Wilmar has started to standardise our protocols for the long term management of data. Having a centralised database system is important in improving our ability to archive, search and analyse important conservation data. In turn, this will help us to continue implementing successful conservation and monitoring programmes.

We currently have two different databases. SMART serves as our monitoring database. Our internal HCV Management Implementation Dashboard contains details on all our HCV management programmes, including restoration, signboard installations, marking poles, boreholes and socialisation efforts. Through this dashboard, we can easily quantify the progress and success of our management plans for each plantation and identify areas for improvement.

## CONSERVATION EFFORTS BASED ON LOCAL WISDOM "*LUBUK LARANGAN*"

We recognise and respect the important role that local and indigenous communities play in conservation, particularly in protecting forests as they often inhabit these landscapes. We began partnering with the indigenous communities of Sei Talao and Sei Kunyit to benefit from their local knowledge and traditional wisdom in helping us to protect our conservation area within PT Kencana Sawit (PT KSI) in Sumatra, Indonesia. The key focus from this collaborative effort is to preserve the water quality of the river, which serves as an important source of water and fish for the communities, by protecting the riparian zones from chemicals.

Their Minang tribe local wisdom embraces the importance of protecting the natural resouces in the river. They have indicated forbidden areas of the river, known as Lubuk Larangan, which can only be cultivated based on the decision of the community leader, known as Ninik Mamak. This practice conserves the fish population in the river, aside from preventing potential encroachment by surrounding communities. There are currently two Lubuk Larangan areas within our PT KSI plantation, both of which were implemented and are being managed collaboratively between the members of the community, the community leader and with the full support from PT KSI.

We have notified our employees and their families about the Lubuk Larangan and have installed signboard prohibiting encroachment and illegal fishing in these areas.

# Conservation activities in Malaysia


### WILDLIFE AWARENESS OUTREACH PROGRAMME (WAOP)

WAOP is among our key conservation programmes to raise awareness on the importance of biodiversity conservation. Since 2018, together with CSOs and government departments, we have engaged over 2,700 stakeholders, comprising our workers, local communities and students living in the vicinity of our oil palm plantations in Sabah and Sarawak.

WAOP also aims to inculcate interest in environmental protection among the younger generation. We are currently exploring the development of a 'Junior Ranger' programme with SK Suai 2, the government school near our plantations.

The programme, which is an extension of the WAOP, will involve activities such as awareness talks, tree planting, field visits and many others.

WAOP has other engagements with SK Suai 2, which includes organising overnight field trips for primary six students to the Niah National Park. A total of 67 participants joined the visit, accompanied by our Wildlife Rangers and representatives from the Sarawak Forestry Corporation.

↑ Setting up a camera trap in a conservation area in our Malaysian operations

### SEKAR IMEJ CONSERVATION AREA (SICA)

SICA is Wilmar's largest HCV area in Malaysia and is poised to function as a biodiversity and carbon research centre by 2030. Additional areas are being connected to be included as part of the SICA project, covering a total area of 2,469 hectares.
The SICA project objectives include:

1. Positioning SICA as a leading research centre on biodiversity and carbon management.
2. Developing solutions that strengthen the management of conservation areas and protection of biodiversity.
3. Connecting existing HCV areas to create a larger integrated ecosystem network.
4. Developing livelihood opportunities for local communities within the research centre as well as through low impact livelihoods programme.

The SICA team has begun prepping for future research works, aside from the ongoing conservation and rehabilitation efforts. The project has gained support from various stakeholders, especially from local communities. In 2020, Wilmar signed a Memorandum of Understanding (MoU) with Universiti Sains Malaysia (USM) to collaborate on biodiversity conservation research projects, with SICA as a key priority area.

↑ Camera trap photo of a Banded Palm Civet, *Hemigalus derbyanus boiei*

## Conserving and protecting peatland

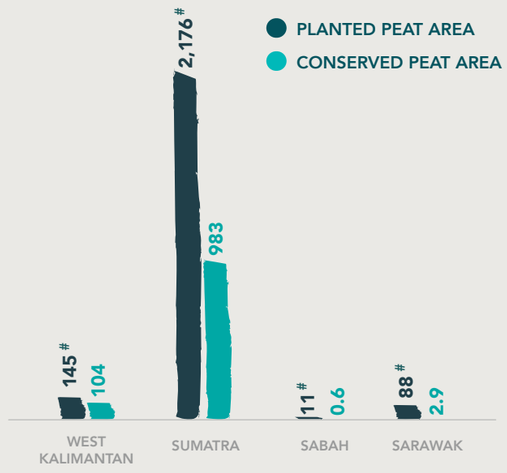
Peatlands play an important role in climate change, given its ability to store more carbon than all other vegetation types combined. Peatlands are also highly prone to catching fire, if drained or faced with dry conditions.

Wilmar strictly prohibits any new development on peatlands, regardless of depth, since the launch of our NDPE policy. Where feasible, we explore options for peat restoration by working with expert stakeholders and local communities, as we recognise the significant opportunities and benefits from it, which includes reducing greenhouse gas (GHG) emissions.

Approximately 2,420# hectares, which is about 1% of our total planted area, is classified as peat. In these planted areas, we apply best management practices defined by peat experts together with the RSPO. This includes maintaining water tables at optimal levels to minimise peat subsidence and to minimise the release of carbon dioxide.

We also have 1,090 hectares of peatlands in our conservation areas, of which 90% or 983 hectares, are located within our operations in Sumatra, Indonesia. We also participate and contribute towards peatland conservation targets and efforts by the Indonesian Peatland Restoration Agency (*Badan Restorasi Gambut*) as well as in knowledge-sharing platform and multi-stakeholder initiatives, such as the Tropical Forest Alliance (TFA).

**CONSERVED AND PLANTED PEAT AREA BY REGION (HA)**




**NOTE:** There is no area classified as peat in our Central Kalimantan, Ghana and Nigeria operations

# EY has performed limited assurance procedures on these figures





## Fire prevention, monitoring and suppression

Forest fires are a persisting issue in Indonesia. This is particularly the case during dry seasons or when faced with climate patterns such as El Nino, both of which have caused catastrophic fires on several occasions over the years. The fires typically result in a thick layer of haze that significantly impacts air quality, affecting not only Indonesia but its neighbouring countries as well. The haze presents a major threat to public health but also to the environment and economies.

Similarly, Australia has been experiencing severe bush fires in recent years, caused by long periods of drought together with bouts of high temperatures. The bushfires in 2019 and 2020 were considered to be one of the worst in recent times. They destroyed natural habitats, as well as towns and residences, while affecting air quality and resulting in fatalities across both humans and wildlife. For details on our relief efforts, see the **Economic and Community Contribution** section of this Report.

Wilmar adheres to a strict zero-burn policy, opting instead to deploy mechanical methods for land development and preparation. The wood debris is left to decompose and subsequently feed the land with nutrients, which reduces our reliance on inorganic fertilisers, while also reducing our GHG emissions. This policy also applies to our third-party suppliers, which is why we take a strong stance against the illegal use of fire for land clearing in our supply chain.

> We take a strong stance against the illegal use of fire for clearing land in our supply chain.

In Myanmar, our operations use an overhead irrigation system and do not apply burning methods for harvesting. In India, while we do not own farming operations, our mills engage and encourage our smallholder suppliers to avoid burning. These engagements include conducting awareness programmes to raise further understanding on the risks related to using fire in their operations.

On rare occasions, when burning is absolutely necessary, it is done under strict and prescribed circumstances. An example of this is in the Burdekin region of Queensland, Australia, where sugarcanes are too leafy to cut due to an abundance of water. Cutting green and leaving cane trash blanket on the ground also obstructs waterflow, causing poor irrigation. We therefore permit burning in the sugarcane plantations, adhering to all applicable local laws and regulations and implementing our own robust fires standard operating procedures (SOPs). In 2020, a total of 2,925 hectares were burnt using prescribed and controlled methods in our sugar operations.


↑ Fire response team comprising of Wilmar employees in Indonesia


↑ Signage prohibiting the use of fires in fields and forests near Wilmar's operations in Indonesia

> Our hotspot alerts are identified via satellite imageries, which are monitored daily.

## FIRE MONITORING, DETECTION AND SUPRESSION

We formalised our internal protocol to better prevent, monitor, suppress and report fire incidences in 2019, which is now being implemented in all of our operating units.

In Indonesia, we monitor fires within and surrounding our palm oil operations through the Fire Free Alliance (FFA), a multi-stakeholder initiative to mitigate the risk of fires through prevention, early detection, quick suppression and reporting. Since joining the FFA, Wilmar has completed fire risk maps for our concessions to help us plan and monitor activities, especially in high-risk areas. We also monitor areas up to 5 kilometres outside our boundaries.

Using satellite imageries, we monitor and identify hotspot alerts on a daily basis. All alerts received require on-ground verification because satellites capture fluctuations in temperature that do not necessarily translate to fires in the field.

Hotspot notifications located within and up to 5 kilometres outside of Wilmar's concession boundaries will be shared by our Geographic Information System (GIS) team with the relevant on-site team. A team comprising members from GIS, Conservation and Management in Wilmar is then mobilised to verify the satellite imagery data.

In 2020, we began using 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 the Wilmar GIS team. Our field teams also conduct daily on-ground fire monitoring that has proven very effective at times in detecting and suppressing fires even before detection by satellite.

We also 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.

In 2020, a total of 31 hotspots were detected within our operations in Indonesia, with 27# fires recorded and affecting an area of about 70.58# hectares. Within the 5km area beyond our concessions, 823 hotspots were identified, of which 123 were confirmed as actual fires. The total area affected by the fire occurrences is about 390.16 hectares. It is important to acknowledge the range of external factors outside of our control, such as weather conditions, when evaluating the effectiveness of our fire mitigation programmes. Hence, we compared our 2020 data with 2017, given the comparable levels of rainfall, averaging at 3,159mm in 2017 and 3,429mm in 2020. Under these somewhat similar weather conditions, we detected a slight increase of 17.4% fire occurrences in 2020, but with a 77% reduction in the affected areas within our concessions.

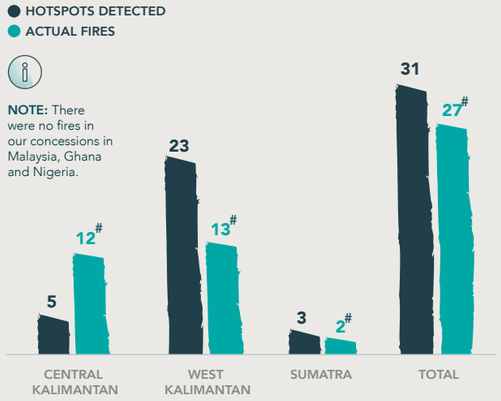
Our effort to prevent, detect and suppress fires has improved significantly. However, we recognise that there is still more work to be done, especially in reducing fires that occur outside of our concession boundaries. Fire occurrences within a 5km radius of Wilmar's concessions increased significantly from 28 in 2017 to 123 in 2020, by 339%. The land area affected by fires also increased by 67%. Putting this into context: the land area affected by fires is proportionally lower than fire occurrences. This demonstrates that once fires are detected, we are able to mobilise our teams to suppress them quickly, before they spread further afield, affecting large areas of land.

# EY has performed limited assurance procedures on these figures

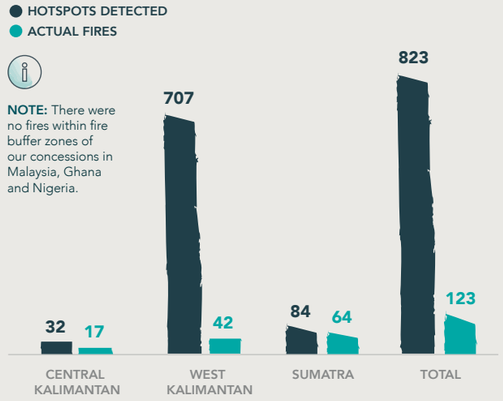




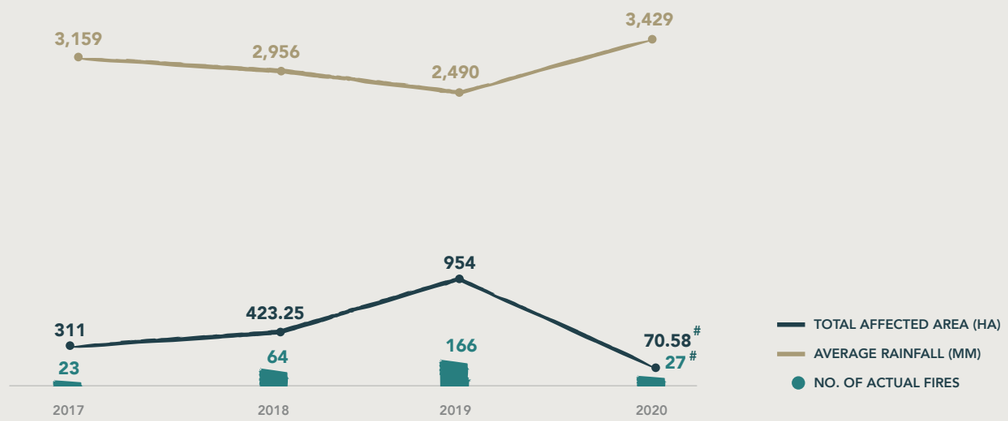
### HOTSPOTS VS ACTUAL FIRES IN WILMAR'S CONCESSIONS BY REGION IN INDONESIA (NO.)




### HOTSPOTS VS ACTUAL FIRES WITHIN A 5KM RADIUS OUTSIDE OF WILMAR CONCESSIONS BY REGION IN INDONESIA (NO.)

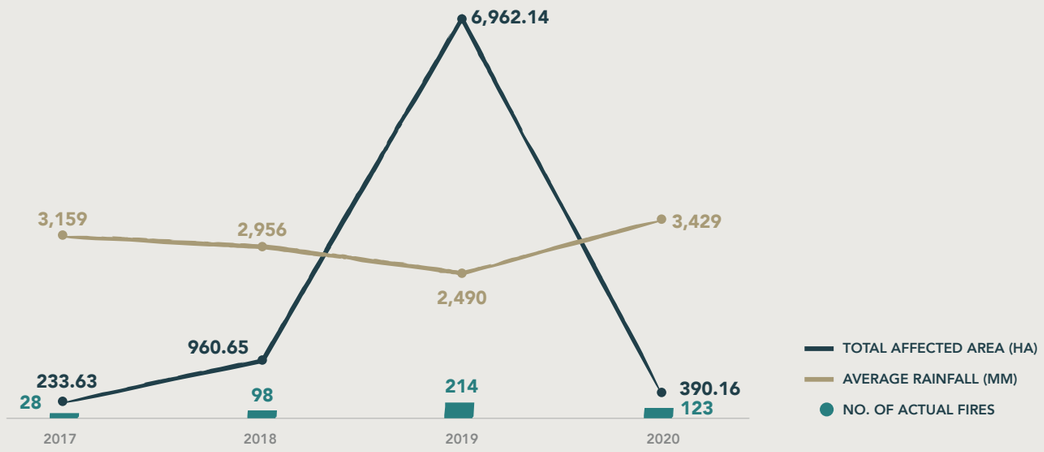



### FIRES IN WILMAR'S CONCESSIONS IN INDONESIA




# EY has performed limited assurance procedures on these figures

**FIRES WITHIN A 5KM RADIUS OUTSIDE OF WILMAR'S CONCESSIONS IN INDONESIA**




Our Supplier Group Compliance Programme (SGCP) enables us to extend our monitoring efforts to our suppliers. We immediately seek clarification from relevant suppliers upon receiving fire alerts from our monitoring platform or in the media. Detailed description of our SGCP is in the section on **Transforming our Supply Chain**.

**MINIMISING RISK IN SURROUNDING COMMUNITIES**

Local communities, including smallholders, continue to practise slash-and-burn methods for land clearance and preparation. This is because it is perceived to be cost-effective, requires minimal labour and enriches soil fertility, according to traditional agricultural practices and wisdom. Slash-and-burn practices are also legal in Indonesia, within certain limits and conditions, for farmers with less than two hectares of land. Regrettably, these fires occasionally become uncontrollable and spread mercilessly to neighbouring lands and plantations.

Thus, efforts to engage local communities and raise awareness on the risks of using fires for land clearance and preparation are key components in our FFA fire management programmes. Wilmar has socialised the 'Fire-Free Community' programme to 142 villages in Sumatra and Kalimantan, Indonesia, since joining the FFA in 2016.

> A key component of our FFA fire management efforts focuses on community engagement and raising awareness on the risks of using fires for clearing and preparing land.






↑ Pumping water for fire suppression efforts in Indonesia

## Improving yield and extraction rates

An **updated study** by members of the IUCN Palm Oil Task Force indicated that palm oil commands an estimated 40% of the global vegetable oil supply, but only occupies about 5.5% of the total oil crop land area. This makes oil palms the most productive oil crop, with the most efficient use of land. Yet, as demand for palm oil continues to grow globally, so do concerns around deforestation. We continue to explore opportunities to meet this growing demand, without having to further expand or develop new land areas through ongoing attempts to improve our yield and extraction rate.

Cloning propagation is a method using tissue culture that identifies and selects individual oil palm variations that are favourable in terms of yield performance and other parameters suitable for mass cloning. Since 2009, we have been operating our clonal lab in Cikarang, Bekasi, Indonesia, with the capacity to produce 200,000 clonal palms annually. Through clonal varieties, we expect yield to improve between 13% and 32%.

For more information on our R&D efforts to improve yield and extraction rates, see the **Innovation and Technology** section of this Report.

> As demand for palm oil continues to grow globally, so do concerns around deforestation.





↑ Harvester at work in our operations in Malaysia

# Climate change

**103-1,103-2, 103-3, 201-2, FB-AG-110A.2, FB-AG-440A.1**

*We recognise the threat of climate change and its effect on the planet and livelihoods. Unpredictable and extreme weather patterns directly impact agriculture operations, including Wilmar, and are a risk to food production. Hence our previous focus on climate change was on our upstream agricultural operations, in oil palm and sugarcane production, where we still believe there is the biggest impact. As the world transitions to a low-carbon economy, we are now expanding the focus throughout our global business. We continue doing our part to mitigate climate change, while identifying risks and opportunities to build resilience for our business.*

## Climate-related risk and opportunities

Wilmar's company-wide Enterprise Risk Management (ERM) process assesses climate-related risks on a regular basis. Risks are then reported to the Group's Sustainability Department for further analysis and the development of mitigation and adaptation measures.

The Risk Management Committee (RMC) regularly reviews the overall risk management guidelines, policies and systems to determine the potential financial or strategic impact of the risks identified, before recommending risk tolerance limits.

Through our ERM process and scenario analysis study, we have considered eight types of risks in our climate-related risk assessments over the short, medium and long term which covers more than three years.

Some of the climate-related risks identified on the next page may have substantial financial or strategic impacts on our business.

> For Wilmar, climate change risks such as physical ones and transition risks have a direct impact on our operations.





| RISK TYPE | DESCRIPTION | EXAMPLES OF POSSIBLE IMPACTS |
|---|---|---|
| **TRANSITION RISKS** | | |
| ● **CURRENT REGULATIONS** | ● Adhering to existing rules and regulations on emissions or climate change mitigation. | ● Cost (investment required to meet requirements) |
| ● **EMERGING REGULATIONS** | ● New regulations which restrict emissions or promote climate-change adaptation such as carbon tax. | ● Cost (investments required to meet requirements)<br>● Restriction in expansion of production land |
| ● **TECHNOLOGY** | ● Disruptive new technologies such as alternatives for commodity products. | ● Business sustainability |
| ● **LEGAL** | ● Litigation claims such as failure to meet our customers' climate-related terms in procurement contracts. | ● Cost (litigation) |
| ● **MARKET** | ● Increasing consumer awareness on climate change and expectations to manage climate-related impacts. | ● Reduced supplier pool due to non-compliant suppliers<br>● Reduce demand for commodities not aligned to market expectations |
| ● **REPUTATION** | ● Increased scrutiny from non-governmental organisations (NGOs) and consumers. | ● Potential reputational impacts<br>● Reduced demand or boycotts |
| **PHYSICAL RISKS** | | |
| ● **ACUTE** | ● Temperature change and increase frequency of extreme weather events such as floods and droughts | ● Productivity and yield |
| ● **CHRONIC** | ● Increasing pressure on fertile soils | ● Productivity and yield |

**SCENARIO ANALYSIS**

In 2018, the Wilmar Group conducted a qualitative scenario analysis to identify the possible impacts climate change can have on our business. The analysis was mainly focused on our upstream operations and supply chain, which are more susceptible to negative climate impacts in a two-degrees Celsius (2DS) scenario.

The analysis, which was presented to the RMC, revealed a potential reduction of FFB supply due to prolonged droughts. Recommendations to manage these risks were proposed to the Board for consideration, which influenced strategy and financial planning.

Apart from risks, we also identified climate-related opportunities, which may have substantial financial or strategic gains for our business. For example, regulations on the use of renewable energy may drive the demand for sustainable biofuels or biodiesels. The use of biogas generated from palm oil mill effluents can also reduce our dependency on diesel for electricity generation, thus cutting our emissions and operational cost.

In the future, we will look to conduct a more in-depth quantitative scenario analysis, covering our downstream operations.

> The analysis revealed a potential reduction of FFB supply due to prolonged droughts or floods.





## Climate change mitigation

We are committed to progressively reducing greenhouse gas (GHG) emissions from our operations to manage climate-related transition risks, while supporting global efforts to mitigate the impacts of climate change. All our business segments are focused on reducing GHG emissions through various initiatives.

**REDUCING GHG EMISSIONS IN OUR UPSTREAM PALM OIL OPERATIONS**

GHG emissions reduction in our palm oil business is primarily achieved by generating electricity from biomass, treating palm oil mill effluent (POME), halting deforestation and employing best practices on cultivated peatland. In addition to our own efforts, our suppliers are also expected to adopt climate change mitigation practices in line with our NDPE commitments.

We met our target to construct 25 methane capture facilities at our Crude Palm Oil (CPO) mills. With all of them operational in 2020, we were able to avoid 598,435 $tCO_2e$ of total GHG emissions for the year. Recovered biogas is used mainly for power generation while any excess is flared off to minimise leakage. We also generate electricity in our palm oil mills by using biomass, which includes by-products from the milling process such as empty fruit bunches (EFB), kernel shells and mill fibre.

**25 methane capture facilities**

at CPO mills with all of them operational in 2020.

**598,435 MT $CO_2e$**

of total avoidable GHG emissions annually.

For more information on how we protect forests and manage peatlands, see the section on **Biodiversity and Conservation**.

**REDUCING GHG EMISSIONS IN OUR UPSTREAM SUGAR BUSINESS**

Our sugar operations in Australia and India also make use of biomass to generate renewable electricity. Cane bagasse, a by-product from crushing sugarcane, is the main source of fuel powering our mills. In addition to providing us with renewable energy, we are able to sell more than 50% of the energy generated to the national grid. In Australia, we are the largest generator of renewable biomass energy. Our Australian and New Zealand sugar refining operations also have undertaken a number of emissions reduction initiatives over recent years. The sugar refineries are currently mapping an Energy and Greenhouse Gas Reduction Pathway towards a low emissions future.

**Largest generator of renewable biomass energy**

in Australia

### REDUCING GHG EMISSIONS IN OUR FACTORIES

To reduce our reliance on electricity from the grid and non-renewable sources in our factories, we have a number of initiatives in place.

For example, our subsidiary Yihai Kerry Arawana (YKA) recycles our wastewater and sewage, collecting 9.4 million cubic metres of biogas for energy consumption and replacing the use of 6,700 tonnes of standard coal equivalent, therefore reducing our carbon emissions by approximately 200,900 metric tonnes of $CO_2e$. YKA also switched to natural gas instead of coal in many of our factories and has built integrated factories to reduce resource and energy usage. Going forward, YKA is committed to aligning with China's pledge to reach carbon neutrality before 2060.

Our subsidiary Goodman Fielder has also undertaken a number of emissions reduction initiatives in recent years. In Fiji, we have generated over 1000 megawatt hours of renewable electricity through 320 kilowatts peak solar installation. In New Zealand, our factories have achieved a 17% reduction in scope 1 and scope 2 GHG emissions over the last five years through a combination of operational efficiencies and capital investment. This includes New Zealand's only two "boiler-less bakeries" which, through the innovative use of heat recovery technology, have reduced natural gas consumption by over 20%.

The ongoing network transformation programme in New Zealand is also optimising the distribution of our products across the country, reducing diesel consumption. The project is designed to deliver GHG emissions savings of over 1,700 metric tonnes $CO_2e$.

In addition, four Goodman Fielder sites are participating in the Energy Transition Accelerator programme by the Energy Efficiency & Conservation Authority (EECA). These sites will develop a roadmap towards zero emissions. Opportunities identified through this initiative will be rolled out across the organisation.

As part of a wider sustainability strategy to be launched in the first half of 2021, Goodman Fielder is announcing two climate-related targets:

- Use 100% renewable electricity by 2025
- Achieve net-zero GHG emissions by 2040

Building towards this commitment, since January 2021 Goodman Fielder has used 100% renewable electricity in New Zealand, through the purchase of Renewable Energy Certificates (REC) in line with the RE100 technical guidelines. This year we will also be investing in a new heat-recovery project at our Longburn Dairy, delivering about 1,000 metric tonnes $CO_2e$ emission savings.

### ROLLING OUT PHOTOVOLTAIC (PV) POWER PLANTS ACROSS OUR FACTORIES ACROSS CHINA

In 2020, YKA and Yihua Technology reached an agreement to construct photovoltaic (PV) power plants in all of our factories across China.

In the Taizhou factory, a 1.557MWp PV station was built on the roof of the building, generating power of up to 1,228,536KWh and reducing GHG emissions by 1,057.5 metric tonnes $CO_2e$. By the end of 2021, the group will build a distributed PV station of more than 110MWp, with an annual power generation of more than 109 million kWh. In addition, the design and construction of PV power generation projects are taking into consideration sustainable resources such as clean energy during the building phase.





## Climate change adaptation

Climate change impacts are already being felt in various parts of the world, affecting the food and agriculture sectors. For example, unpredictable weather patterns, including prolonged droughts or periods of heavy rainfall, will increasingly affect the productivity of our crops. In addition to playing our part in reducing GHG emissions it is imperative that as a business, we set a path towards climate change adaptation to build resilience for the future.

To manage these risks in our upstream palm oil operations, we invested heavily in the R&D of palm seedlings that are more resilient to extreme weather patterns. These seedlings are also sold to smallholders and smaller plantation companies to ensure the reliability of future supplies to our mills.

Wilmar takes a long term holistic approach to sustainability that is fully integrated into our business model. Globally, customers are increasingly favouring and shifting towards responsibly and sustainably produced commodities, so this has allowed us to remain competitive and fulfil market expectations. Our sustainability approach is also pivotal in managing transition risks, such as our reputation and market access.

We are actively investing in R&D to identify environmentally friendly solutions and address the growing demand for sustainable products. Examples include: developing plant-based protein to reduce reliance on beef; and producing soaps and detergents using vegetable-based surfactants which are more consumer and environmentally friendly.

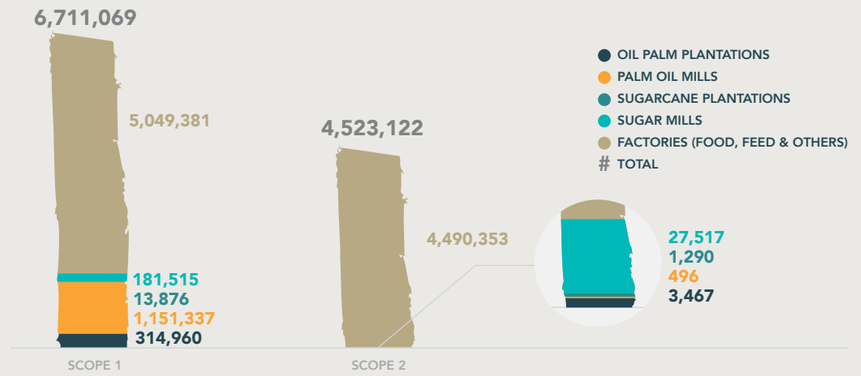
## Our GHG emissions

**305-1, 305-2, 305-4, 305-5, FB-AG-110A.1**

In 2020, our total scope 1 and scope 2 GHG emissions were 11,234,191 metric tonnes $CO_2e$ and our GHG emissions intensity was 127.98 kg $CO_2e$ per metric ton of products. This represents a 5% drop from our 2019 emissions intensity of 128.90 kg $CO_2e$ per metric ton of products which can be attributed to our emission reductions at oil palm plantations and palm oil mills. The reduced fertiliser inputs in 2020 led to a 23% reduction of our oil palm plantations' emissions intensity while the continued efforts to operate our methane capture plants at maximum efficiency resulted in a 15% drop for palm oil mills' emissions intensity. The majority of our emissions come from our factories and upstream palm oil operations. Our biogenic emissions were 10,866,823 metric tonnes of $CO_2e$.

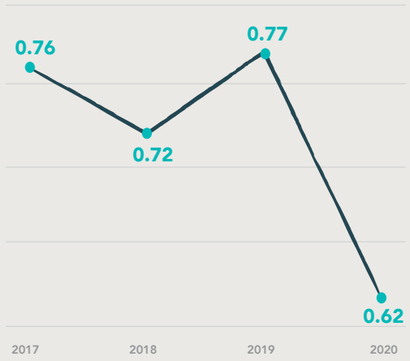
We have set a target to reduce our GHG emissions intensity by 15% for all of our palm oil mills by 2023, against our 2016 baseline of 0.82 metric tonnes of $CO_2e$ per metric ton of CPO. This target applies to all our mills in Indonesia, Malaysia, Ghana and Nigeria, regardless of certification status. With an emissions intensity of 0.62 metric tonnes of $CO_2e$ per metric ton of CPO in 2020, we have met our target earlier than expected with the main driver coming from our methane capture plants.

### SCOPE 1 & SCOPE 2 EMISSIONS BY BUSINESS ACTIVITY (MT $CO_2E$)



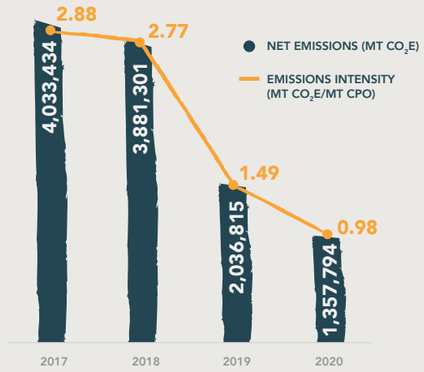

**NOTE:** Scope 1 and 2 emissions are calculated based on the GHG Protocol, the world's most widely used GHG accounting standards for companies and include the following gases: $CO_2$, $CH_4$ and $N_2O$. The GWP rates used are from the IPCC Fifth Assessment Report (AR5). The financial control approach is used to consolidate GHG emissions. Non-manufacturing sites such as headquarters/offices are excluded.

**GHG EMISSIONS INTENSITY FOR ALL PALM OIL MILLS REGARDLESS OF CERTIFICATION STATUS (MT $CO_2E$ /MT CPO)**




We also use the RSPO PalmGHG Version 4 Calculator to calculate emissions from our RSPO-certified palm oil operations.

**NET GHG EMISSIONS AND INTENSITY FOR RSPO-CERTIFIED MILLS**




Over the last four years, net GHG emissions and emissions intensity has decreased significantly in our RSPO-certified mills. The 66% decrease in both, net GHG emissions and emissions intensity can be attributed to our efforts in reducing fertiliser use and POME.





## Aligning with the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD)

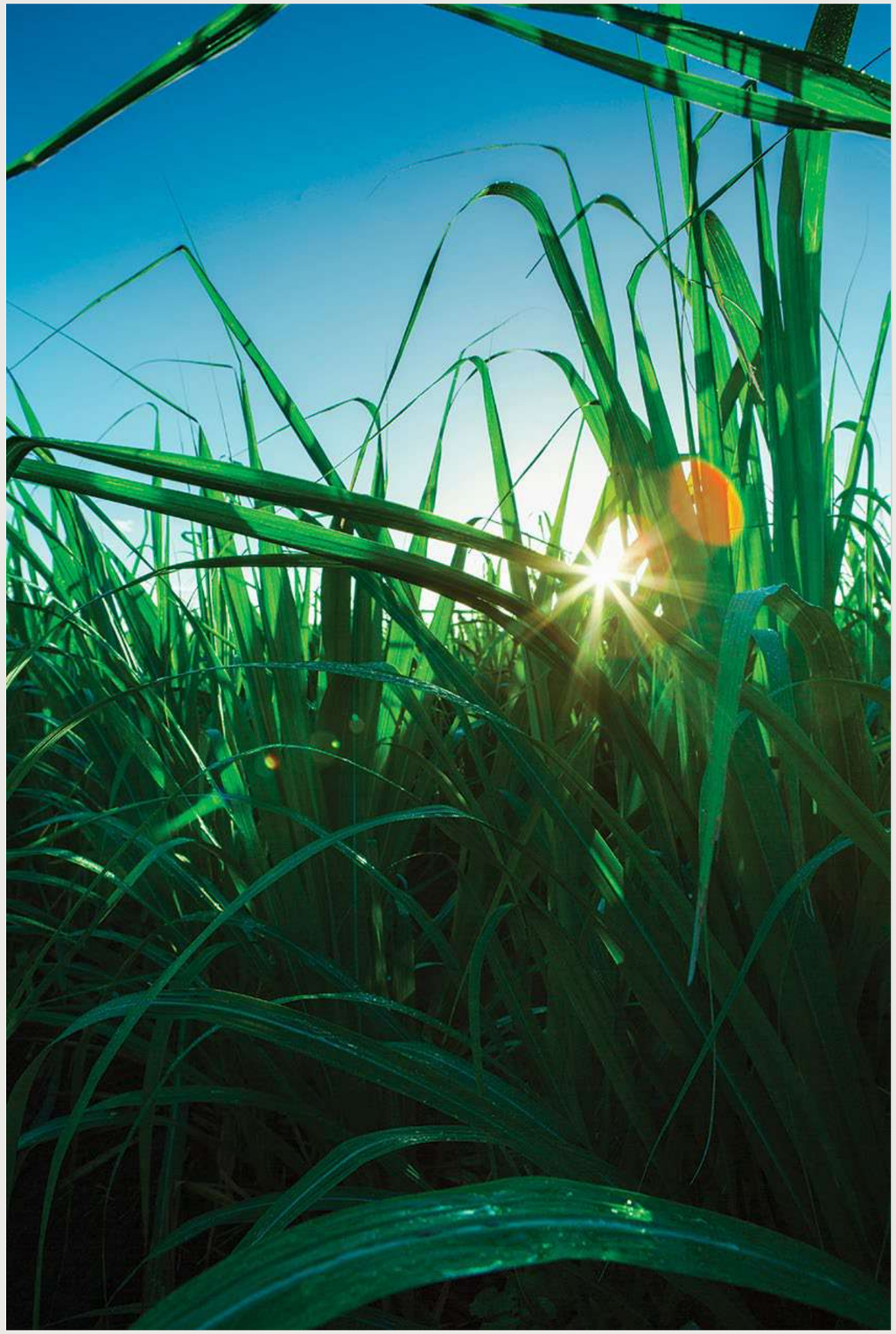
This table describes how Wilmar manages climate-related risks and opportunities, with reference to the four key pillars recommended by the TCFD.

| TCFD'S KEY PILLARS | WILMAR'S APPROACH |
|---|---|
| **GOVERNANCE** | ● Wilmar's Chairman and Chief Executive Officer (CEO) is responsible for the oversight of the company's Integrated Policy which covers climate-related issues.<br><br>● Climate-related risk management is incorporated into the Group's risk management structure, comprising the Board's Risk Management Committee at the Board level, which reviews general sustainability issues (including climate-related items) on a quarterly basis.<br><br>● A sustainability paper, signed-off by the General Manager (GM) of Group Sustainability and Chief Sustainability Officer (CSO), which includes updates on the overall approach to the management of climate-related risks as well as progress on implementation against set goals, is presented by the CSO to the Board's Risk Management Committee on a quarterly basis for review.<br><br>● The finalised issues and recommendations are discussed with the Board of Directors for their approval.<br><br>● These issues are taken into consideration as the Board reviews and guides the Company's strategy and financial planning. |
| **STRATEGY** | ● In 2018, Wilmar conducted a qualitative scenario analysis to identify the possible impacts climate change can have on the company, focusing mainly on upstream operations and our supply chain which are more susceptible to negative impacts in a two-degrees Celsius (2DS) scenario.<br><br>● Our internal risk assessments have identified relevant climate change risks and opportunities, which informed our sustainability strategy and the initiatives we focus on in our upstream and downstream operations.<br><br>See more in the **Climate Mitigation** section.<br><br>● To manage physical and transition risks, Wilmar takes a long term holistic approach to sustainability that is fully integrated into our business model.<br><br>See examples in the **Climate Adaptation** section. |

| TCFD'S KEY PILLARS | WILMAR'S APPROACH |
|---|---|
| **RISK MANAGEMENT** | ● Climate-related risks are assessed on a regular basis through Wilmar's company-wide Enterprise Risk Management (ERM) process.<br><br>See more in the **Climate-related risk and opportunities** section. |
| **METRICS AND TARGETS** | ● In 2020, our total scope 1 and scope 2 GHG emissions were 11,234,191 MT $CO_2e$.<br><br>● Our GHG emissions intensity was 127.98 kg $CO_2e$ per MT of products.<br><br>● We have a target to reduce our GHG emissions intensity by 15% for all our palm oil mills by 2023, against our 2016 baseline of 0.82 MT $CO_2e$/ MT CPO.<br><br>● We are currently mapping an Energy and Greenhouse Gas Reduction Pathway towards a low emissions future for our sugar operations.<br><br>● YKA is committed to aligning with China's pledge to reach carbon neutrality before 2060.<br><br>● Goodman Fielder is committed to using 100% renewable electricity by 2025 and achieving net-zero GHG emissions by 2040.<br><br>● The group will establish a GHG emission baseline for all global operations. Reduction target setting will be established in 2022 and linked to the energy and water efficiency programme.<br><br>See more in **Our GHG Emissions** section. |







Our Victoria Mill photographed underneath the Milky Way by Wally Jaworski

# Environmental footprint of operations

*Our business relies on water, energy and other resources to operate and are committed to the efficient use of resources. We acknowledge the important role that we play in minimising the environmental footprint of our operations and supporting sustainable production. We implement efficiency measures to reduce our energy and water use and, where possible, we reuse, recover and recycle waste. We also strive to responsibly manage disposed waste, effluents and chemicals.*

## Environmental Management System

Our environmental policy sets out our commitment to protecting the environment. We have also developed four environmental standards for our factories, palm oil mills and crushing plants. To monitor and improve our environmental performance, we have developed an Environmental Management System (EMS) which is consistent with the requirements of ISO 14001, as well as other relevant environmental standards. The Wilmar EMS sets out the framework to ensure that we comply with all applicable environmental laws in countries where we operate.

We conduct training for our employees to raise awareness on environmental issues and encourage them to take action to protect the environment. For example, Goodman Fielder ran an Environment Champions training and certification programme across our manufacturing sites in 2020. This programme included modules on energy, water, waste, compliance and action plans. Participants also carried out a practical assessment at their site upon completion of the training. Similarly, Wilmar Sugar conducts training for employees and provides refresher courses on environmental aspects and responsibilities.

All environmental hazards, incidents and non-conformances that have been identified are reported and investigated using our Global Environmental, Health and Safety (EHS) reporting platform. A Critical Incident Investigation Report is required when there is a significant incident, which then involves a detailed investigation into the root causes and contributing factors related to the incident. To prevent potential reoccurrence, short and long term actions are developed, then entered and tracked using our Global EHS Reporting platform. More details on our Global EHS Reporting Platform and how it is utilised to track EHS performance can be found in the **Employee health, safety and well-being** Section.

In 2020, there were no significant fines or non-monetary sanctions for non-compliance with environmental regulations.





## Energy

**103-1, 103-2, 103-3, 302-1, 302-3, FB-AG-130A.1, FB-PF-130A.1**

Wilmar has established a number of initiatives to reduce our overall energy consumption; generate or utilise renewable energy; and drive operational efficiencies, which are part of our approach that also contributes towards our climate change strategy.

### ENERGY USE IN OUR UPSTREAM OPERATIONS

We rely mostly on renewable energy that is generated from biomass in our palm oil and sugar upstream operations. The primary energy sources for our palm oil mills 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 to power our mills is cane bagasse.

Wilmar is one of the largest producers of renewable biomass energy in Australia. We generate about 202 megawatts of power during the crushing season through the cogeneration process. Three of our mills in Australia use cogeneration facilities to increase their export capacity and further drive efficient biomass use. At one mill, surplus bagasse is stockpiled on specially designed pads to ensure a ready source of renewable energy outside the crushing season. In 2020, we exported a total of 304,822 megawatt hours to national grids, from eight mills in Australia and 170,311 megawatt hours from five mills in India. This equates to the annual energy use of almost 25,000 homes for one year.*

* https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator

**202MW**

of power generated during the crushing season through the cogeneration process

**25,000 homes**

approximate amount of annual energy use Wilmar was able to export in 2020

### IMPLEMENTING SOLAR-POWERED IRRIGATION PUMPING SYSTEMS ON SRSL FARMS

Our Mumbai-based subsidiary, Shree Renuka Sugars Limited (SRSL), has implemented solar-powered irrigation pumping systems as an alternative power source for the farmers and their plantations, which reduces reliance on the national grid.

Farmers benefit from this initiative by having electricity access throughout the hot summer months, providing continued irrigation of crops as scheduled. This has resulted in higher productivity yields of 25-30%, compared to periods when power access from national grids are limited.

We have progressively installed 591 pumping systems in open wells, bore wells and rivers across our farmers' operations since 2014.

## ENERGY USE IN OUR DOWNSTREAM OPERATIONS

YKA has adopted a range of different technologies to reduce our energy consumption and improve energy efficiency. These include steam condensate recovery, waste heat recovery of exhaust gas and steam residual pressure power generation. As these initiatives drive significant GHG emissions reduction, they are described in more detail in the **Climate Change** section.

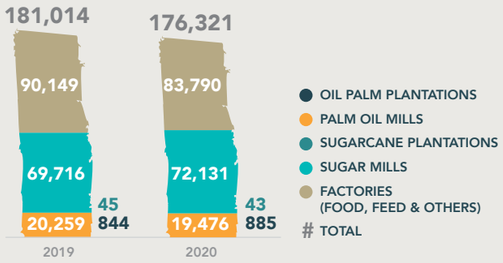
Goodman Fielder has developed energy reduction targets for all factories within our EMS. In Australia, we invested over AU$ 600,000 (US$ 462,480) on a national lighting upgrade in 2020. We replaced over 1,500 light fittings with new lights that help us to reduce electricity consumption by 50%, in comparison to the previous ones. Energy efficiency is tracked on a monthly basis and reported through the Health, Safety and Environment (HSE) network.

Energy consumption across all of our business activities in 2020 is 3% lower compared to 2019, despite the expansion of our coverage in 2020 to include operations such as Goodman Fielder, Global Oils and Kuching Palm Oil Industries. At group level, our energy intensity in 2020 was 0.56 megawatt hours per metric ton of product, 10% lower compared to 2019.

### TOTAL ENERGY CONSUMPTION WITHIN THE ORGANISATION BY BUSINESS ACTIVITY (MWH)

| BUSINESS ACTIVITY | 2019 | 2020 |
|---|---|---|
| Oil palm plantations | 234,568 | 245,820 |
| Palm oil mills | 5,627,535 | 5,409,261 |
| Sugarcane plantations | 12,523 | 11,829 |
| Sugar mills | 19,365,688 | 20,036,250 |
| Factories | 25,041,460 | 23,274,913 |
| TOTAL ENERGY CONSUMPTION | 50,281,774 | 48,978,073 |

### TOTAL ENERGY CONSUMPTION WITHIN THE ORGANISATION BY BUSINESS ACTIVITY (TERAJOULES)




**NOTE:** 2020 data has included data for operations that were not Wilmar subsidiaries in full year 2019 (e.g. Goodman Fielder, Global Oils and Kuching Palm Oil Industries).


### MANAGEMENT OF ENERGY CONSUMPTION BY AIR COMPRESSOR (CHINA)

Air compressor systems consume large proportions of the overall energy used within our sites. Thus, we implemented the Energy Consumption Management for air compressors to further improve energy savings while reducing the amount of compressed air potentially wasted. This has also allowed us to improve efficiency and reduce operating costs through process optimisation and system controls.

An example of our air compressor systems modification in our Yancheng site in China resulted in a 26% decrease in electricity consumption per unit of compressed air generated and an annual savings of more than RMB418,000 (close to US$64,000).





Steam turbine-generator room at our Australia sugar mill


### TOTAL ENERGY CONSUMPTION WITHIN THE ORGANISATION (TERAJOULES)

#### FUEL CONSUMPTION

**56,056**
Total fuel consumption from non-renewable sources

**105,477**
Total fuel consumption from renewable sources

#### ELECTRICITY, HEATING AND STEAM CONSUMPTION

**16,049**
Electricity consumption from non-renewable sources

**10**
Heating consumption from renewable sources

**492**
Electricity consumption from renewable sources

**9,359**
Steam consumption

**220**
Heating consumption from non-renewable sources

#### ELECTRICITY, HEATING AND STEAM SOLD

**153**
Electricity sold (non-renewable)

**1,712**
Electricity sold (renewable)

**665**
Heating sold

**8,811**
Steam sold

**TOTAL ENERGY CONSUMPTION 176,321**

**NOTE:** Type of fuels from non-renewable sources used include diesel, natural gas, lignite coal, sub-bituminous coal, other bituminous coal, lubricants, motor gasoline, biodiesel, LPG, HFO, anthracite coal, acetylene and ethanol. Type of fuels from renewables sources include biogas, wood biomass and other solid biomass fuels.

## Water

**103-1, 103-2, 103-3, FB-AG-140A.1, FB-AG-140A.2, FB-AG-140A.3, 303-1, 303-2, 303-3, 303-5**

All Wilmar operations diligently track and monitor water metrics associated with usage and discharge using our Global EHS reporting platform. This includes the availability of water at the sources which we draw from to measure and mitigate disruptions to our operations. We also collaborate with local authorities to understand future water availability strategies.

### SAFEGUARDING WATER RESOURCE IN OUR FACTORY OPERATIONS

Wilmar conducts Environmental Impact Assessments (EIA) prior to construction of new plants or other significant projects, which is aligned to local environmental requirements. The EIA will help identify all potential relevant environmental risks associated with the project, including water risks to the natural ecosystem and local communities relying on the water source for their livelihoods.

In China, some of our factories purchase steam for use, producing condensate which is reused for our cooling towers to minimise the volume of water withdrawn. At Dongguan Fuzhiyuan, sewage water is reclaimed and reused. Reverse osmosis technology is applied during sewage treatment with the output replacing tap water as cooling towers feed water supplement.

> All Wilmar operations diligently track and monitor water metrics associated with usage and discharge using our Global EHS reporting platform.





### WATER USE IN OUR PALM PLANTATIONS AND MILLS

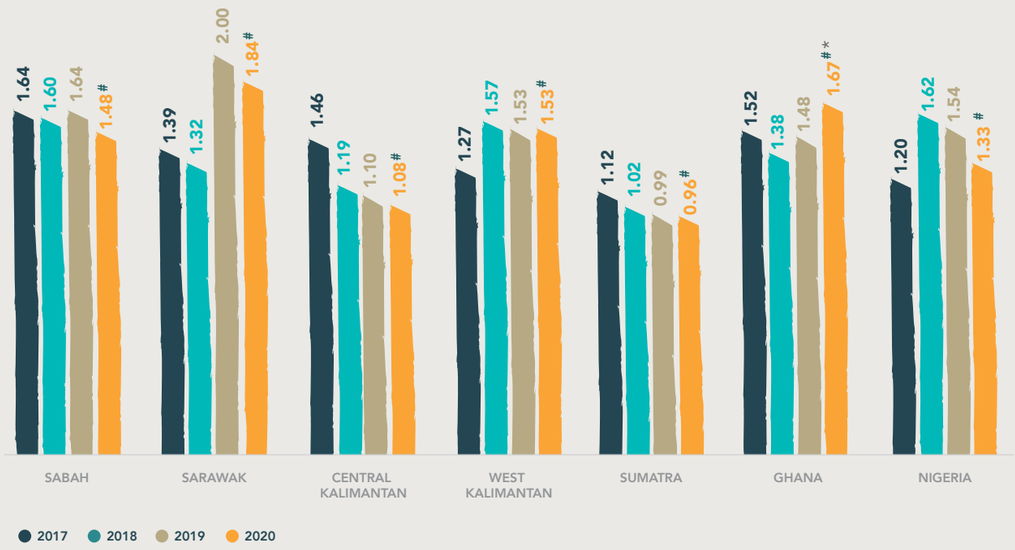
For our palm operations, Wilmar has adopted a lifecycle approach in the management of our water use, from the design to the construction and running of our mills. The improvement of water use efficiency helps us to deliver cost-saving in the long term. Wilmar has also implemented measures to increase water efficiency, especially for our most water intensive mills, as well as for nursery irrigation and household use.

We have been monitoring rainfall patterns at our oil palm plantations, resulting in records for at least 25 years in most of the regions where we operate. Based on these records and recent trends, water stress is still not a significant risk for our oil palm plantations. While we face reduction in rain during weather phenomena such as El Niño, this is not significant. Land irrigation using palm oil mill effluent (POME), which is reused as a fertiliser, continues to be carried out during these periods. This helps alleviate the impacts of the lack of rain during times of water scarcity.

We target to reduce water usage intensity for our palm oil mills to 1.2 cubic metre per metric ton of FFB processed for Indonesia and 1.3 cubic metre per metric ton of FFB processed for Malaysia, Ghana and Nigeria by 2023. In 2020, this was achieved by our palm oil mills in Central Kalimantan and Sumatra.

> We target to reduce water usage intensity for our palm oil mills.

### WATER CONSUMPTION INTENSITY ($M^3$ / MT FFB PROCESSED) IN PALM OIL OPERATIONS




# EY has performed limited assurance procedures on these figures

* As some of the flow meters used at the Ghana plant were faulty across different periods of 2020, the intensity of Ghana mill is estimated based on performance of another plant with similar capacity and design.

### WATER USE IN OUR SUGARCANE PLANTATIONS AND MILLS

For our sugar operations, some of our plantations are rain-fed while others are irrigated farms. In accordance with the Bonsucro Production Standard, we monitor net water consumed per unit mass of product for our sugarcane plantations and mills. In 2020, our consumption was well within the water usage limits. We also attempt to ensure that all irrigated water is efficiently used and applied to our sugarcane plantations.

### WATER-STRESSED AREAS

Wilmar has production sites in water-stressed areas in India and Australia. Based on the **World Resources Institute's Aqueduct tool**, our sugar refinery in Gujarat, India operates in an extremely high-stress water area. All other India-based sugar mills across Maharasthra and Karnataka and our Yarraville sugar refinery, in Victoria, Australia operate in high-stress water areas.

In Australia, our Yarraville Refinery sources municipal water for refinery operations, including steam generation and process operations. We also source cooling/vapour condensing water from the adjacent Maribyrnong River. All the cooling/vapour condensing water is returned back to the river. We have systems in place to ensure the discharge complies with local regulations.

In our India sugar operations, we heavily rely on the water contained within the cane they process. In Gujarat, we use surface water supplied by third-party government agencies. This plant is a zero-discharge facility, where all water withdrawn is treated and reused back in the operations. We have installed a secondary reverse osmosis plant to treat the rejected water from the primary plant to convert into raw water.

We are a member of Federation of Kutch Industries Association (FOKIA), a government aided organisation to support industries in the region in mitigating water scarcity issues by installing common desalination plants. In Maharasthra and Karnataka, sugar mills that have distilleries and cogeneration plants in their vicinity implement a zero-discharge approach, where the excess process condensate can be used for cooling towers after secondary treatment. The remainder discharge is mostly used for green belt irrigation within the sugar mills' premises and supplied to neighbouring farmers.

> For our sugar operations, some of our plantations are rain-fed while others are irrigated farms.





↑ A sugarcane farm in Queensland, Australia

### GROUP WATER CONSUMPTION

In 2020, our operations consumed a total of 98,010 megalitres of water. To reduce the amount of water needed to be withdrawn, a total of 13,824 megalitres of wastewater was recycled from our operations, which amounts to 14% of the water needed for use.

### WATER WITHDRAWAL, BY SOURCE (MEGALITRES)

| | ALL AREAS | | AREAS WITH WATER STRESS | |
|---|---|---|---|---|
| | FRESHWATER (≤1,000 mg/L Total Dissolved Solids) | OTHER WATER (>1,000 mg/L Total Dissolved Solids) | FRESHWATER (≤1,000 mg/L Total Dissolved Solids) | OTHER WATER (>1,000 mg/L Total Dissolved Solids) |
| Surface water | 74,305 | 3,690 | 7,426 | 1,350 |
| Groundwater | 18,648 | 73 | 310 | 0 |
| Seawater | 0 | 19,190 | 0 | 0 |
| Produced water | 0 | 0 | 0 | 0 |
| Third-party water | 35,895 | 254 | 273 | 430 |
| TOTAL | 128,848 | 23,207 | 8,009 | 1,780 |
| TOTAL WATER WITHDRAWAL | 152,055 | | 9,789 | |

### TOTAL WATER CONSUMPTION (MEGALITRES)

| | ALL AREAS | AREAS WITH WATER STRESS |
|---|---|---|
| Total water withdrawal | 152,055 | 9,788 |
| Total water discharge | 54,045 | 7,276 |
| TOTAL WATER CONSUMPTION (Total water withdrawal – Total water discharge) | 98,010 | 2,512 |

> In 2020, our operations consumed a total of 98,010 megalitres of water.





## Effluents

**303-4**

Wilmar has implemented comprehensive procedures to safeguard water quality. We regularly report our progress in monitoring and reducing significant pollutants. Priority substances of concern in our discharges are identified based on the respective country's regulations. We adhere to all discharge limits specified in these regulations.

### OUR EFFLUENT TREATMENT PLANTS (ETP)

Our audit programme consists of an extensive list to check on the safety, SOPs and compliance-related issues specific to effluent treatment. In 2020, we have focused on making progress in our internal management of effluents. We have appointed a dedicated person-in-charge (PIC) in each region with overall responsibility for ETPs and provide a monthly report summarising the quality of treated effluent, status of projects and other updates.

Due to COVID-19 restrictions, our technical teams were not able to physically audit our ETPs on site. As a result, we have been driving forward a Process Information Management System (PIMS) for technical teams to monitor critical ETP data online.

Our focus in 2021 onwards is to explore wastewater recycling projects in Indonesia and China. We see recycling wastewater back to production as an important yet complex element to progress on our sustainability goals, due to the risks related to food safety. Nevertheless, we are constantly exploring ways in which we can reuse wastewater without creating food safety risks.

### WASTEWATER FROM PALM OIL OPERATIONS

POME is wastewater from FFB processing; palm oil refinery effluent (PORE) is wastewater from the refining of crude palm oil (CPO). While POME is mainly organic in nature, it is not discharged directly, as we repurpose it through land application as fertiliser or treat it via anaerobic digestion prior to local waterway discharge.

PORE treatment usually involves a chemical process step to remove the oil and grease and inorganic substances before further biological treatment prior to discharge.

One palm oil refinery in Indonesia sends it effluents to a municipal treatment centre for external processing while the rest are treated in-house prior to discharge. We have an ongoing target to maintain effluent discharge levels to be within local regulation thresholds for palm oil mills and refineries waterway discharge. For our upstream and downstream sites, biological oxygen demand (BOD) and chemical oxygen demand (COD) levels are monitored for both land application and river discharge.

Ghana's effluent discharge standard for the Oil & Processing sector is generalised at BOD of 50 mg/L (regardless of discharge destination or type of oil processing plant). We are currently in discussions with the local authority to set granular limits to differentiate the discharge standards between POME and PORE. In the meantime, we are working closely with the local regulators to ensure that our POME discharge quality can meet their expectations without being penalised. All other operations were compliant with relevant local thresholds in 2020.

> There were no fines or prosecutions against Wilmar related to incidents of non-compliance with discharge limits in 2020.

### EFFLUENTS FROM SUGAR PRODUCTION

**303-4**

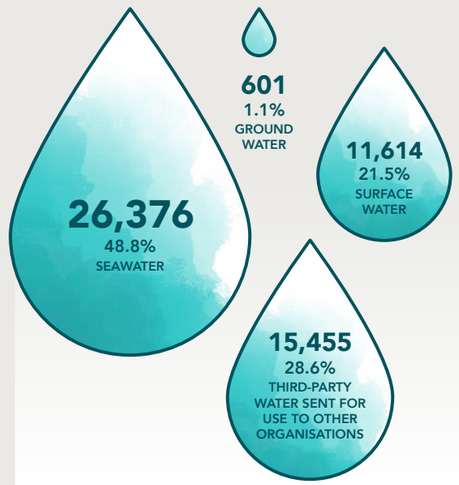
With water forming a big part of the sugarcane crop, sugar mills generate effluent water through the milling process. As the effluent does not contain high COD, the water is suitable for reuse in irrigation systems after a simple treatment.

During drought seasons, effluent water discharged from sugar mills is diverted to rain-fed farms to supplement any further water needs. For our sugar operations in Australia, most effluent is discharged via land application for irrigation purposes on farms surrounding its mills and is not governed by a specific discharge limit.

In India, with our facilities operating in water-stressed areas, there is a focus on re-using water from the milling and distillery processes. Wastewater is treated and reused in cooling towers and to irrigate the green belts within the mill compounds to reduce the overall intake of water. Spent wash from distilleries is bio-digested and, along with other solid waste, reused in incineration boilers and as compost or liquid fertiliser. We are implementing further measures with an aim of achieving zero liquid discharge for our distillery plants in India.

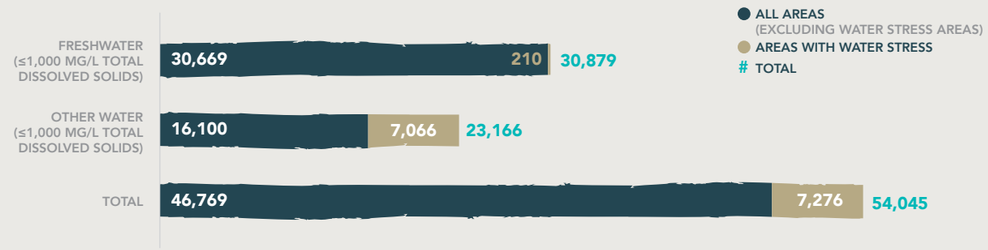
There were no fines or prosecutions against Wilmar related to incidents of non-compliance with discharge limits in 2020.

**WATER DISCHARGE, BY DESTINATION (MEGALITRES)**




TOTAL
**54,045**

**WATER DISCHARGE BY FRESHWATER AND OTHER WATER AND BY AREA (MEGALITRES)**










## Waste

**103-1, 103-2, 103-3, 306-1, 306-2, 306-3, 306-4, 306-5**

Across all of our operations, we are committed to reducing the amount of waste that we generate as well as recycling and reusing where possible.

Goodman Fielder's waste management process requires sites to use the waste management hierarchy to minimise waste to landfill. Our Pampas Pastry factory was able to modify the production process to eliminate over 100 tonnes of product waste per year. In addition, the Yoplait yoghurt site achieved a 30% reduction in waste to landfill of 44 tonnes in 2020, through an innovative packaging waste recycling partnership and increased recovery of organic material for stockfeed.

Wilmar follows best practice for waste management for our upstream palm oil facilities and seeks to recover and reuse all the waste that we have generated. The organic waste generated from our production processes includes EFB, mesocarp fibre and palm kernel shells. These are used as fuel and composted or mulched as organic fertiliser.

Our sugar milling operations produce solid waste such as bagasse, press mud, ash, sludge and yeast sludge. We use bagasse as boiler fuel and other by-products as raw material for composting and soil amelioration purposes.

Across our consumer businesses, we also work on reducing packaging to minimise waste generated both within and outside of our operations. For more information, see the section on **Sustainable Packaging**.

**SLUDGE DEWATERING (CHINA)**

Across several sites in China, we have been using sludge drying technology to decrease the water content and cut the production of sludge in effluent treatment plant. With this technology, we can reduce the water content of sludge from 80% to 40% and the sludge volume by 66.7%, reducing the amount of solid waste generated.


### TACKLING FOOD LOSS AND FOOD WASTE

Wilmar is committed to tackling food loss and food waste, which occurs at all stages of the value chain, and have in place various programmes and initiatives in relevant parts of our business.

Goodman Fielder measures food loss and waste in many parts of our organisation, typically as yield or unsold product disposal and repurposing. We also participated in national food waste baseline studies in Australia. We have started work to apply the Food Loss and Waste (FLW) Protocol's FLW Standard to our baking business with the aim to calculate a food loss and waste baseline by the end of 2021.

At our sugar refineries, we monitor refinery yield as a key measure for food loss. We also sell by-products from our sugar refineries such as excess molasses and small quantities of damaged or rejected packaged sugar as stockfeed.

Wilmar Sugar and Goodman Fielder also donate food products that are in surplus or not fit for sale but safe for human consumption, to our charity partner Foodbank Australia. For more information, see the Economic and Community Contribution section of this report.

YKA runs a National Food Security Publicity and Education campaign and leverages on events such as "World Food Day" to run online and offline activities to promote appreciation of food, including why food should be cherished and not wasted.

In 2020, we generated a total of 6,074,177 tonnes of waste, out of which 78% was diverted from disposal. A large proportion of our waste consists of biomass, which is reused to generate electricity in our upstream palm oil and sugar operations. We produced 313,539 tonnes of hazardous waste, of which 100% was disposed according to local legislations and licenses.

#### WASTE GENERATED AND DISPOSED, BY COMPOSITION (MT)

| WASTE COMPOSITION | WASTE GENERATED | WASTE DIVERTED FROM DISPOSAL | WASTE DIRECTED TO DISPOSAL |
|---|---|---|---|
| Biomass | 4,191,439 | 4,191,439 | 0 |
| Metals | 66,359 | 66,359 | 0 |
| Paper/cardboard | 5,107 | 5,107 | 0 |
| Glass | 54 | 54 | 0 |
| Wood/leather/rubber | 0 | 0 | 0 |
| Plastics | 8,676 | 8,676 | 0 |
| Textiles | 0 | 0 | 0 |
| Residual waste | 685,652 | 4,010 | 681,641 |
| Ash/cinder - Boiler/thermal oil heater/hot water heater | 317,660 | 317,660 | 0 |
| Any others | 799,230 | 162,254 | 636,975 |
| TOTAL WASTE | 6,074,177 | 4,755,559 | 1,318,616 |





#### WASTE DIVERTED FROM DISPOSAL BY RECOVERY OPERATION (MT)

| HAZARDOUS WASTE | ONSITE | OFFSITE | TOTAL |
|---|---|---|---|
| Preparation for reuse | 0 | 0 | 0 |
| Recycling | 0 | 7,065 | 7,065 |
| Other recovery options | 0 | 757 | 757 |
| TOTAL | 0 | 7,822 | 7,822 |
| **NON-HAZARDOUS WASTE** | **ONSITE** | **OFFSITE** | **TOTAL** |
| Preparation for reuse | 0 | 3,926,854 | 3,926,854 |
| Recycling | 309 | 556,747 | 557,056 |
| Other recovery options | 0 | 263,828 | 263,828 |
| TOTAL | 309 | 4,747,429 | 4,747,738 |
| TOTAL WASTE PREVENTED | **309** | **4,755,251** | **4,755,560** |

#### WASTE DIRECTED TO DISPOSAL BY DISPOSAL OPERATION (MT)

| HAZARDOUS WASTE | ONSITE | OFFSITE | TOTAL |
|---|---|---|---|
| Incineration (with energy recovery) | 2,669 | 0 | 2,669 |
| Incineration (without energy recovery) | 0 | 4,884 | 4,884 |
| Landfilling | 74 | 135,722 | 135,796 |
| Other disposal operations | 3 | 162,366 | 162,370 |
| TOTAL | 2,746 | 302,972 | 305,719 |
| **NON-HAZARDOUS WASTE** | **ONSITE** | **OFFSITE** | **TOTAL** |
| Incineration (with energy recovery) | 0 | 0 | 0 |
| Incineration (without energy recovery) | 0 | 33,895 | 33,895 |
| Landfilling | 41,833 | 673,725 | 715,558 |
| Other disposal operations | 5,691 | 257,755 | 263,446 |
| TOTAL | 47,524 | 965,375 | 1,012,899 |

## Chemical use, including pesticides and fertilisers

In our agricultural operations, we use chemicals to protect our crops against diseases and pests and to maintain high yields. We aim to minimise the use of chemicals as much as possible, including pesticides and chemical fertilisers. The use of chemicals is guided by a management plan, with proper SOPs implemented to eliminate exposure to hazardous chemicals for workers, communities and the environment. We have implemented an Integrated Pest Management (IPM) approach, combining cultural, mechanical, biological and chemical strategies to control pests.

### CHEMICAL USAGE

We prohibit the use of the World Health Organisation (WHO) Class 1A or 1B and Stockholm or Rotterdam Conventions pesticides in our operations and those of our suppliers, except for specific instances that strictly follow WHO recommendations and guidelines.

For oil palm plantations, we work with our smallholder suppliers on appropriate use of pesticides to prevent overuse. This includes training on the types of pesticides for specific weeds and also to switch to path and circle spraying only—which largely reduces the overall use of pesticides.

In our sugarcane plantations in Australia, we provide farmers with mill mud to help with fertilising. In India we have a programme for farmers to switch to manure or organic fertiliser to minimise the impact of salt pan formation due to high nitrogen use.

> We aim to minimise the use of chemicals as much as possible, including pesticides and chemical fertilisers.





### PARAQUAT

The use of paraquat is strictly prohibited in our oil palm plantations, including for our suppliers.

We only allow the use of paraquat in our sugarcane plantations due to a lack of viable alternatives. Paraquat is a contact chemical and, as such, there is no residual activity. This helps to protect reefs in Australia compared to other residual chemicals that are used in the cane farming system. Workers are provided with adequate personal protective equipment (PPE) and require specific licences to handle these chemicals. For any substance that poses a potential hazard to workers or the environment, toxicity is closely monitored on a regular basis and risk assessments are carried out.

### INTEGRATED PEST MANAGEMENT (IPM)

Uncontrolled rat populations pose major issues to the health of our oil palm trees. They damage fronds, oil palm flowers and fruits, significantly affecting yield. While rodenticides (with active ingredients such as Brodifacoum and Bromadiolone) in ready-mix bait form have been effective in controlling the rat population, they can cause chemical pollution to the environment, contributing to disturbances in the plantation area and the disruption of predators. Bait application and acceptance levels also require close supervision and monitoring.

As an IPM solution, we have been controlling the rat population by breeding and releasing barn owls. With high reproduction rates and a high dependency on rats as their main source of food, barn owls are natural predators and serve as an optimal solution. By applying this measure, we have been able to minimise chemical rat bait use in the plantation.

In accordance with the Bonsucro Production Standard, we monitor the level of active ingredients per hectare for our sugar operations. This covers all applied agro-chemicals, including pesticides, herbicides, insecticides, fungicides and ripeners. In 2020, chemical usage at our Australia and Myanmar operations were within the Bonsucro limit.

> As an IPM solution, we have been controlling the rat population by breeding and releasing barn owls.

# Sustainable packaging

**103-1, 103-2, 103-3, FB-PF-410A.2.**

*The issue of packaging waste, particularly plastic waste, is of increasing concern due to the environmental impacts documented in recent years. However, packaging is necessary to maintain food safety and quality, as well as extend shelf life, thereby reducing food waste. This creates a unique challenge for our industry to tackle and develop solutions. Wilmar is committed to working with the wider industry and our R&D teams to source and develop packaging solutions that minimise the use of materials and can be reused/recycled by the end-user.*

**OUR APPROACH TO IMPROVING PACKAGING IS CENTRED AROUND THE FOLLOWING THREE OBJECTIVES:**

**REDUCING THE OVERALL AMOUNT OF MATERIALS USED**

**IMPROVING THE MATERIALS USED TO INCREASE RECYCLABILITY**

**IMPROVING THE SOURCING REQUIREMENT OF THE MATERIALS WE BUY TO ENSURE THAT THEY COME FROM SUSTAINABLE SOURCES**






## Our approach to sustainable packaging

In researching and developing sustainable packaging solutions, we want to ensure that we do not compromise on product safety and quality. We also need to be mindful of potential trade-offs as a new packaging solution might solve one issue but create others. For example, Goodman Fielder reduced the thickness of our bread bag plastic by about 25%. Trials to further reduce the plastic thickness resulted in a significant increase in bags tearing, leading to more product waste. This means we have reached the optimal bread bag thickness when considering the impact of food waste versus plastic use.

At a group level, we have begun quantifying the packaging materials used for the 10 million tonnes of consumer products we produce each year. We have launched a Global Packaging Data Questionnaire across business units (BUs) to find out how many BUs have made packaging pledges. The findings from our questionnaire will help us to develop a holistic group-level packaging strategy.

## Actions on packaging

Our different businesses have also been working on their own packaging initiatives. This is because packaging solutions are often driven by requirements that are specific to the local context and regulations, as well as the types of products manufactured.

For example, YKA has a number of initiatives in place. These include:

- Working with other industry players to conduct research on alternative plastic bags to reduce the packaging volume of rice and flour products. For rice bags, we managed to reduce the thickness of our packaging from 135 millimetres to 120 millimetres and decreased the use of raw materials by 11%.
- Promoting the use of high strength, low weight cardboard boxes for the last two years, reducing the volume of raw materials required.
- Using calcium-plastic boxes instead of cardboard boxes, which are reusable up to 100 times for intermediate product transfers.
- Jointly developing and optimising formulas with upstream raw material suppliers to reduce material consumption and improve performance, reducing the usage of over two million woven bags and 85,000 plastic barrels.
- Introducing higher capacity options for our edible oil products (from 5 litres to 10 and 20 litres). For example, our 10-litre products use 105 grams Polyethylene Terephthalate (PET), saving 833 tonnes of raw materials used to make PET annually.

Similarly, Goodman Fielder's sustainable packaging programme strives to deliver the required functionality while minimising the environmental impacts associated with the manufacture, transport, use and disposal of packaging. In 2019, Goodman Fielder developed a sustainable packaging framework focusing on three pillars: 1) material use: using less material in packaging and from more sustainable sources; 2) intelligent design: achieving best functionality with the least impact and; 3) value beyond first life: to actively drive the circular economy for used packaging. Through projects delivered in Australia and New Zealand, Goodman Fielder has:

- Replaced 100 tonnes per annum of difficult-to-recycle PVC trays with PET. The new trays also include 30% recycled content as part of our support of a circular economy for plastics.
- Reduced cardboard use by over 100 tonnes through the redesign of cardboard shippers used to transport finished products.
- Eliminated approximately 4,200 pallet loads per annum to deliver the same volume of product throughout Australia by focusing on pallet use optimisation.
- Delivered a 185 tonnes per annum reduction in plastic use through a range of initiatives aimed at optimising the amount of material used in packaging, **including:**

**13 tonnes**
reduction of soft plastics in various bakery products;

**33 tonnes**
of milk bottle High Density Polyethylene (HDPE) and;

**2 tonnes**
reduction in PET mayonnaise bottles;

**115 tonnes**
of HDPE caps for milk.

**22 tonnes**
reduction in Low-density polyethylene (LDPE) bread bags;

### SUPPORTING THE AUSTRALIAN PACKAGING COVENANT ORGANISATION (APCO)

Goodman Fielder and Sugar Australia both take part in the **Australian Packaging Covenant (APC)**, a commitment set by governments and industry to the sustainable design, use and recovery of packaging. Goodman Fielder has committed to achieving the 2025 National Packaging targets, while Sugar Australia is in the process of developing a sustainability roadmap to address these targets. In 2020, Sugar Australia also signed up to the REDcycle Film Stewardship Programme.

Goodman Fielder's targets for 2025 include:

- 100% of packaging to be reusable, recyclable or compostable
- 50% average recycled content across all packaging
- Phase out problematic and unnecessary single-use plastic packaging
- Adoption of Australasian Recycling Label (ARL) across all retail packaging

Goodman Fielder and Sugar Australia are part of the **REDcycle** soft plastic recycling scheme in Australia. In Australia, Goodman Fielder recently updated our bread bag artwork to encourage consumers to participate in the scheme by using our bread bags to collect all their soft plastic and return them for recycling. This campaign aims to address the significant gap in Australia between the amount of plastic packaging that is recyclable, compared to the amount that is actually recycled. Sugar Australia signed up to the scheme in 2020, with packaging featuring the official "recyclable" labels to be seen in 2021.

Goodman Fielder and New Zealand Sugar are part of the New Zealand **Soft Plastic Recycling Scheme**. In New Zealand, Goodman Fielder participates on the Steering Committee of the Soft Plastic Recycling Scheme. With the goal of delivering a truly national product stewardship scheme, Goodman Fielder is providing logistics services to support the expansion of the scheme to the South Island of New Zealand.

Goodman Fielder was a founding partner of both programmes in Australia and New Zealand.





## Materials used

**301-1, FB-AG-401A.1**

In 2020, Wilmar used a total of 2,299,901 tonnes of materials for packaging (plastic and non-plastic) across our business operations, 61% of which are made from renewable materials. Our oil palm plantation and sugarcane plantation operations do not rely on packaging as products are directly transported to our mills.

**TOTAL WEIGHT OF MATERIALS USED FOR PACKAGING, BY BUSINESS ACTIVITY (MT)**

| BUSINESS ACTIVITY | PLASTICS | | NON-PLASTICS | |
|---|---|---|---|---|
| | NON-RENEWABLE | RENEWABLE | NON-RENEWABLE | RENEWABLE |
| Sugar mills | 21,774 | 0 | 0 | 0 |
| Factories | 843,224 | 0 | 34,055 | 1,400,848 |

**NOTE:** Our oil palm plantations, palm oil mills and sugarcane plantations do not use any packaging materials.

# Looking after people and communities

People are the backbone of our business. Our success depends on the people who work for us and on the communities that host us.

It is imperative that we maintain an engaged workforce to build a high-performing company and that we contribute to the socio-economic development of the communities that we rely on. Across our business and supply chain, Wilmar is committed to attracting and retaining skilled individuals, creating a diverse and inclusive workplace, ensuring the safety and well-being of our workforce and respecting the rights of individuals and communities.

# Talent management

**102-7, 103-1, 103-2, 103-3**

*Our success depends on the hard work of our approximately 100,000 strong global workforce. To continue growing and building a high-performing company, we are focused on attracting and retaining skilled individuals by creating an engaging workplace where everyone can reach their full potential.*

## Profile of our workforce

**102-8**

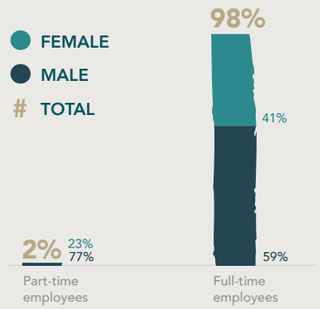
Our workplace is made up of 98% full-time employees while 2% are part-time employees.

60% are employed in our plantations and the rest are based in our offices. Our employees are spread across 38 countries, with approximately 80% of them based in China, Indonesia and Malaysia.

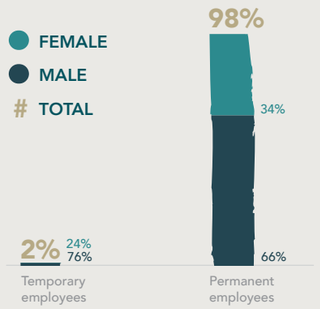
Temporary workers play an important role in fulfilling either seasonal harvest needs or specialist, timebound tasks in our upstream plantations. As of December 2020, 98% of our workforce benefit from permanent employment status, with only 2% employed as temporary workers.

In Indonesia, we have been striving to further increase the number of permanent workers. Recruitment drives in collaboration with union representatives help to stabilise the workforce while creating better efficiencies. Some of our temporary workers in Indonesia are also smallholders or small-scale entrepreneurs who prefer the flexibility offered by temporary work arrangements. It is not feasible to have a 100% permanent workforce in sugarcane plantations and mills as sugarcane is a seasonal crop. This is why we rely on temporary workers in our sugar operations during the main crop season. Our sugar business conducted a trial initiative by partnering with an industry which had a complementary season. However, most of the temporary workers in our sugar operations have their own farms to tend to or they have a preference to be on temporary contract employment, thus the initiative did not work out.

**PROPORTION OF FULL-TIME AND PART-TIME EMPLOYEES**




**PROPORTION OF PERMANENT AND TEMPORARY CONTRACT EMPLOYEES**



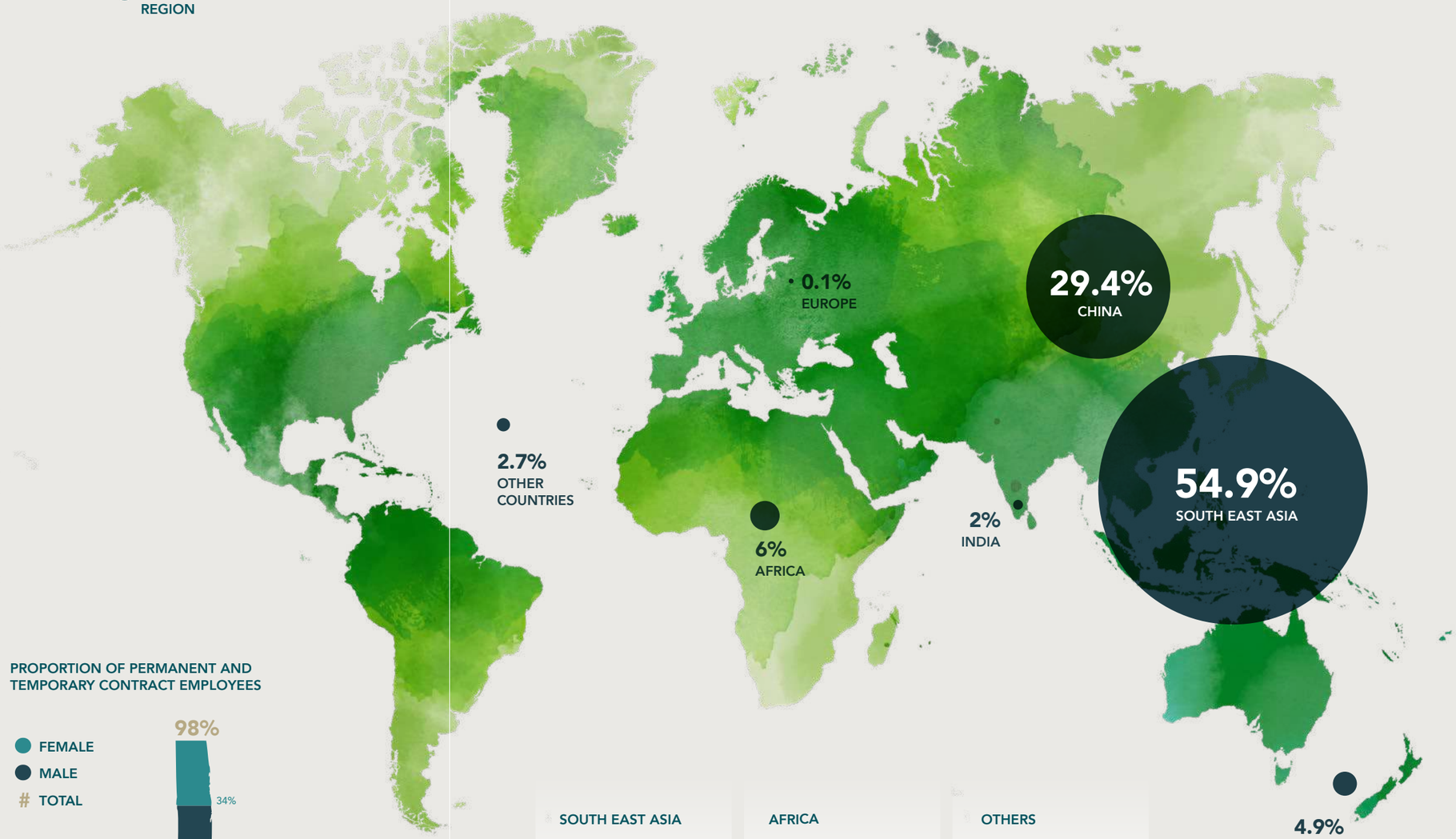





**BREAKDOWN OF EMPLOYEES BY REGION**

| INDIA | | EUROPE | | PEOPLE'S REPUBLIC OF CHINA | | AUSTRALIA / NEW ZEALAND | |
|---|---|---|---|---|---|---|---|
| 2% | TOTAL | 0.1% | TOTAL | 29.4% | TOTAL | 4.9% | TOTAL |
| 98.6% | Permanent | 93.9% | Permanent | 100% | Permanent | 92% | Permanent |
| 1.4% | Temporary | 6.1% | Temporary | 0% | Temporary | 8% | Temporary |

MAP: EMPLOYEES BY REGION




| SOUTH EAST ASIA | | AFRICA | | OTHERS | |
|---|---|---|---|---|---|
| 54.9% | TOTAL | 6% | TOTAL | 2.7% | TOTAL |
| 97.3% | Permanent | 93.7% | Permanent | 96.8% | Permanent |
| 2.7% | Temporary | 6.3% | Temporary | 3.2% | Temporary |

## Recruiting talent

Attracting and recruiting the right talent remains a priority, as our company continues to grow and evolve. The six qualities that we look for in our employees globally reflect Wilmar's core values. We aim to attract and retain employees who are capable, honest and hard-working. We hire people who are hands-on and believe in our vision of bringing affordable nutritious food to the world. We look for people who go the extra mile, have an international outlook and enjoy giving back to the community. Our recruitment efforts also aim to build an organisation that brings experiences and backgrounds as diverse as the customer base we serve. See the section on **Diversity and Inclusion** for more information.

We have established a number of training academies to fortify our efforts in identifying and nurturing talent. For example, our subsidiary Yihai Kerry Arawana (YKA) in China launched the "Academy of Success" or 新·星未来大学生培养项目 in 2019, where high-potential new graduates undergo a 42-month structured training programme designed to groom future leaders. The training focuses on developing the professional and management capabilities and covers 59 factories, 29 subsidiaries and 6 units of YKA.

> Attracting and recruiting the right talent remains a priority, as our company continues to grow and evolve.

## Compensation and benefits

**401-2**

We offer competitive compensation packages with additional benefits. All employees, regardless of their employment status, receive life insurance and disability and invalidity coverage. Permanent employees, whether full-time or part-time also receive health care and parental leave. Retirement provisions are also offered to permanent and full-time employees.





## Training and development

**404-1, 404-2, 404-3**

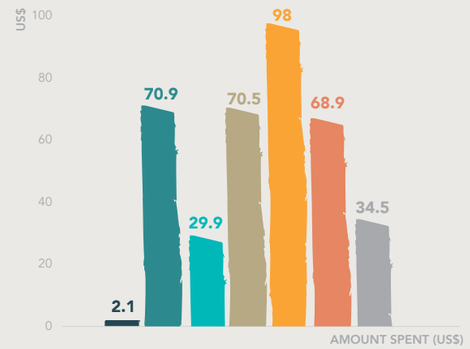
There is an ongoing global race for talent, especially in key emerging markets. We strive to recruit new team members with the skills that we currently or will soon require. However, we also place much emphasis on developing our current workforce by providing ample and relevant training and development opportunities. This keeps them engaged and up-to-date with the know-how to excel and reach their career aspirations. In 2020, we spent over US$ 4 million on training and development (approximately US$37.7 per employee). On average, our employees attended 10 hours of training. The higher average of training hours and amount spent on training for factory workers is due to the additional mandatory training provided to them in order to be able to carry out their daily work, such as basic use of machineries.

Employees receive a variety of learning opportunities in the form of formal training, mentoring and on-the-job technical training. Across the board, employees have access to e-learning. This key tool enabled us to continue to deliver trainings during COVID-19. We are also looking to develop more e-learning courses for different employee levels.

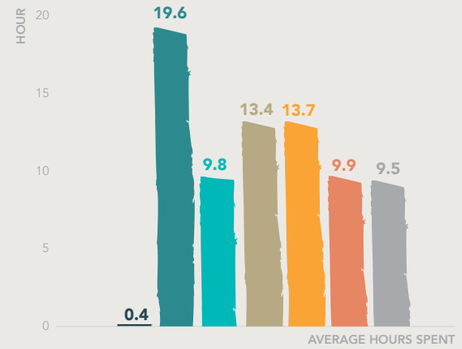
At management level, we have a number of development programmes. For example, in China, the Supervisor/Team Lead's Management Skills Development programme is a comprehensive training for employees in supervisory roles. It uses methods such as balance scorecards, action learning and coaching to help general managers and departments managers gain valuable skills for their role.

We also continue to work with internal and external stakeholders to establish Wilmar as the employer of choice in the industry.

### AVERAGE AMOUNT SPENT ON TRAINING AND DEVELOPMENT BY EMPLOYEE CATEGORY (US$)

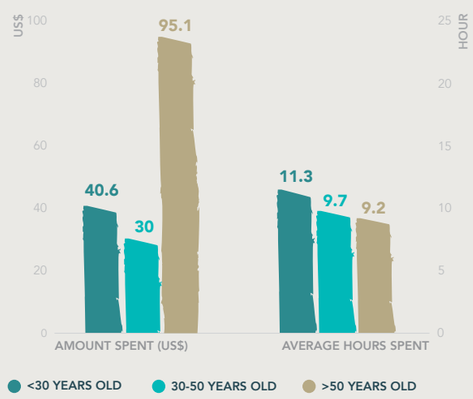



### AVERAGE AMOUNT SPENT ON TRAINING AND DEVELOPMENT BY EMPLOYEE CATEGORY (HOURS)

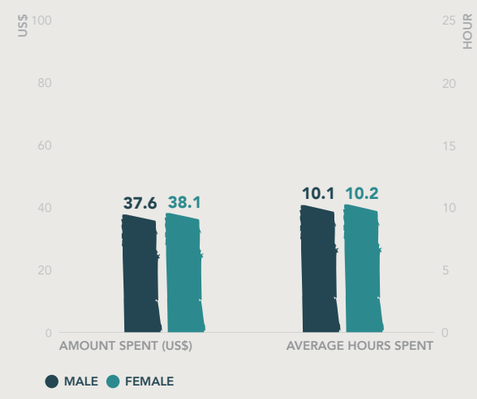




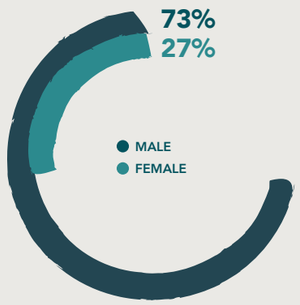
### AVERAGE AMOUNT SPENT ON TRAINING AND DEVELOPMENT, BY AGE (US$)



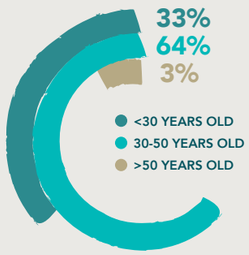

### AVERAGE AMOUNT SPENT ON TRAINING AND DEVELOPMENT, BY GENDER (US$)



PROPORTION OF OPEN POSITIONS FILLED IN BY INTERNAL CANDIDATE, BY GENDER




PROPORTION OF OPEN POSITIONS FILLED IN BY INTERNAL CANDIDATE, BY AGE




PROPORTION OF OPEN POSITIONS FILLED IN BY INTERNAL CANDIDATE, BY EMPLOYEE CATEGORY

36.8% NON-MANAGEMENT
26.5% FACTORY WORKERS
24.7% JUNIOR MANAGEMENT
8.6% MIDDLE MANAGEMENT
1.6% PLANTATION WORKERS
1.5% SENIOR MANAGEMENT
0.3% EXECUTIVE MANAGEMENT

**NOTE:** Data excludes the USA due to legal restrictions in providing a breakdown of the data

> As of 2020, 88% of our total workforce receive performance and career development reviews, an even split between male and female employees.

We firmly believe in recognising internal opportunities for our people to grow. Managers leverage our global platform to retain people and support career aspirations by offering international positions. In 2020, 17% of our open positions were filled by internal candidates. Senior leadership and human resources stay close to succession planning for key positions, evaluating bench strength and future potential.

In addition, employees receive a formal performance review, which allows development opportunities and relevant training to be identified, in line with the individual's areas of responsibility and career aspirations. As of 2020, 88% of our total workforce receive performance and career development reviews, an even split between male and female employees.

Respective countries conduct an employee engagement survey regularly to capture our employees' feedback about working at Wilmar, as well as levels of employee engagement. In 2020, the survey covered approximately 20% of the workforce, of which 99% responded that they are "actively engaged", "engaged" or "somewhat engaged". We will continue to encourage employees to participate and share their feedback with us.



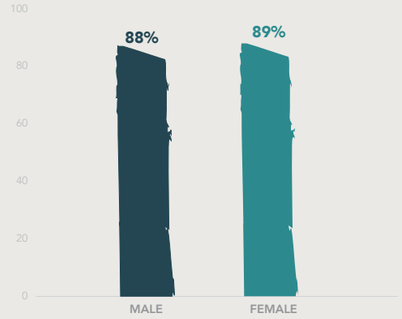


PERCENTAGE OF EMPLOYEES THAT RECEIVE PERFORMANCE AND CAREER DEVELOPMENT REVIEWS, BY EMPLOYEE CATEGORY



91% EXECUTIVE MANAGEMENT
97% SENIOR MANAGEMENT
100% MIDDLE MANAGEMENT
99% JUNIOR MANAGEMENT
96% NON-MANAGEMENT
82% FACTORY WORKERS
83% PLANTATION WORKERS

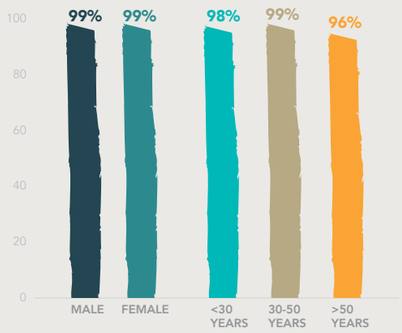
PERCENTAGE OF EMPLOYEES THAT RECEIVE PERFORMANCE AND CAREER DEVELOPMENT REVIEWS, BY GENDER




PROPORTION OF EMPLOYEES WHO RESPONDED THAT THEY FEEL ENGAGED IN ENGAGEMENT SURVEY, BY EMPLOYEE CATEGORY

100% EXECUTIVE MANAGEMENT
91% SENIOR MANAGEMENT
96% MIDDLE MANAGEMENT
99% JUNIOR MANAGEMENT
99% NON-MANAGEMENT
99% FACTORY WORKERS
92% PLANTATION WORKERS

PROPORTION OF EMPLOYEES WHO RESPONDED THAT THEY FEEL ENGAGED IN ENGAGEMENT SURVEY, BY GENDER AND AGE

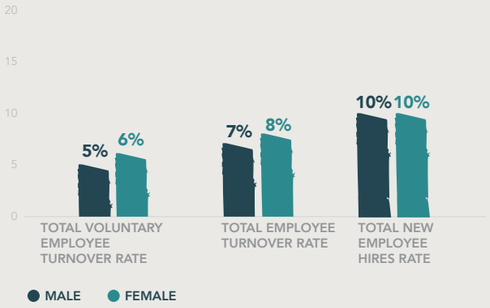



**NOTE:** Data excludes South Africa as number of employees engaged were not tracked

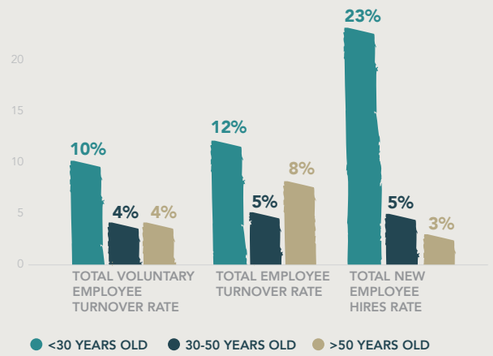
We believe our talent strategy has led Wilmar to maintain a high tenure amongst employees, averaging over 10 years. Total employee turnover rate in 2020 was 7% and voluntary employee turnover rate was 5%. Compared to 2019, our turnover rate decreased by 5.2% from 12.2%. Our total new employee hire rate in 2020 was 10%.

### NEW EMPLOYEE HIRES AND VOLUNTARY TURNOVER RATES, BY GENDER

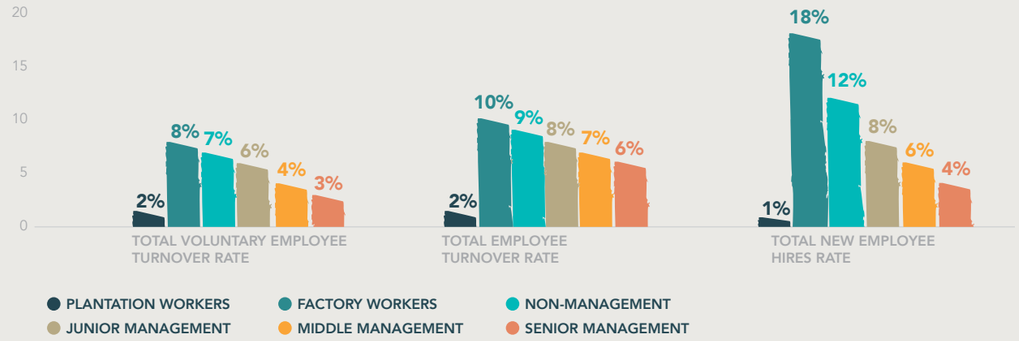
401-1




### NEW EMPLOYEE HIRES AND VOLUNTARY TURNOVER RATES, BY AGE GROUP




### NEW EMPLOYEE HIRES AND VOLUNTARY TURNOVER RATES, BY EMPLOYEE CATEGORY





### ALAN SLOAN, NATIONAL FIELD SALES MANAGER, CELEBRATES 21 YEARS AT GOODMAN FIELDER.

"After 21 years at Goodman Fiedler, it is a good time for personal and professional reflection. Three kids, three houses and 12 roles later, time flies when you're having fun" says Alan. For Alan, Goodman Fielder has been at the centre of his amazing journey. For him, Goodman Fielder is truly a national business and it has given him many wonderful career experiences and opportunities to connect with great people.

For Alan, being able to help support and improve such a large and complex organisation and to see so many individuals achieve their career aspirations and financials goals is what continues to give him enormous satisfaction. He noted that career opportunities exist across many different functions and within a range of market leading categories. With the right level of ambition and initiative, one can really make a difference here. For Alan, "Goodman Fielder is known for having highly capable and committed people and when you peel back the many layers of the organisation what also stands out, is the level of empowerment and support given to great and talented people and the satisfaction that comes from that."





### CORAL CATTON, PROCESS ADMINISTRATOR, CELEBRATES 40 YEARS AT GOODMAN FIELDER

Coral commenced employment at Gold Star Bakery at Alberton and then became part of the team at Goodman Fielder. "I am privileged to still have employment and still be working with a group of talented, dedicated and enjoyable people" she says. Coral highlights three important aspects she looks for in a job and describes how her experience at Goodman Fielder has given her all that:

- In any job, she looks to do work that is rewarding and challenging, and that allows her to leverage her skills and experience. She seeks out new challenges and ways to contribute, constantly learning and developing new skills. At Goodman Fielder, she says "I have been exposed to many varied and wide-ranging jobs from simple reconciliation of drivers' deliveries, to accounts payable and receivables, to working in payroll and even at times out on the lines in the bakery."
- It is important to feel appreciated for the work that she does and to know that she can make a positive contribution to the business. At Goodman Fielder, she also finds it rewarding to help her colleagues be successful with their responsibilities and find enjoyment in their work.

- It is important to enjoy being around the people she works with. She notes that "we spend as much time with the people we work with as we do with our families, yet we don't usually get to choose the people with whom we work. But if you're working with a company that has a good culture, is fair and honest with its employees and everyone is working together to deliver for our customers, then in my experience, you are working with good people."

> "I am privileged to still have employment and still be working with a group of talented, dedicated and enjoyable people. - CORAL CATTON

**FROM LANZHOU TO XINGPING – THE STORY OF GRADUATE, LI ZHUOLING**

Li Zhuoling joined Yihai Kerry Lanzhou Oils & Grains in July 2020 as Human Resource Executive, Learning and Development, through campus recruitment after her graduation. She decided to move to Xingping soon after due to personal reasons. After a comprehensive assessment on her individual competencies, the Group transferred her to Xingping Foodstuffs Human Resources (HR) team to lead on our training and corporate culture initiatives.

Being in a new team and location, Zhuoling had some initial concerns. Xingping's HR and Administration team however provided additional support for her transfer and to help her settle in her new role. With job rotations, Zhuoling and seven other trainees went to various plants to learn more about each production line. Through lectures, practical exercises and seminars led by the plant head, as well as guidance from outstanding mentors, she developed a broader mindset where she is able to develop new ideas and ways of working and deliver on projects with greater confidence.

Three months later, Zhuoling was already responsible for multiple projects such as leading team building and graduate programmes. She is ready to settle down and work hard in training and corporate culture. She firmly believes "the harder you work, the luckier you are and the more you learn, the wiser you are!"

**THE GROWTH JOURNEY OF A NEWLY RECRUITED UNIVERSITY GRADUATE IN WENZHOU OILS & GRAINS**

Wu Bingning, a fresh graduate, chose Yihai Kerry (Wenzhou) Oils and Grains Foodstuffs to kickstart her career as Quality Control Technician. The company developed a comprehensive training plan for her, exposing her to technology, equipment and management methods in the commercialisation and production of flour. Following the completion of the orientation programme and courses from the "Academy of Success", she was able to accelerate her transition from student to a working professional very rapidly. At the same time, the company provided her an outstanding career coach and mentor to guide her throughout her daily work. The leaders of the Wenzhou plant also organise regular one-on-one exchanges with her to help her grow professionally. Since joining, Wu Bingning is able to independently complete the tasks assigned to her by her superiors.

> The harder you work, the luckier you are and the more you learn, the wiser you are!
>
> - LI ZHUOLING





# Human rights and labour standards

**103-1, 103-2, 103-3**

*Human Rights offer universal recognition of the inherent dignity of every individual, making them one of the key principles we uphold. As a multinational company operating across borders, employing people from different nationalities and interacting with a huge range of cultures, Wilmar takes our responsibility to protecting human rights very seriously.*

We are committed to respecting human rights, as defined in the United Nations (UN) Declaration of Human Rights and ILO Core Conventions on Labour. 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 are also committed to implementing the UN Guiding Principles on Business and Human Rights.

## Wilmar's human rights framework

Our **Human Rights Framework**, launched in 2019, was developed in reference to the Organisation for Economic Co-operation and Development (OECD) Guidelines. It brings together all Wilmar policies relevant to human rights. The framework provides detailed instructions on the practical implementation of all principles. These include due diligence mechanisms for identifying, preventing, mitigating and accounting for our impacts on human rights, including remediating any adverse impacts.

Our **Human Rights Policy** sets out our commitment to respecting human rights across all Wilmar subsidiaries and associates, including suppliers and contractors. It focuses on the rights we have identified as the most pertinent, broadly classified into two areas: 1) Labour rights and; 2) Indigenous and Local Community Rights. Our Human Rights Policy also outlines the internationally-recognised standards and internal policies that guide our approach. Wilmar's **No Deforestation, No Peat and No Exploitation (NDPE) Policy** complements our Human Rights Policy by ensuring that the rights of people and communities are respected across our palm oil operations.

Central to our approach on human rights are our **Grievance Procedure** and **Whistleblowing Policy**. They both enable stakeholders to provide information, raise grievances or flag concerns through formal channels, anonymously and without the fear of reprisal. Any issues raised against Wilmar or our suppliers through either channel will be thoroughly investigated. We ensure that appropriate remedial actions are put in place for all confirmed grievance and complaints. In 2020, we published our **No Exploitation Protocol** for third-party suppliers, a dedicated protocol that supports our Grievance Procedure in addressing breaches related to the 'no exploitation' component of our NDPE policy.

# Wilmar's salient Human Rights issues

## Respecting Labour Rights

CHILD PROTECTION

WOMEN'S RIGHTS

NON-DISCRIMINATION / EQUAL OPPORTUNITIES

FREEDOM OF ASSOCIATION

NO FORCED, TRAFFICKED OR BONDED LABOUR

OCCUPATIONAL HEALTH AND SAFETY

## Respecting Indigenous and Local Community Rights

RESPECTING COMMUNITY AND INDIGENOUS LAND RIGHTS

SUPPORTING SMALLHOLDERS

## Access to Grievance Mechanism and Remedy

To implement our commitments on human rights, we actively participate in partnerships and various multi-stakeholder platforms that promote and support the protection of human rights. This includes consulting with human rights experts and CSOs to ensure we keep abreast of the latest developments and seek feedback on our approach and progress.

We also work hard to cascade human rights issues via capacity building to our suppliers, as well as developing supporting tools and guidelines to assist our suppliers in better understanding and implementing human rights.





## Respecting labour rights

**102-41, 407-1, 408-1, 409-1**

We commit to respecting the labour rights of all workers according to local, national and ratified international laws. We also commit to ensuring international best practices where legal frameworks are not yet in place. We use as reference the United Kingdom (UK) Modern Slavery Act, the Free and Fair Labor in Palm Oil Production: Principles and Implementation Guidance, as well as other Wilmar policies.

For our palm oil operations in Indonesia, we have been collaborating with our technical partner and expert, Verité – an independent non-profit organisation working to strengthen labour rights in supply chains. Since 2017, we have been exploring systemic labour and human rights risks that can occur in plantations, specifically in the Indonesian context. Areas we have looked into include, but are not limited to: understanding the possible root causes of child labour; the link between work and pay practices; and emerging labour issues. Through initial 12-month programmes at PT. Daya Labuhan Indah and PT. Perkebunan Milano in North Sumatra, Verité conducted an **assessment** on the ground with the aim of building internal processes and competencies, and developing sustainable solutions to recurring labour rights issues. Following the initial assessment, we implemented a three-year strategy to enhance our systems, **progress of which was reviewed** in mid-2020. We aimed to launch the same programme throughout our Indonesian operations in the second half of 2020, which has unfortunately been delayed due to COVID-19.

As an indication of our progress, Wilmar ranked 10th out of 43 of food and beverage companies in the **2020 KnowTheChain report**. The independent report evaluates and scores 43 of the world's largest food and beverage companies based on policies and practices to address forced labour and human trafficking risks within supply chains. We also ranked first in the agriculture sector and third across all industries in East Asia and Pacific in the **2020 Corporate Human Rights Benchmark** (CHRB). A total of 57 of the world's largest agriculture products companies were assessed in the agriculture category.

This is a testament to our progress in upholding and protecting the rights of people and increasing transparency through better reporting.

### PAYING DECENT WAGES

All Wilmar employees across the Group are paid at or above the legal minimum wages of their respective regions or countries.

Wilmar is committed to assessing and ensuring that our employees, contractors and suppliers are paid a living wage. We base our calculations on available living wage frameworks for countries we operate in, including the Global Living Wage Coalition, Wage Indicator Foundation, MIT Living Wage Calculator and RSPO Living Wage Benchmark. To date, we have assessed 100% of our employees and contractors to ensure that they are paid a living wage. We also provide free housing, facilities and benefits for those who choose to stay on site at our oil palm plantations operating in remote areas.

We target to assess all of our suppliers to ensure that they are paying their workers a living wage using our Supplier Reporting Tool (SRT) by 2021. For more details on SRT, please see the section on **Transforming our Supply Chain**.

### CONTRIBUTING TO THE RSPO GUIDANCE FOR IMPLEMENTING A DECENT LIVING WAGE (DLW)

Wilmar has been an active member of the RSPO Labour Task Force and has been a key contributor to the RSPO Guidance for Implementing a Decent Living Wage (DLW) – a much anticipated guidance document for the oil palm industry regarding the payment of a DLW for workers and their families to enjoy a decent standard of living. This approach takes into account family needs such as adequate housing, sanitation facilities, a clean water supply, medical care and children's educational requirements. As the RSPO Guidance on DLW provides benchmarks for Malaysia, Ghana and three provinces in Indonesia – Sumatra, East Kalimantan and West Kalimantan – we are in the process of calculating potential DLW in other regions where we operate.

General Manager of Group Sustainability at Wilmar, Ms Perpetua George, also joined the Decent Living Wage Task Force (DLW TF), which was formalised in January 2021. The DLW TF was formed to oversee the development of the RSPO DLW benchmarks globally.

## PREVENTING FORCED, TRAFFICKED AND BONDED LABOUR

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.

In our Malaysian and Indonesian palm oil operations, Wilmar carries out direct recruitment of workers and directly pays for all recruitment fees. Where we use recruitment agencies, we do so to support our documentation processes. This eliminates risks of forced or bonded labour which can happen via coercion or contract misrepresentation, or through the collection of recruitment fees from workers. In Nigeria and Ghana, we limit the use of any contracted agent to logistical and administrative purposes only. To prevent any risk of exploitation, all salaries and remuneration are transacted directly between Wilmar and the workers.

Our UK Modern Slavery Act Transparency Statement can be found on our **website**.

## COLLECTIVE BARGAINING

Wilmar respects the right of employees to collective bargaining and the right to form and join trade unions of their choice. In the absence of a proper collective agreement or association, workers are free to join any other unions. As of December 2020, 97% of our eligible employees worldwide are covered by collective bargaining agreements.

Situations and legislations vary from country to country. For example, in Nigeria, all permanent staff and management are eligible for union membership. However, in Ghana, managerial staff are precluded from union membership to prevent conflict of interest.

In the states of Sabah and Sarawak in Malaysia, where there is no formal workers union present, we have established social and welfare committees in all our plantations for workers to raise and address topics or concerns related to their working or living environment.

In Australia, all waged employees are covered by an industrial agreement (Award or Enterprise Agreement), while the remaining staff and managerial employees are covered through stand-alone contracts. There is one major union association present in Myanmar.

### MAINTAINING OPEN AND CONSTRUCTIVE DIALOGUE WITH VARIOUS TRADE AND WORKERS UNIONS

In Indonesia, our strong working relationship with labour unions helps to ensure continuous improvements for our workers' quality of life. Unions play an important role in improving worker-management engagement and to ensure healthy industrial relations. We also recognise that unions serve as effective mechanisms for raising grievances, as well to provide input on how to solve issues relevant to workers.

For example, in Indonesia, we work closely with the unions Serbundo and HUKATAN-Konfederasi Serikat Buruh Sejahtera Indonesia (KSBSI) when updating or renewing Perjanjian Kerja Bersama (PKB) or collective bargaining agreements (CBA). Typically, a CBA is specific to a single workplace or company site. Working with KSBSI, we also jointly negotiated and developed a multisite CBA for our West Kalimantan operations.

### LABOUR UNIONS IN CHINA

Every year, our trade unions in China receive proposals from employees and there is a meeting with employee representatives. With the concerted efforts of union members, employee representatives and company management, employees' proposals are reviewed. When approved, the proposal will be adopted in a timely manner and the handling process will be made public. In cases where the proposal is not approved, we will engage our employees to discuss the reasons or address concerns.





## PROTECTING THE RIGHTS OF CHILDREN

Wilmar does not tolerate child labour, any form of child exploitation or child abuse. While risks of child labour are higher in our upstream palm plantations operations, we are committed to protecting and safeguarding the rights of children throughout our operations. In 2017, Wilmar published our **Child Protection Policy**, outlining our commitment to respecting and protecting the rights of children. We have placed significant emphasis on providing children with access to education as one of the main interventions to protect the rights of children and preventing child labour.

We have built schools and crèches at all of our oil palm plantations for the children of our employees to attend.

In Indonesia, these facilities are also open to children from our local communities. In addition to building school facilities, we also provide free transportation to schools and subsidies for school fees and uniforms. In 2020, we supported 10,840 children of school-going age in their education. This means that around 92.2%[#] of children at our plantations attended school in 2020. This is monitored by a census at each plantation.

We also operate 145 crèches across our plantations in Indonesia, Malaysia and Ghana. As of December 2020, these crèches tend to 3,366 children of Wilmar employees. In Ghana a further 18 children from surrounding communities attend Wilmar crèches.

[#] EY has performed limited assurance procedures on this figure

### SUPPORTING CHILDREN'S RIGHT TO EDUCATION DURING COVID-19

The COVID-19 pandemic saw the closure of schools across the globe, with lessons moving online. However, for children in oil palm plantations, maintaining access to education during these times was a unique challenge:

- Stable and reliable internet connectivity is limited in many of the remote locations where our plantations are located.
- There is a lack of computers in households, with children having access to desktops mostly in schools.
- The cost of mobile internet data can be unaffordable for video streaming or virtual classrooms.

To mitigate the impact of school closures on children who live in our plantations in Indonesia, Ghana, Malaysia and Nigeria, we worked collectively with our partners, schools, teachers and parents to develop out-of-the-box solutions.

Malaysia: In our Sabah and Sarawak operations, the majority of our workers are from Indonesia and their children attend what are effectively private schools. We run primary schools jointly with NGO Humana Child Aid Society and run the junior secondary schools jointly with the Indonesian consulate, the Community Learning Centre (CLC). In addition to the challenges mentioned above, border closures, with many of our Indonesian teachers unable to return to their schools immediately, added another level of complexity.

CLC teachers and children adapted to a workable online lesson plan by relying on basic apps accessed by smartphones. This approach has worked well, but relied on teachers being on-site to check on the children's work. With movement restrictions eventually easing, teachers could do walk-abouts to check in on the children.

For the Humana primary schools, Wilmar has assisted with the printing of school materials and worksheets. Where necessary, we have designed an "internal homework postal system" where the plantation office or members of the WoW would deliver worksheets to the children in turns. The worksheets are then collected and handed over to the teachers for checking.

Ghana: We held radio broadcasts of educational programmes to supplement the official televised government school programmes. Where possible, we enabled access to televisions for official educational programmes.

Indonesia: Some of the schools were able to offer online lessons and we supported this through making laptops available where possible. We also enabled access to televisions where educational programmes could be broadcasted.

Overall, there was also a heavy reliance on social media and group chat functions such as WhatsApp, as a less data-heavy way to conduct lessons. Group chats were also used as a means to connect with parents on school work and lessons.

In China, through the Arawana Charity Foundation's Yihai Kerry Education Aid Programme, we have been building schools since 2007. As of December 2020, we have funded 38 schools in 16 provinces, municipalities and autonomous regions across the country. There are currently more than 16,000 students studying and more than 1,200 teachers working at the schools. For more information on the Yihai Kerry Education Aid Programme, see the section on **Economic and Community Contribution**.

In Australia, we have developed a series of child safety education programmes in schools and kindergartens known as the 'Cane Train'. This programme is aimed at educating children who live or attend school around sugar mills and distilleries. It outlines what sugar production looks like and how to stay safe in the surroundings.

In recognition of our efforts in protecting and strengthening children's rights, Wilmar was recognised as an industry leader in the **Global Child Forum (GCF) Southeast Asia 2020 benchmark** – scoring 9.4 out of 10 to emerge as the top performing company across all industries in Southeast Asia. We earned a similar similar recognition in 2019 by GCF, who also assessed Wilmar to be among the top global leaders in their 2019 global benchmark study.

For more information on women's rights and non-discrimination/equal opportunities, see the section on **Diversity and Inclusion**. For more information on Occupational Health and Safety, see the section on **Employee Health, Safety and Well-being** of this Report.

> We are committed to protecting and safeguarding the rights of children throughout our operations.

### CONDUCTING CHILD SAFETY ASSESSMENTS IN OUR PALM OIL OPERATIONS

Child safety is a significant issue in our upstream palm operations because our workers' housing estates, where children live with their parents, are located within our plantation. This community includes schools, crèches, clinics and other facilities where children could be present. Since 2018, we have conducted annual child safety assessments covering our upstream palm operations. Starting off in Indonesia and Malaysia in 2020, we expanded this annual assessment to our operations in Africa.

Carried out internally by a team independent of the plantation operation reporting structure, the aim is to understand the issues being reported that relate to the safety of children; to identify any reoccurring issues; and to record programmes or interventions being put in place to improve overall child safety.

In 2020, we identified and reported on additional measures linked to the COVID-19 pandemic aimed at creating a safer environment for children; raising awareness among caretakers and children; and protecting the health of children and families living in our plantations. Last year, based on close collaboration with our plantation Womens' Working Groups (WoW), we also studied health records in the plantation clinics to understand and identify any potential blind spots related to the health of mothers, infants and children.





### DEVELOPING 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, we developed a **Child Protection and Safeguarding Implementation Manual**.

Alongside a series of capacity-building workshops, this manual enables suppliers to learn, discuss and adopt pragmatic measures to strengthen the rights and protection for children. Since our first workshop in November 2019 in Jakarta, we have conducted three additional physical and one online workshop to gather feedback and finalise the manual.

To date, approximately 190 participants from supplier companies, government representatives, trade unions and CSOs attended the workshops. As part of the programme. The next phase will be a pilot for further refinement of the manual, with an intention to adapt the manual to allow for more generic applicability outside of Wilmar's supplier base. This will include partnering with other oil palm companies in the field testing and development of versions for other palm producing countries, like Malaysia.

### DEVELOPING THE CHILDREN IN PLANTATION (CIP) DIRECTORY

In collaboration with Earthworm Foundation (EF), Archer Daniel Midland Company (ADM), Avon and Nestlé, we have also developed a directory of social services to guide the private sector in improving the health, safety and education of children living on or near plantations for Malaysia. **The Children in Plantation (CiP) Directory** – available in English and Bahasa Malaysia – is the first publication of its kind in the country. It contains four priority areas: education, community engagement, birth registration and other child protection related services for children and youth living in the rural areas of Sabah.

## Respecting indigenous and local community rights

**411-1**

We are committed to respecting and upholding the legal and customary land tenure rights of communities, and the individual rights of indigenous and local communities. This commitment also extends to our suppliers as communicated in our **No Exploitation Protocol**. Prior to any new planting, Free, Prior and Informed Consent (FPIC) must be granted to ensure local communities have clear and specific avenues to negotiate the conditions of any project. This is in accordance with the United Nations Declaration on the Rights of Indigenous People (UNDRIP) and the High Carbon Stock Approach (HCSA) toolkit.

In land-related planning, participatory mapping is carried out to involve the communities, governments and where appropriate, supporting NGOs. If a dispute or conflict arises, we will follow the steps stipulated in our Grievance Procedure, in a timely and transparent manner. Where we have caused or contributed to negative human rights impacts, steps to remediate will be taken.

Where feasible, we also seek to support food security for local communities by assisting with establishment of other crops and food production business.

### CONFLICT RESOLUTION BETWEEN BARAT PT PERMATA HIJAU PASAMAN AND MALIGI COMMUNITY

Since September 2018, Earthworm Foundation (EF) has been supporting Wilmar and local communities in the Pasaman Barat district of West Sumatra, Indonesia, to reach a resolution over land tenure disputes. These issues relate back to a land acquisition in the 1990s and reflect the complex land use and ownership rights in Indonesia, as well as underlying factors influencing the many land conflicts active in this region.

In March 2020, Wilmar subsidiary PT Permata Hijau Pasaman Unit 2 (PHP 2) and the Maligi community successfully reached an agreement, concluding a long-standing conflict. EF released a **public report** detailing the resolution process and the outcome.This resolution of conflict was reached by establishing mutual trust and conducive conditions for open and constructive discussions. Mutual trust was achieved through transparent practices, including intense consultation, dialogue and negotiation with local people following the FPIC process.

Through this process, EF was also able to provide us with recommendations on strengthening our internal systems for stakeholders to raise and for Wilmar to resolve grievances related to social conflicts. In particular, one important lesson we took away was the need to engage directly with the community on the ground to understand first-hand what their concerns and needs are. The success of this intense negotiation provides a blueprint for Wilmar to overcome such cases in other subsidiaries in line with our NDPE commitments.

### ALLOCATING LAND TO GROW VEGETABLE CROPS AT OUR BENSO OIL PALM PLANTATION (BOPP) OPERATIONS IN GHANA

At BOPP, we have been allocating areas of land to our workers, especially along roadsides, for them to grow vegetable crops. Most farmers grow mixed crops including maize, cassava, plantains, cocoyam and other vegetables.

While farmers practise mostly organic farming, BOPP plays a supervisory role to ensure the safe and responsible use of agrochemical and other safety protocols are followed.

This programme has helped to increase food security for most of our workers, which in turn has increased their productivity on our plantations. Through this initiative, workers are able to grow a variety of crops close to their house, contributing to a healthier and more balanced lifestyle for themselves and their families.





# Diversity and inclusion

**103-1, 103-2, 103-3, 405-1, 405-2, 406-1**

*With a diverse global workforce, we benefit from new and unique perspectives that help us to serve our wide range of customers and consumers. At Wilmar, we are committed to fostering a diverse and inclusive work environment that empowers everyone to be their individual and unique selves. Recognising that women play an important part in our workforce, we are also working towards creating a fairer and more inclusive workplace for them. Diversity is our strength.*

Every Country Head and Business Head is accountable for supporting and encouraging diverse and inclusive practices at Wilmar. We have a number of policies supporting our approach. Our **Equal Opportunity Policy** sets out our commitment to ensuring all employees have the right to equal opportunities and treatment, regardless of ethnic origin, gender, national origin, age, social class, religion, sexual orientation, gender identity, union membership, political affiliation or disability. This commitment applies to all of our HR processes, including recruitment, promotions, training and development, and retirement. Our **Board Diversity Policy** ensures that Directors are selected from a wide range of backgrounds with diverse skills, qualifications and relevant experience.

Although operating in traditionally male dominated industries, we are progressively working towards improving female representation at all levels of our workforce. In 2020, 23% of our total employee headcount was female. Women also make up 20% of all management positions. Regardless of gender, all employees and workers are paid equally based on their role and experience.

### Women in Wilmar 2020

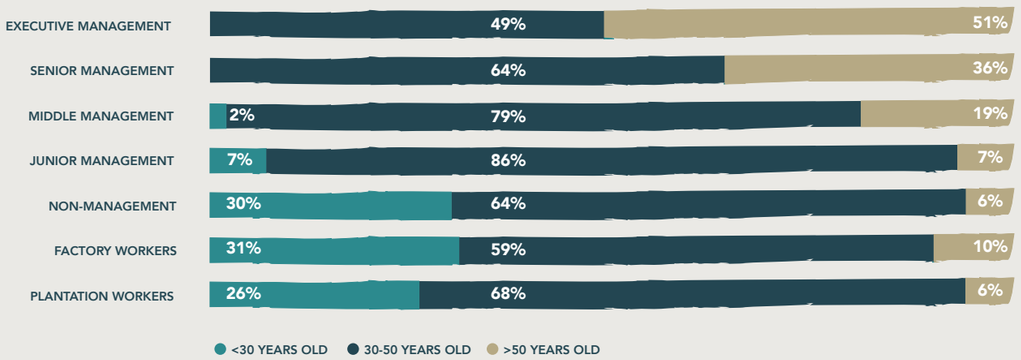
**23%**
of our total employee

**20%**
of all management positions

### GENDER DIVERSITY BY EMPLOYEE CATEGORY

> Although operating in traditionally male dominated industries, we are progressively working towards improving female representation at all levels of our workforce.

### AGE DIVERSITY BY EMPLOYEE CATEGORY




### FEMALE REPRESENTATION IN OUR WORKFORCE


* Employees with a maximum of two levels away from the CEO





### RATIO OF WEIGHTED AVERAGE ANNUAL BASIC SALARY BY EMPLOYEE CATEGORY

| | RATIO FEMALE TO MALE |
|---|---|
| Executive Management | 0.99 |
| Senior Management | 0.90 |
| Middle Management | 0.94 |
| Junior Management | 1.02 |
| Non-Management | 1.58 |
| Factory workers | 1.06 |
| Plantation workers | 1.00 |

### RATIO OF WEIGHTED AVERAGE ANNUAL REMUNERATION BY EMPLOYEE CATEGORY

| | RATIO FEMALE TO MALE |
|---|---|
| Executive Management | 0.98 |
| Senior Management | 0.89 |
| Middle Management | 0.98 |
| Junior Management | 1.00 |
| Non-Management | 1.31 |
| Factory workers | 0.97 |
| Plantation workers | 0.86 |

## Empowering women

In 2019, Wilmar launched our **Women's Charter** which outlines our commitment to respecting women's rights and ensuring their welfare. A number of other policies, including our **Sexual Harassment, Violence and Abuse, and Reproductive Rights Policy** supports our Women's Charter. This Charter takes account of the fact that Wilmar employs people to work in diverse environments, including plantations, factories and offices. The Charter applies to our operations globally and is implemented through various initiatives that are suitable to specific local environments.

We began establishing women's committees in our palm oil plantations in 2007, regardless of RSPO certification status. As of 2020, we have established Women's Working Groups (WoW) or Gender Committee in 100% of our oil palm plantations in Ghana, Indonesia, Malaysia and Nigeria. Wilmar's Women's Charter is implemented in our upstream oil palm plantations through the local WoW, who report directly to the plantation or mill management.

Prior to that, we formed the Women's Committee Steering Group (WCSG) in April 2019 to ensure that there is consistency and alignment with the five key issue objectives:

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

In 2020, there were zero incidents of harassment or discrimination across our Group.

### SUPPORTING DIVERSITY AND INCLUSION IN THE SUGAR INDUSTRY

In Australia, Wilmar is part of **Diversity Council Australia Limited**, an independent organisation spearheading equitable diversity and inclusion in the workplace, with a goal of developing or supporting initiatives to establish a diverse and accommodating workplace for all employees. Recognising that sugar mills are important employers in the region, Wilmar also began an apprenticeship programme for young women in Queensland. We were not able to proceed with this in 2020 due to COVID-19 restrictions. We hope to continue this programme in 2021.

### SUPPORTING MATERNAL AND CHILD HEALTH

Through the efforts of our WoW, we have launched a number of initiatives aimed at improving the health and well-being of women at our oil palm plantations, especially maternal health. We also support healthy and safe childcare.

We organise and conduct trainings, group sessions and meetings to raise awareness on reproductive rights and birth control options; the importance of regular screenings for breast and cervical cancer; nutrition; awareness on child diseases, like hand foot mouth disease; and the importance of childhood vaccinations. In conjunction with local hospitals and local health authorities, we also carry out health-related campaigns, for example on the importance of the polio vaccination. We also facilitate equal access to health services.

Crèches are an important part of our work towards enhancing women's welfare as they provide a safe place for children to be looked after while they go to work. To improve the safety of our crèches, we introduced creche registration and attendance records for children. The crèche records provide general information on the child, such as attendance and vaccination history, which our crèches will use to ensure children receive all mandatory immunisation. Together with the maternal health cards that track women's pre-natal and ante-natal health, this provides a good indicator to understand the health status of families.

### STRENGTHENING THE INVESTIGATION PROCESSES FOR SEXUAL HARASSMENT CASES

In 2019 and 2020, we focussed our efforts towards improving the reporting and handling of cases related to sexual harassment in our plantation operations.

WoWs and Gender Committees were initially set up as channels to receive and investigate any sexual harassment-related cases. However, it became apparent upon further review that there were also a number of reported cases that did not constitute sexual harassment. This was overwhelming and burdening the WoW teams, who took responsibility to investigate all reported cases. Examples of such cases include incidents where parents object to their adult children's consensual relationships or spouses raising cases of extra-marital affairs.

To address this, capacity building to explain what constitutes sexual harassment was carried out amongst the WoW members as well as to workers in the plantations. This provided more clarity to the WoW teams and helped to strengthen the understanding of sexual harassment, ensuring that resources were not inadvertently taken away from actual cases.

We also identified the need to have better "after-care" support for victims of sexual harassment once the cases are closed out. Skills and training for counselling were identified as particularly important for the WoW teams. In 2021, we will be working with women's rights specialist organisations to strengthen our sexual harassment reporting and handling procedures, including improving "after-care" support for victims of sexual harassment. Beginning with all WoW in our Malaysian operations, we will be working with Women Aid's Organisation (WAO), a Malaysian-based CSO that promotes women's rights, specifically on addressing violence against women. WAO will provide training to members of WoW on gender-based violence.





"While women in agriculture largely fill roles that are supporting in nature, women are also increasingly taking on leadership roles."

**KIMBERLY TAN LEE WERN**
Senior Sustainability Officer - Third Party Compliance

"Upon joining Wilmar, I was posted to our Sapi oil palm plantation in Sabah where I was pleasantly surprised to discover that there were plenty of women who helped form the backbone of operations in a male-majority environment.

I have witnessed women operating heavy machinery and tractors expertly and women in both managerial and engineering roles in the mills and refineries. We also have women trudging and powering through rough and at times dangerous, jungle tracks to carry out conservation-related activities. We even have women who are card-carrying Wildlife Wardens in Sabah, authorised to not only arrest those suspected of wildlife trafficking, but to also stop any type of vehicle, including aeroplanes from taking off! The reality is that the agriculture sector is still very much male-dominated. However, what I have experienced is that there is a growing recognition of the importance of women working in this industry. While women in agriculture largely fill roles that are supporting in nature, women are also increasingly taking on leadership roles.

The one common thread among the women I have spoken to is, how facing and overcoming challenges is a key requirement for women to be successful in the workplace. On top of working hard and being enthusiastic about new challenges, this is what sticks to my mind: We need to recognise our value and contributions towards the organisation we work for and this requires us to first acknowledge the specific challenges that women face.

Doors are being opened for girls and women every day and we must work to ensure we can help keep those doors open for future women to also achieve their dreams."

HEARING FROM SOME OF OUR FEMALE EMPLOYEES

## Rashmi Rajashekar

**MANAGER - SUSTAINABILITY & SUPPLY CHAIN**

"At 24, I made the decision to move from India to join Wilmar as a management trainee in the sustainability team, which had me nervous yet ecstatic. I had the opportunity of experiencing many firsts - discovering a new role while navigating a new culture, as well as working with and getting to know new people in a completely new country - a chance to make memories that would last a lifetime.

Over the past eight years, I have had multiple opportunities to work with people across various geographies, foster relationships and forge partnerships that have moulded me into the person I am today. Each experience has been stimulating, satisfying, challenging and refreshing in its own right.

From the curious young woman who started out, to today, a confident young mother, Wilmar has played a pivotal role in my life; not just in nurturing my professional career but also providing a stable foundation that allows me to balance my personal life. I believe that everyone at Wilmar is not only presented with equal opportunities but also backed by a management par excellence and I am truly grateful for it all.

As Confucius rightly said, 'Choose a job you love and you will never have to work a day in your life.'"

## Zhang Mengmeng

**EXECUTIVE, LOGISTICS & PLANNING**

"I joined Yihai Kerry Zhoukou Oils and Grains in 2018 and was responsible for operations and planning work. In 2020, I was recommended bed rest during my pregnancy due to health conditions. At the same time, I was concerned that my work would be affected and that I did not have enough days of leave. After learning about my condition, the company assured me that my work could be shared among my colleagues and that they did not expect me to work from home as work-stress could affect my rest and the pregnancy. I was able to take three months of medical leave to focus on my health, with the company being very supportive and checking in on me regularly. I am very grateful for the company's concern and support and being able to go back to work once my health condition stabilised."

## Perpetua George

**GENERAL MANAGER - GROUP SUSTAINABILITY**

"I officially joined Wilmar International on 1 January 2015 as the Assistant General Manager (GM) of Group Sustainability.

I was already coming into my second month of pregnancy and was a bit concerned as this would mean I would be giving birth relatively soon after joining.

Once I reached the end of my first trimester and was secure in the pregnancy, I informed my immediate superiors (Simon Siburat, who was at the time, the GM of Group Sustainability and Jeremy Goon, our Chief Sustainability Officer) – and was immediately reassured that there was no issue with my taking maternity leave (60-days statutory paid leave in Malaysia) and that my job was not going anywhere!

I was still breast feeding when I came back to work after maternity leave and as I travelled around our company in Singapore, Indonesia, Malaysia and elsewhere – I found so much support in being provided with nominated space to accommodate my ongoing lactation, as well as refrigeration and freezer storage for my breast milk. While in Wilmar premises, I never had to have the indignity or demoralisation of having to be forced to pump in a toilet – though this did happen once, ironically in a fancy hotel in Singapore where I was attending an external meeting.

With support from work – I successfully breast fed up until my son self-weaned around his first birthday."

## Alida De Fluiter

**SENIOR HUMAN RESOURCE BUSINESS PARTNER**

"I started with Goodman Fielder in 2015 and have been fortunate to have been supported through different career opportunities and different personal life stages. As part of the HR team, I can say I have truly experienced flexibility in action.

We had our son Aidan in April 2019 and I returned from maternity leave to work part-time in March 2020. In my first week back at work, Goodman Fielder commenced working from home due to COVID-19 restrictions. As a New Zealander living in Australia and with ongoing border closures, my husband and I decided it was time to return home to New Zealand. My leader supported me to continue in my role working in a remote capacity. I feel so lucky to be living our ideal lifestyle close to family, whilst also continuing my career."

# Employee health, safety and well-being

**103-1, 103-2, 103-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-7, 403-8**

*Inculcating a culture of safety across our entire business is an ongoing priority for Wilmar. We strive to ensure the health, safety and general well-being of our employees, workers and all those involved in Wilmar's operations. Not only is this a fundamental right, but it also ensures we have a healthy, motivated and productive workforce. With our workers undertaking a wide range of different tasks - such as harvesting, operating heavy machineries and transporting goods - any lapse in health or safety protocols either directly or indirectly impacts our people as well as our operations.*

## Environment, Health and Safety (EHS) management system

We developed and implemented the Wilmar Integrated Management System (WIMS) - an integrated EHS management system that follows internationally recognised standards, including ISO 14001:2015 and ISO 45001:2018 - in order to effectively minimise workplace health and safety risks linked with our activities. WIMS covers the entire Wilmar group and all of our employees, despite EHS management systems only being mandatory in selected countries. WIMS allows us to implement an overarching global system that ensures a common and consistent approach to EHS management. We established EHS Committees at country or site level as a forum for open communication between employees and management to address EHS issues affecting Wilmar's workforce. We constantly review WIMS in an effort to improve our health and safety performance.

We also developed the Wilmar Process Safety Management Policy and a 14-element Process Safety Management Standards based on the Occupational Safety and Health Administration (OSHA), to further reduce the risk and severity of EHS hazards. The standards cover process hazard analysis, high risk work, contractor safety, management of change and investigation of incidents. Our Process Safety Management Standard has been rolled out to all oleochemical production facilities and hazardous operations.

> We strive to ensure the general well-being of our employees, workers and all those involved in Wilmar's operations.





## Health and safety hazard identification and risk assessments

Risk assessments, which are aligned with national and ISO standards, are carried out by trained personnel. They identify work-related hazards and appropriate measures to eliminate or minimise them. The results are used to continuously enhance the WIMS, our risk controls, Standard Operating Procedures (SOPs) and to identify relevant training needs. Wilmar has developed a systematic and documented process to identify EHS hazards and evaluate risks related to routine and non-routine tasks. For routine tasks, a Job Safety and Environmental Analysis (JSEA) is completed to identify health and safety hazards before starting work in a site, to identify any unique hazards associated with the job or work environment. Wilmar uses the hierarchy of controls when identifying control measures.


## Health and safety training

Raising EHS awareness among our employees is crucial, beyond having in place standards and systems, to prevent workplace accidents. One of the WIMS requirements is that all our workers attend relevant EHS training, especially for those performing higher risk tasks. We conduct regular trainings and provide access to education materials in relevant languages to ensure that our workers are up to date on requirements and best practices.

Since the COVID-19 pandemic disrupted travel and face-to-face trainings, we have built a new learning management system in collaboration with our Group IT to complement our current training programmes. We have since been developing training materials which can be accessed by our employees and workers online. Going forward, we will be focusing on high-risk work training using the system before looking into other areas.

**HIGH RISK WORK INTERVENTION PROGRAMMES:**

Wilmar's EHS team first developed seven High Risk Work Standards with training materials and gap assessment tools in 2016. Since then, these are regularly revised and updated to provide guidance, build awareness and monitor compliance on the ground. High Risk Work includes:

1. **Work at Height**
2. **Energy Isolation**
3. **Confined Space Entry**
4. **Hot Work**
5. **Excavation**
6. **Traffic Management**
7. **Lifting and Rigging**

## Promoting worker health

All of our employees and workers are provided with personal protective equipment (PPE) and best practices on health and safety are shared between sites. In some of our operations, workers and their families have access to on-site clinics for free. In our facilities where we do not have clinics on-site, we establish an agreement with a nearby hospital to ensure quick medical treatment should the need arise. We will provide health insurance for employees, with some covering family members as well, across most of our operations. However, our provision of health insurance excludes Australia and New Zealand, as both countries have excellent free medical services.

**IN ADDITION TO GROUP LEVEL EHS PLAN AND PROGRAMME, OUR VARIOUS OPERATIONS TEAMS ACROSS DIFFERENT BUSINESSES HAVE ALSO IMPLEMENTED A NUMBER OF INITIATIVES:**

- **Hand and Finger Safety Campaign (India):** Following an increase in reported cases of hand and finger injuries at our production facility in Neemuch, India, a Hand and Finger Safety Campaign was rolled out. The campaign was based on the findings from an audit on machine guarding that we carried out. It involved training all workers to ensure they understand machine guarding methods, roles and responsibilities. We observed improvements in the way workers behaved around machinery and a reduction in injuries.

- **Danger Prediction "Pointing and Calling" Programme (China):** In order to create a health and safety culture among workers and ensure that they are able to recognise risks related to different tasks and appropriate controls to be implemented, we rolled out our Danger Prediction Programme. Targeted at workers conducting non-routine and high-risk routine tasks, the programme helped to reduce the rate of incidents. More significantly, the health and safety awareness of workers increased, as we observed improved practices around safety.

- **Piloting an Intelligent Safety System (China):** An Intelligent Safety System was introduced at our Hangzhou facility in China, as a platform for effective safety management and supervision. The system uses the new generation of information technologies, including Internet of Things (IoT), Artificial Intelligence (AI), big data among others, to enhance safety monitoring. For example, if workers do not wear proper PPE such as safety helmets or harnesses in the loading and unloading areas, an alarm and notification will be triggered to inform supervisors, who can monitor adherence through computers and mobile phones. This system helps to promote the safety of our workers by providing efficient supervision.

- **Emergency Response Preparedness (Australia):** All of our sugar mills have a trained Emergency Response Team (ERT) on site to provide the first response to emergency situations until the arrival of an external emergency service. ERT members at our Invicta Mill near Giru in Queensland, Australia, were given a guided tour of an ambulance to help better prepare them for potential emergency situations on-site. Giru's Queensland Ambulance Service (QAS) paramedics showed team members inside the vehicle and gave them the opportunity to familiarise themselves with some of the medical equipment. The visit was also an opportunity for the team to learn about how they can most effectively assist paramedics responding to an emergency.





- **Introducing an industry leading Learning Management System (LMS) (Australia):** Goodman Fielder introduced an industry-leading LMS platform with the objective to standardise the delivery of HSE training. The platform has since expanded to include Quality, Sales and Marketing content and offers more than 180 individual training courses. With over 3,900 users, Goodman Fielder employees have completed over 28,000 courses to date.

- **Environmental Health & Safety (EHS) Awareness Week (Ghana):** Our Benso Oil Palm Plantation (BOPP) estate in Ghana introduced an annual EHS Awareness week for the entire workforce and school pupils. Following the theme "If it is not safe, don't do it", the 2020 awareness week involved discussions on relevant policies, EHS performance throughout the year and plans going forward. We also organised a quiz competition as a fun way to help retain some of the key messages from the week.

- **Wilmar Safety Observation (WILSO) Programme (Indonesia):** Our subsidiary PT. MNA Serang in Banten Province, Indonesia, implemented WILSO in order to improve safety awareness and prevent the occurrence of accidents. The ongoing programme targets around 50 people in supervisor positions and above each year. The programme focuses on encouraging better communication among employees, identifying the root causes of unsafe working practices and promoting the principle that "all injuries can be prevented". Accidents have decreased since the implementation of WILSO, highlighting the important role supervisors and management play in creating a safe working environment.

- **Improving FFB harvesting safety near overhead power lines (Indonesia):** To ensure the safety of our workers harvesting FFB near overhead power lines, we have an ongoing programme targeting approximately 500 individuals each year. The programme trains our teams, including harvesters, field officers, field conductors and harvesting foremen on safe harvesting techniques. We also provide adequate equipment, including insulator poles and guide individuals on the proper use, maintenance and storage of this equipment. This has helped to raise awareness of the risks and proper practices that need to be applied. Most importantly, it has helped to prevent injuries and fatalities.

> We believe in cultivating an open reporting culture and have been building a global EHS reporting platform.

## EHS reporting, incident reporting and investigations

**403-9, FB-AG-320A.1**

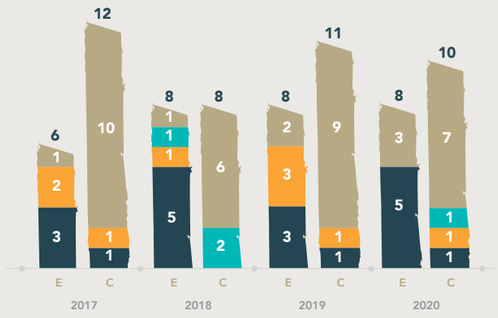
We believe in cultivating an open reporting culture and have been building a global EHS reporting platform through the Enablon software. It helps us manage EHS performance, ensure compliance with relevant laws, minimise risks and drive efficiencies. The platform was first introduced in 2016 and has been rolled out to all sites where Wilmar has operational control.

Wilmar has also developed an Incident Reporting and Investigation Standard that all sites are required to follow in the instance of a work-related incident. The standard details how incidents are to be investigated and managed, as well as putting in place corrective and preventive actions. It also stipulates the process for reporting incidents, including on Enablon. All of our employees and workers can remove themselves and report situations that they believe could cause injury or ill health, without fear of reprisal.

In January 2020, Wilmar formalised a Fatality and Permanent Disability Incident Process, stipulating that disciplinary action will take place at the site's senior management level should systems and training fall short of required standards. Through this more stringent approach, we hope to avoid any repeat incidences which could have been reasonably avoided through proper execution of improvement plans.

We regret to report 19 work-related fatalities among our employees and contractors in 2020. Ten and seven fatalities occurred in our factory and palm plantations respectively and nine involved contractors. The three most common causes included vehicle accidents, health or medical conditions and fall from heights. Any loss of life is unacceptable to Wilmar and we will continue to strive to eliminate fatalities in our operations. We will continue to strengthen our SOPs and our High Risk Work Intervention Programmes, especially Traffic Management and Work at Height programmes.

### FATALITIES: EMPLOYEES AND CONTRACTORS




**NOTE:** There were no work-related fatalities at our sugarcane plantations in 2017, 2018, 2019 and 2020. There were no work-related fatalities at our sugar mills in 2017 and 2019.

### FATALITY RATE (FR) PER 200,000 HOURS WORKED: EMPLOYEES AND CONTRACTORS

| | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|
| Oil palm plantations | 0.009 | 0.011 | 0.008 | 0.013 |
| Palm oil mills | 0.038 | 0.013 | 0.048 | 0.013 |
| Sugar mills | 0.000 | 0.121 | 0.000 | 0.016 |
| Factories | 0.016 | 0.010 | 0.014 | 0.012 |
| Wilmar Group | 0.014 | 0.012 | 0.014 | 0.012 |

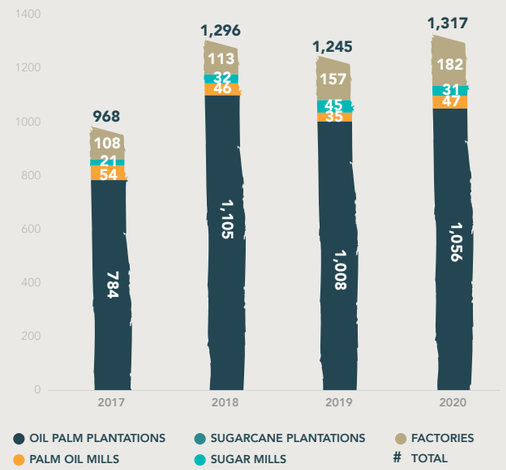




Wilmar's Lost Time Injury Rate (LTIR) has slightly increased by 2% from 0.89 in 2019 to 0.91 in 2020, partly due to improvements in our reporting and a classification of incidents. Out of the Lost Time Injuries (LTI), 80% were recorded in our oil palm plantations and 14% in our factories worldwide.

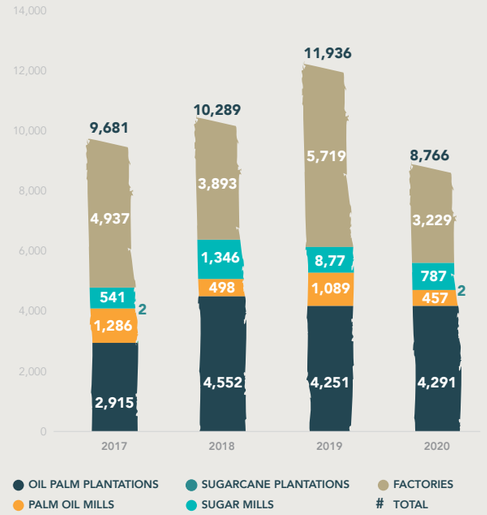
In 2020, 8,822 Lost Work Days (LWD) were recorded compared to 12,199 in 2019. Overall, we have reduced our Lost Work Day Rate (LWDR) by 30%. A reduction has been recorded in all business segments. More than 3,000 lost days have been avoided (mainly from our factories and palm oil mills) through High Risk Work Intervention Programmes.

### TOTAL LOST TIME INJURY (LTI): EMPLOYEES AND CONTRACTORS



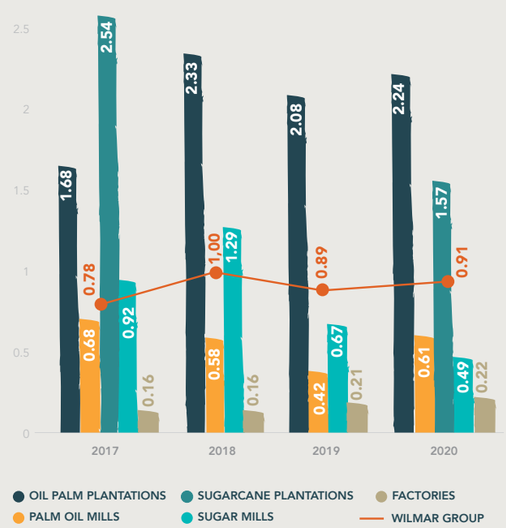

**NOTE:** There were no loss time injuries at our sugarcane plantations in 2018 and 2019.

### TOTAL LOST WORK DAYS (LWD): EMPLOYEES AND CONTRACTORS

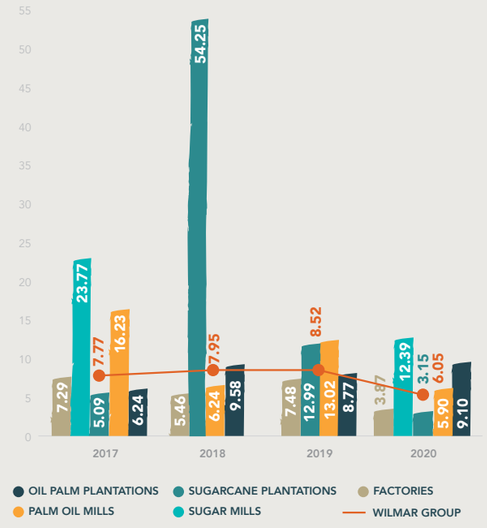



**NOTE:** There were no lost work days at our sugarcane plantations in 2018 and 2019.

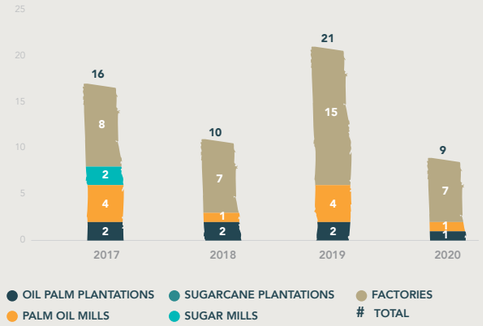
### LOST TIME INJURY RATE (LTIR) PER 200,000 HOURS WORKED: EMPLOYEES AND CONTRACTORS




### LOST WORK DAYS RATE (LWDR) PER 200,000 HOURS WORKED: EMPLOYEES AND CONTRACTORS



### PERMANENT DISABILITY (PD): EMPLOYEES AND CONTRACTORS




### PERMANENT DISABILITY RATE (PDR) PER 200,000 HOURS WORKED: EMPLOYEES AND CONTRACTORS

| | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|
| Oil palm plantations | 0.004 | 0.004 | 0.004 | 0.002 |
| Palm oil mills | 0.050 | 0.013 | 0.048 | 0.013 |
| Sugarcane plantations | 0.000 | 0.000 | 0.000 | 0.000 |
| Sugar mills | 0.088 | 0.000 | 0.000 | 0.000 |
| Factories | 0.012 | 0.010 | 0.020 | 0.008 |
| Wilmar Group | 0.013 | 0.008 | 0.015 | 0.006 |

## Health and well-being

**403-6**

Beyond operational health and safety, we recognise that employees who are healthy and well-looked after contribute to the productivity and success of the company. We are committed to promoting the well-being of our workforce by implementing various initiatives that support work-life balance and healthy habits in the workplace and at home. For example, annual medical check-ups are required in most of our operations. In some parts of the business and for certain roles, we also require workers to undergo on-going medical assessments to ensure that they are fit to work and have not suffered any unintentional consequences from more hazardous tasks. Some of our operations also provide group personal accident insurance, offering employees with added security should they encounter an accident, and reducing the burden of medical expenses on them. In line with our Women's Charter, we also take into consideration and cater for women's well-being.

Across our operations, we organise a range of Health and Wellness initiatives to promote well-being. These cover a wide range of areas, including smoking cessation, exercise, nutrition, vaccination, domestic violence and mental health.


↑ Our colleagues at Wilmar Sugar Australia in support of mental health awareness through the 'R U OK' initiative

### SUPPORTING THE R U OK? INITIATIVE:

Wilmar Sugar Australia supports the national R U OK? initiative through efforts to raise mental health awareness amongst employees and workers. This encourages them to reach out and support colleagues who may be going through a difficult time. In 2020, a Mental Health Week was organised, with information sessions set for each day in the week on the following topics: Well-being at work; Moving well; Sleeping well; And eating well. To encourage individuals to have a conversation, we offered vouchers for a free coffee which could be redeemed with another person only. We also held a Teal and Purple day which focused on domestic violence and suicide awareness, developing the slogan 'Break the Silence – Stop the Violence.'

Wilmar Sugar is also running a programme called 'Firing on all Cylinders' which consists of two days focusing on achieving high performance by better management of the physical, emotional, spiritual and mental energies. Currently this programme is only targeted for managers.

### PROVIDING FREE ACCOMMODATION TO FACTORY WORKERS:

YKA provides free accommodation for employees in many of our factories. Dormitory rooms are equipped with desks, chairs, air-conditioning and en-suite washrooms. Facilities include gymnasium, badminton halls, nursing rooms, reading rooms and canteens. In addition, we organise a number of events, including games and other team bonding activities. We also provide bus transportation between the dormitory and factory. For workers, these arrangements greatly reduce living costs and helps to create good relationships amongst colleagues and better integrate them as part of the YKA team.





### LOOKING AFTER OUR EMPLOYEES DURING THE COVID-19 PANDEMIC

Keeping our employees and workers safe during the COVID-19 pandemic has been an ongoing priority. This not only included putting effective health measures in place to keep employees and workers healthy and safe, but also ensuring that their mental well-being is being cared for amidst lockdowns and various other restrictions being imposed across the world.

Three of our factories are located in Wuhan, the epicentre of the pandemic. With China reacting swiftly and therefore successful in managing the spread of the virus, we were able to package the standard operations procedures, policies and practices used for our China operations and roll them out to all our operations globally. This reduces the need for our operations in each region to develop a new procedure.

#### WILMAR SUGAR

We implemented a range of measures to manage the threat posed by COVID-19 to our people and their families, as well as our contractors, customers and the broader community. We introduced a COVID-19 Guideline which includes health controls, safe distancing measures at worksites, restrictions on face-to-face meetings and a stringent cleaning regime. More recently, we also introduced COVID-19 Safe Plans to enable return of office workers to the workplace, in line with government guidelines.

**1.** Increased focus on sanitation. We set up hand washing and sanitising stations and placed posters showing the importance of and proper hand washing techniques. To accommodate the shortage of hand sanitisers, we diverted some of our R&D labs to produce alcohol-based hand sanitisers using the WHO guidelines for local production. These hand sanitisers have been distributed internally for use by workers in Wilmar, as well as to local communities. We also continue to regularly disinfect work areas and other key places in our plantations, using a solution of sodium hypochlorite.

**2.** Social distancing measures: We enforced safe distancing measures (of at least 1.5 meters) during field operations such as during muster, in worker transport and in facilities like clinics and creches where they remain open.

**3.** Regular screening of COVID-19 symptoms: We conduct regular health screenings of COVID-19 symptoms by specially trained staff equipped with infra-red thermometers. Checks are done prior to entrance to enclosed workplaces such as offices and mills, as well as during muster - before workers leave for their various field sites. Regular checks are also done for all residents in plantation housing.

#### OIL PALM PLANTATIONS

In our oil palm plantations, we established COVID-19 Management and Implementation Teams responsible for putting in place a strategy for handling operations and develop guidelines. These teams are generally made up of plantation and mill operations, purchasing, sustainability, EHS, women's committee, human resources and plantation health service personnel.

Since March, we have introduced special SOPs that have been guiding our operations. These SOPs are localised and have been implemented in Malaysia, Indonesia, Ghana and Nigeria. SOPs cover our mill and plantation operations, as well as housing areas within our operations and dealings with external people. The structure and format of the SOPs differ regionally as they are designed to take into account each country's context. Examples of measures include:

#### WUHAN FACTORY

In February 2020, the COVID-19 pandemic entered a critical stage in Wuhan and a city lockdown was enforced impacting many lives. During this time, residents saw a shortage of many food staples and everyday items.Wilmar sent a care package to our employees based in Wuhan containing edible oils, rice, noodles and surgical masks.

We continue to follow government guidelines where we operate, including work from home measures. We also enabled flexible work arrangements for our employees based on their preference. Some of our country heads have also implemented "coffee time" to allow their employees to have open conversations and share their concerns. These measures have enabled us to continue operating with minimal disruptions and ensure a safe and healthy workplace for all workers.

# Economic and community contribution

**103-1, 103-2, 103-3, 201-1, 203-1, 203-2**

*Wilmar's long term success is based on being a valued partner to the communities where we operate. We recognise that our activities can have varying degrees of economic, social and environmental impacts on our communities. As an integrated business of our size and with a presence across the entire value chain of food production, we are in a unique position to enhance livelihoods and contribute to socio-economic development. We are committed to using our experience on the ground to support rural development and enhance the livelihoods of oil palm smallholder farmers and sugar cane outgrowers. We also allocate funds towards community investment and philanthropic activities that support specific causes and the underprivileged. We rely on effective stakeholder engagement and meaningful partnerships to have a lasting positive impact.*

## Supporting rural development

In our palm oil operations, we provide infrastructure and programmes that support rural development. This includes the building of schools, housing for our workers, roads for better access to and around our plantations and more.

> "Wilmar's long-term success is based on being a valued partner to the communities where we operate.

### PROVIDING LIVESTOCK AND VEGETABLE FARMING TO SUPPORT COMMUNITIES IN INDONESIA

To empower villages in North Sumatra, Indonesia, we donated over 100 goats over the course of 2020. As one of the most common livestock in Indonesian communities, goats are relatively easy to breed and support the economic needs of villages. In addition to goats, we provided villages with vegetable seeds, water pumps, hoses and plastic drums.

### PROVISION OF HOUSING AND INFRASTRUCTURE FOR WORKERS AT OUR PLANTATIONS

We provide all workers on plantations with adequate housing to make sure they can live comfortably and have access to all essential amenities. For example, in Malaysia, we provide different types of housing to accommodate for families of different sizes. We also build clinics, crèches, shops, canteens, religious buildings, community halls, schools and more to ensure workers and their families have access to various types of facilities.



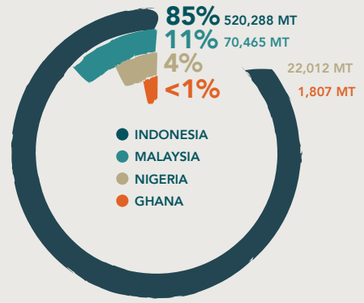


## Supporting oil palm smallholder farmers

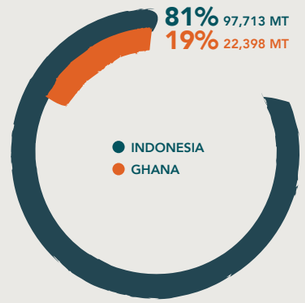
Smallholders are a critical part of the palm oil industry but face unique challenges in terms of their productivity, profitability and sustainability. Smallholders account for 8.4% of Wilmar's fresh fruit bunches (FFB) supply base. In 2020, we received 120,111 metric tonnes of FFB from 10,738 scheme smallholders and 614,572 metric tonnes of FFB from 25,876 independent smallholders — 1.4% and 7% of our total supply respectively.

We are committed to ensuring that 100% of our independent smallholders covered by our programmes have access to a platform for expertise and the sharing of best practices in order to help them achieve NDPE compliance and enhance their livelihoods. Currently 100% of our scheme smallholders and 73% of our independent smallholders are covered by our programmes. We aim to reach 100% of our independent smallholders through our programmes by 2020 for Ghana, 2023 for Nigeria and 2025 for Indonesia.

### VOLUME OF FFB SOURCED FROM INDEPENDENT SMALLHOLDERS

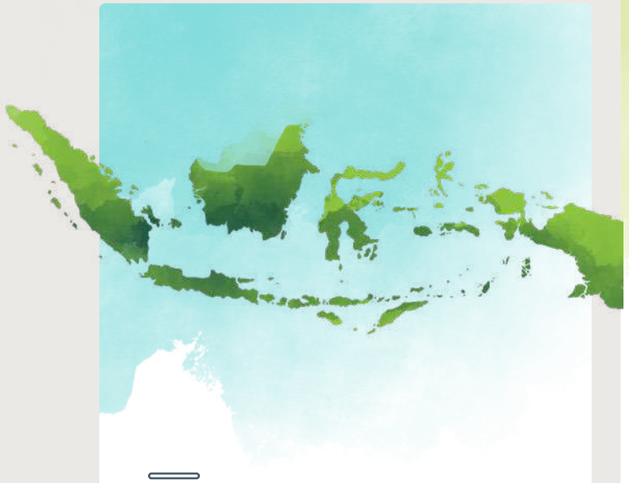



### VOLUME OF FFB SOURCED FROM SCHEME SMALLHOLDERS



## OUR SCHEME
## SMALLHOLDERS PROGRAMMES

Our scheme smallholder programmes focus on providing training and support for farmers to improve sustainability practices, increase yield per hectare and ultimately achieve certification under applicable national certifications schemes and RSPO.



### INDONESIA

In Indonesia, scheme smallholder requirements are set by the government. Wilmar has a total planted area of over 8,300 hectares under government-originated plasma schemes*. We support these smallholders in obtaining land legality, initial financing for development and land preparation, as well as through the provision of planting materials such as seedlings, fertilisers and pest control. We also provide technical assistance on good agricultural practices. When oil palm trees reach maturity or when the plasma co-operatives are well established, the small plantation plots are generally handed over to smallholder co-operatives for self-management. While their oil palms are maturing, we employ many of these farmers and provide them with training in essential agronomic skills so they are equipped to manage their own plots and ultimately achieve ISPO and RSPO certification.

* The planted area under the government-originated plasma scheme in Indonesia has reduced over the years due to the lapsing of MOUs with these smallholders who have since become independent as they no longer sell their FFB exclusively to Wilmar.

### GHANA

In Ghana, our subsidiary Benso Oil Palm Plantation (BOPP), based at the Adum Banso Estate in the Mpohor District in Western Ghana, has been running a 1,650 hectares oil palm smallholders' scheme since 1994. We invited 438 farmers from surrounding communities to be part of this scheme.

The Agence Française de Developpement (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 helped to set up the plantations through technical support. Smallholders have land use rights of up to 25-years, clearly stipulated in the agreement and are committed to selling their FFB to BOPP exclusively at a guaranteed price. BOPP provides the technical support to the farmers to ensure they follow our sustainability standards.

The annual yield of these farmers is currently 13.57 tonnes per hectare, higher than the average of 8 tonnes per hectare, contributing to 17% of the FFB processed by our mill. Together with our smallholders, we achieved RSPO certification in 2014, becoming the first company in Ghana and the second in Africa to attain RSPO certification.

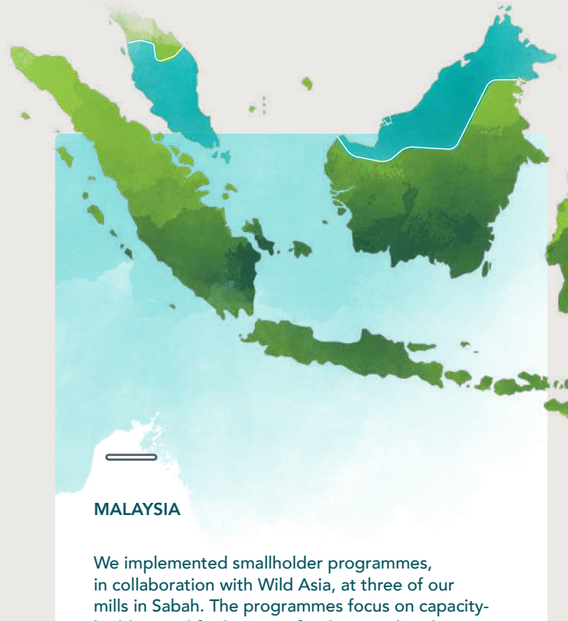
Following the success of our first programme and in response to requests from various community groups, we established the Adum Smallholder Scheme programme in 2018 to provide assistance to 300 smallholders in developing 1,400 hectares of their land into oil palm plantations. Co-financed with the Foreign, Commonwealth & Development Office (FCDO), formerly the Department for International Development, this programme has a particular focus on protecting forests and biodiversity within the broader landscape. It was also designed with an alternative livelihood scheme (ALS) to help diversify farmers' income through activities such as baking, poultry farming and beekeeping. It is especially 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 the initial loan that was given to them. We completed the RSPO New Planting Procedure and initiated 400 hectares of planting which is currently being allocated to farmers.





## SUPPORTING INDEPENDENT SMALLHOLDERS

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, we have received requests for support around the provision and application of fertilisers. In Ghana, farmers require support around best agronomic practices. Our programmes also sometimes help farmers achieve relevant certification although it is not exclusively an objective.



### MALAYSIA

We implemented smallholder programmes, in collaboration with Wild Asia, at three of our mills in Sabah. The programmes focus on capacity-building and facilitating a fertiliser credit scheme to help farmers increase their yield, adopt more sustainable agriculture practices and ultimately achieve MSPO and RSPO certification. Out of 722 smallholders supplying our mills in 2020, 223# took part in this programme.

Uptake has not been as extensive as we had hoped for several reasons, including the fact that oil palm cultivation is not the main income for a number of these independent smallholders. While our agreement with Wild Asia has concluded in 2020, we continue to support smallholders through the fertiliser programme and with 100% of the premiums going to those that are certified.

### INDONESIA

In Indonesia, independent smallholders face a number of challenges including access to quality seedlings, knowledge on best agronomic practices, market access for selling FFB to mills directly, and obtaining legal land titles. Obtaining ISPO certification is now also a requirement from the Indonesian government, something many independent smallholders struggle to work towards.

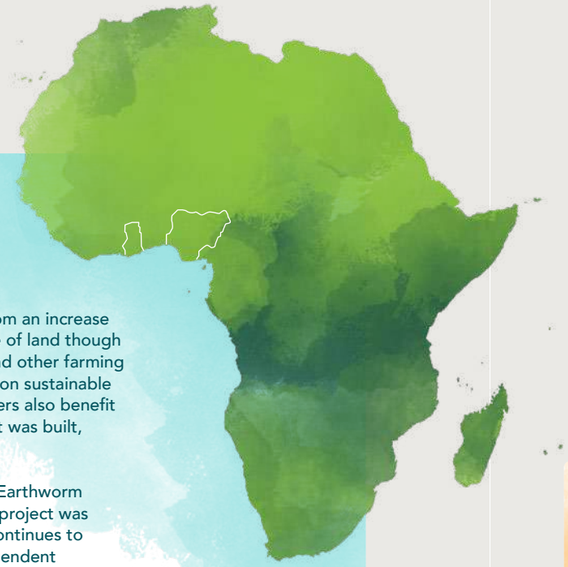
Our programme focuses on helping smallholders to address some of these challenges by:

- Facilitating access to high yielding seedlings and high-quality fertilisers
- Providing training on sustainable agronomic practices, including the proper application of fertiliser and analysing the health of the soil for optimum growing conditions
- Supporting with the certification process, first with ISPO and then towards RSPO.
- Providing guaranteed access to selling FFB to our mills, including providing clarity on prices and helping them manage income flow.

To roll out this programme, we have partnered with nine co-operatives of independent smallholders in the provinces of Jambi, Riau and Sumatra – with around 5,000 farmers participating. Five co-operatives have achieved ISPO certification in 2020, covering 2,200 hectares of land.

Since 2017, participation has increased from 8,864 to 19,337#, accounting for 77% of our independent smallholders in Indonesia.

# EY has performed limited assurance procedures on these figures



### GHANA

BOPP and Earthworm Foundation (formerly The Forest Trust), began collaborating on a Rurality project in 2015. Rurality is an initiative by Earthworm Foundation to increase smallholders' resilience through capacity building, in particular by looking after the environment and reinforcing farmers' relationships with strategic players in the supply chain.

In this project, BOPP played a key role by running training programmes for farmers on best farm management practices; supplying farming materials including pesticides and fertilisers to farmers on credit; providing farmers with heavy machinery such as excavators to build infrastructure; and providing empty fruit bunch (EFB) mulch to help to improve the soil quality.

Farmers have benefitted from an increase in average yield per hectare of land though better access to fertiliser and other farming materials and from training on sustainable agricultural practices. Farmers also benefit from new infrastructure that was built, including drains and roads.

While our partnership with Earthworm Foundation on this Rurality project was concluded in 2019, BOPP continues to build the resilience of independent smallholders, with the support of BOPP Outside Purchased Fruits (OPF) managers and estate surveyors. In 2020, we continued to conduct these training sessions on Best Management Practices (BMP) with site visits for 22[#] smallholders before traveling was curtailed.

[#] EY has performed limited assurance procedures on this figure

### NIGERIA

Our plantations in Nigeria are relatively young. In 2017, we started our own pilot outgrower scheme on 150 hectares of land and with 43 farmers from the surrounding areas of Wilmar's Biase Plantation Ltd. (BPL) at Cross River state. The planted area has yet to mature in 2020 and BPL continues to work with outgrowers to establish their plantations, following our sustainable agricultural procedures. The company also provides low interest funding for the entire project.

Based on the success of this project, we were able to engage with the Central Bank of Nigeria who agreed to provide funding to scale up this project. In 2020, we had originally targeted to plant an area of 200 hectares and involve 400 farmers, however due to delays caused by COVID-19, we only managed to plant 30 hectares covering 4 farmers. By 2023, we still aim to cover a total 1,540 farmers with 6,000 hectares of planted area.

### CERTIFICATION STATUS OF OUR SCHEME AND INDEPENDENT SMALLHOLDERS

**FB-PF-430A.1, FB-AG-430A.1**

Out of 10,545 total hectares (including 10,011 planted hectares) owned by scheme smallholders, 3,237 hectares (30.7%) in Indonesia and Ghana are RSPO certified. This contributed to 8,569 metric tonnes of certified sustainable palm oil (CSPO) and 2,014 metric tonnes of certified sustainable palm kernel (CSPK) produced in 2020, about 1% of our total certified output. We also sourced 44,038 metric tonnes of FFB from independent smallholders that was RSPO certified, accounting for 7.2% of the total independent supply sourced.





## Supporting sugar outgrowers

We have implemented training programmes for sugar outgrowers in Myanmar and India, covering good farming practices for land preparation, planting systems, cane nutrient requirements, fertiliser application, weed control and the safe handling and application of chemicals. In Myanmar, we invited the farmers from Madaya Sugar Mill's area to our farms and shared our advance cane planting system with them to help improve their cane yield. We also sell fertilisers to our outgrowers with a longer credit period compared to outside dealers. In 2020, 521 farmers purchased 336 tonnes of fertilisers through this programme.

### PROMOTING SUSTAINABLE AND CLIMATE-SMART SUGARCANE FARMING IN INDIA

In partnership with Shree Renuka Sugars Ltd. (SRSL), Solidaridad Asia and Coca-Cola Foundation, we have been supporting sugarcane outgrowers associated with SRSL in adopting sustainable and climate-smart sugarcane farming since 2017. The programme focuses on:

**1. Training and capacity building:**

We conducted remote training during the COVID-19 lockdown for farmers and once restrictions were lifted, in-person training ahead of the crushing season in November. As of end December 2020, a total of 22,438 sugarcane growers had been trained. Trainings covered topics, including:

- Health and safety measures
- Financial literacy
- Best Management Practices (BMP) in sugarcane farming including using quality seeds, wide-row planting, soil testing, integrated nutrient management, adoption of micro-irrigation system and an integrated approach for pest and disease management for achieving higher productivity with reduced production cost
- Scientific Ratoon Management Practices (SRMP) including: No-trash burning practices and using in-situ mulching to conserve moisture, control weeds and enrich soil fertility; stubble shaving to encourage tillering from ground; Shoulder breaking to establish new root systems; and early application of basal dose of fertilisers, all of which contribute to enhanced productivity on par with plant cane
- Installation of 'Light Traps' to catch and kill adult beetles
- The application of Metarizhium to control root grub menace
- The importance of growing green manure crops to improve soil health.

**2. Introducing "Supercane Nursery Technology"**

Sugarcane farmers had been procuring pre-raised seedlings from private vendors at an average of price of Rs.2.25-2.75 (US$ 0.03-0.04) per seedling, costing between Rs.13,750-16,250 (US$ 186.77- 220.73) per acre depending on cane variety and spacing to be adopted. Since July 2019, we introduced Supercane Nursery Technology to the farmers, which had been developed by Dr. Mahadev Balakrishna Jamadagni, a retired Agri-Scientist from Kolhapur (Maharashtra). This method uses materials that are readily available on farms, including empty plastic fertiliser bags, to produce seedlings at a fraction of the cost, between 70-80 Paise (US$ 0.009-0.011) per seedling. These seedlings are also ready for planting within 21 days and can be kept up to 45 days under unfavourable weather conditions (non-vapsa) for planting.

**3. Organising Field Days**

Using the principle of "seeing is believing" from the "Farmer-to-Farmers" programme, we organised Field Days for progressive farmers at different locations to showcase the results of BMP. The media was also invited to Field Days to help raise awareness and confidence of BMP among the cane farming community. We have observed that farmers adopting BMP are benefiting from higher cane productivity of up to 246 metric tonnes per hectare without much increase on the production cost.

**4. Trialling sugarcane variety at R&D Farm, Pathri**

Due to climate uncertainties during the South-West Monsoon between June and September and the availability of water along the river and canal network, farmers in the 'Cane Command Area' of Pathri take up cultivation of crops such as soybean and cotton during the Kharif season, followed by cane cultivation, resulting in late and counter planting of cane between November and February. This creates difficulties in systematic management of cane procurement and the realisation of low sugar recovery owing to lower age at harvest.

We have conducted a trial during 2020 at one of our R&D farms in Pathri over an area of 1.2 hectares by involving 3 maturing varieties – Co11015 (extra-early), Co09004 (early) and Co86032 (mid-late) maturing – to assess yield and quality parameters. While, Co11015 profuse flowering variety, it didn't flower under Pathri locations and was found suitable for late month plantations from November, which resulted in a higher sugar recovery percentage even at 9 months age. This variety is being distributed to farmers to create a larger quantity of planting material and cover a larger extent during the next planting season.

## Community investment and philanthropic activities

**203-1**

In 2020, Wilmar contributed over US$36.76 million* towards community investment and philanthropic activities. This included mostly direct cash contributions, but also employee volunteering time, in-kind donations and management costs. Employees are encouraged to volunteer. This is something that is managed by each country/business head and unfortunately was more limited in 2020 due to COVID-19 restrictions.

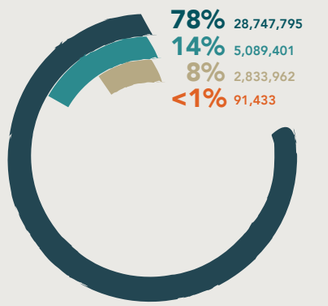
As a group, we support a number of causes we believe we can make meaningful contributions to, including education, health and well-being and community welfare.

In China, YKA has been supporting charity projects since 2007. In 2013, 29 companies in the YKA group donated RMB 30 million (approximately US$ 4.58 million) and set up the Arawana Charity Foundation. Arawana volunteers took the lead in carrying forward the legacy of Yihai Kerry's charitable principles and charity projects. To date, six main programmes exist, including the Yihai Kerry Education Aid Programme, Arawana Sight Restoration Project, Arawana Culinary School, Arawana Scholarships, supporting orphans and people with disabilities and providing disaster relief.

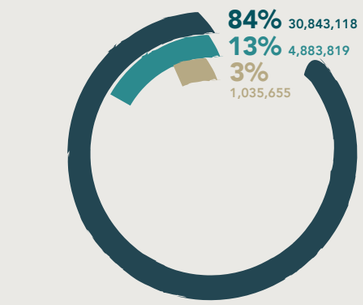
Goodman Fielder set up the Goodman Fielder Cares Trust, with the core mandate of fighting hunger and poverty in New Zealand. The Trust has a bread donation programme, an employee volunteering programme and an employee workplace giving programme. As a registered trust, we can ensure complete transparency with all donations being distributed to charitable programmes. Since its launch in 2013, Goodman Fielder employees have raised over NZ$ 100,000 (approximately US$ 72,210) through a range of fundraising initiatives. These funds are distributed to organisations that are helping to feed the hungry in New Zealand.

* The Business for Societal Impact (B4SI) framework (formerly known as LBG) was applied to disclose our community investments and community causes addressed by our philanthropic activities. This, together with the scope of our Sustainability Report, explains the difference between the amount of charitable donation disclosed in page 3 of our Annual Report 2020.

**CONTRIBUTIONS BY TYPE (US$)**




**CONTRIBUTIONS BY MOTIVATION (US$)**










↑ Schools supported by Wilmar in (from top, clockwise) Indonesia and Ghana and China

### EDUCATION

Wilmar believes that access to education is the catalyst to poverty alleviation, especially for rural families. We continue to manage or support over 70 schools where we operate – 38 in China, 15 in Indonesia, 19 in Malaysia and six in Africa.

We also provide scholarships and bursaries for underprivileged students with academic potential. The Wilmar Scholarship, established by Wilmar in 2009 and the Kuok Khoon Hong (KKH) Scholarship, established by our CEO Mr Kuok Khoon Hong in 2012, provide undergraduates with the opportunity to embrace a holistic education and achieve greater heights of excellence. We work with various educational institutions in Singapore. To date, more than 350 undergraduates have received a scholarship and since 2016, more than 50 bursaries have been awarded.

Since 2017, Wilmar and our subsidiary PPB Oil Palms Berhad (PPBOP) have been offering students who want to pursue agriculture science and related courses the Goh Ing Sing Agriculture Science Scholarship. In 2020, the scholarship was offered to 45 students. This scholarship was set up by Wilmar in memory of the late Mr Goh Ing Sing, who was Wilmar's Group Plantations Head until his passing in August 2016.

In China, 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 continue their studies. As of the end of 2020, a total of 17 universities and research institutions across the country have set up Arawana Scholarships (including the previous "Yihai Kerry Scholarship"). In 2020 alone, nearly 818 undergraduates, graduate students and young teachers have won Arawana Scholarships and fellowship awards.

In Ghana, 25 employees' children and 5 students from surrounding communities were awarded full BOPP Tertiary Scholarships in 2019 and 2020.

## PROGRAMME TO UPGRADE WILMAR SCHOOLS

Wilmar has ongoing programmes to upgrade schools in Indonesia, Nigeria and Ghana to ensure they are equipped with suitable 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. Progress on the number of schools upgraded:

**14/15** SCHOOLS IN INDONESIA

**5/6** SCHOOLS IN NIGERIA

**2/2** SCHOOLS IN GHANA

We were not able to complete the upgrade of the last school in Nigeria due to COVID-19.

↑ The Dapi Yihai School (大胶益海小学) built by Wilmar in Guangdong Province, China

## YIHAI KERRY EDUCATION AID PROGRAMME

Starting in 2007, the Yihai Kerry Education Aid Programme was launched by YKA to improve the conditions of schools and levels of education in underprivileged regions. To maximise our impact, locations eligible for the programme must be in deprived areas, with urgent needs and without local government support.

We ensure that members of YKA's engineering and technical teams participate in every aspect of the planning, design and construction phases to ensure the quality of the schools. Following the completion of schools, a team of volunteers comprising YKA employees actively work with the principal and teachers to discuss the school curriculum.

As of the end of 2020, YKA and the Arawana Charity Foundation have funded 38 Yihai schools in 16 provinces, municipalities and autonomous regions across the country. There are currently more than 16,000 students studying and more than 1,200 teachers working at these schools.





↑ A classroom in a Humana school in Wilmar's operations in Malaysia

## PROVIDING ACCESS TO EDUCATION IN SABAH, MALAYSIA

Since 2006, Wilmar has initiated a collaboration with the Borneo Child Aid Society, known locally as Humana, a CSO dedicated to assisting marginalised children. In partnership, we wanted to bring free and basic education to the children's doorstep, rather than the children seeking education outside of our plantations in the state of Sabah, Malaysia. At the same time, this would encourage the parents, who are plantation workers, to allow their children to attend classes and reduce their burden to provide education and caregiving during working hours.

Wilmar helped to:

- Find suitable and conducive venues to build a school, accessible within the plantation.
- Provide furniture and other basic amenities
- Source all teaching materials and stationery, including audio-visual materials to aid in teaching
- Provide accommodation and other benefits for teachers
- Organise transport for students to ensure that they get to school on time, reducing the financial burdens for parents
- Supply students with free uniforms and textbooks
- Undertake all running costs associated with the operation and maintenance of the school

The workers' children have access to quality education aligned with the national school syllabus. In Sabah, we have established 17 units of Humana Schools and 10 units of Community Learning Centers (CLC), with 1,385 children attending. In Sarawak, we have established two units of CLC with 195 children attending. Since 2009, 74 students from our CLC in Sarawak have pursued tertiary education in Indonesian universities.

**NOTE**

More information on our efforts to bring education to rural Indonesia and Malaysia can be found in the section on **Human Rights and Labour Standards**.

## HEALTH AND WELL-BEING

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

In China, we have funded over 28,000 cataract operations and over 1,000 prosthetic limb surgeries to date, of which 850 cataract operations and 293 prosthetic limb surgeries were conducted in 2020.

The Arawana Charity Foundation's "Respect for the Elderly and Children's" project has always paid attention to the living conditions of vulnerable groups such as the elderly and disabled, and donated funds for the improvement of the living and rehabilitation conditions of these vulnerable groups. 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.

## COMMUNITY WELFARE

In Australia, we continue to support the initiatives by our charity partner, Foodbank Australia, through Wilmar Sugar Australia and Goodman Fielder.

Goodman Fielder has a long-standing partnership with Foodbank in Australia.  Our bakery business works closely with the local Foodbank teams to donate bread that is in surplus to our requirements. Across the Australian business we also have a process for donating products that are approaching the end of their shelf life, equating to more than 1 million meals each year. Goodman Fielder staff have also been involved in volunteering for Foodbank to help prepare hampers and distribute food.

Similarly, Wilmar Sugar donates products that are not fit for sale due to issues such as packaging defects, but that are still safe for human consumption. The aim is to support people and avoid food waste. We also sell products to Foodbank at wholesale prices when they request it.

### PROVIDING SUPPORT DURING AUSTRALIA'S BUSHFIRES

The 2020 bushfires that devastated many parts of Australia, impacted our customers, contractors, merchandisers, our people and their families. Our teams came together to ensure additional products and supplies reached our customers by re-routing distribution routes on a daily basis and keeping deliveries secure to get them in to communities as soon as roads were open. We also made donations to evacuation centres across the impacted areas and found other ways to support our communities in need.

## Our contribution towards COVID-19 relief projects

We recognise the difficulties that the COVID-19 pandemic has brought to individuals, families and entire communities. As a company, we are doing what we can to help provide support and contribute to national or local initiatives to help those around us. Keeping our communities healthy allows us to continue operating sustainably.

We contributed over US$15.69 million to support local communities, government initiatives and our employees and workers during COVID-19. We helped to provide PPE, food products, medical equipment, disinfectant and hygiene products, as well as cash donations.





### SUPPORTING NATIONAL AND LOCAL COVID-19 INITIATIVES

#### INDONESIA

**Wilmar contributed US$ 1 million to the Indonesian government for the purchasing of COVID-19 test kits and face masks.**

As of December 2020, at local plantation and mill operations level, a total US$ 314,381 has been contributed in the form of PPE, medicines, food (including rice, flour, sugar, cooking oil, etc), disinfectants, hygiene facilities and other essentials to the local communities under the Wilmar Peduli (Wilmar Cares) programme. Besides that, to help counteract the lack of available face masks, Wilmar's Womens' Committee members in our Central Kalimantan plantations have come together to make 12,000 cloth face masks for distribution to workers' families and local community members.

#### MALAYSIA

**Through the Chinese Chamber of Commerce of Tawau, we donated approximately US$ 23,000 for the purchase of 2 ventilators for the Tawau Hospital.**

We also contributed approximately US$ 104,000 worth of COVID-19 test kits for the Ministry of Health via the Malaysian Palm Oil Association and channelled an additional contribution of approximately US$ 23,000 via the Palm Oil Refiners Association of Malaysia (PORAM) to the Ministry of Primary Industries and Commodities Covid-19 fund. Additionally, in collaboration with the Kuok Group of companies in Malaysia, we donated:

- 70,000 surgical masks and respirator face masks to 11 hospitals
- 1,000 litres of hand sanitisers to 10 hospitals
- Approximately US$ 33,000 of medical equipment to the University Malaya Medical Centre Kuala Lumpur
- Approximately US$ 23,000 worth of foodstuff provided via the government and 3 charitable organisations to be distributed to poor families and the homeless

#### GHANA

**We contributed approximately US$ 175,000 in items and cash to the Ghanaian government's COVID-19 fund.**

We also distributed soap, thermometers, facemasks and Veronica buckets to dispense water for handwashing at a value of approximately US$ 45,000 to the communities surrounding our BOPP plantation. In addition, our BOPP's clinic remained open for all community members needing health services during the pandemic. We have carried out awareness raising campaigns of the COVID-19 pandemic and measures for precaution to local community members. In anticipation of any possible disruption to food supplies we ensured that plantation shops were fully stocked, working with major suppliers to make food items available at pre-pandemic wholesale prices.

#### NIGERIA

**We contributed approximately US$ 11,000 to the Cross River State's COVID-19 task force to help manage the spread of the virus, where our plantation and mills are located.**

To help alleviate pressures on potential hardships, our plantation operations have distributed approximately US$ 50,000 worth of food items and other essentials to all workers as well as to communities around our operations.

# Delivering product excellence

Our customers are at the heart of everything we do, which is why Wilmar is deeply committed to delivering product excellence.

We ensure that we meet the highest standards of product safety and quality, while developing products that contribute to the health and well-being of consumers, with transparent product marketing and labelling. An important part of our strategy focuses on research and development (R&D) to drive innovation in our business processes, operations and product offerings.

# Innovation and technology

**103-1, 103-2, 103-3**

*We see significant innovation opportunities throughout our value chain. Innovation serves to support our business operations by improving manufacturing processes, evolving our product offerings and enhancing the quality of existing products. Hence, investing in R&D and adopting new technologies to drive innovation is a key strategic focus for Wilmar.*

## Our R&D centres and teams

The growth of our R&D centres is testament to our commitment to innovation, with 70 people in Singapore supporting global activities and 350 people in China focused on food and bio-based chemicals innovation. We also have R&D or technical teams in Russia, Malaysia, Indonesia, India, Vietnam, Australia and New Zealand. Internally, each business segment has centralised R&D support, further streamlining collaborations and sharing of best practices across regions and business segments.

Today, we have over 500 projects across our global operations in the following areas:

- Advancing agricultural practices
- Optimising factory processes
- Enhancing product quality across different segments
- Studying food science to understand the health benefits of various ingredients

## Partnerships with leading academic and national research centres

Proactive partnerships with leading academic and national research centres also contribute to our pipeline for talent and research collaboration. These centres include the National University of Singapore, Singapore National Research Foundation, Singapore Economic Development Board, China Nutrition Society, Shanghai Jiao Tong University and East China University of Science and Technology.

Goodman Fielder has also established strong collaborations with academic and research institutes in Australia and New Zealand, including Riddet Institute, various Universities, Plant & Food Research, AgResearch, Australian Export Grains Innovation Centre (AEGIC), Campden BRI and Commonwealth Scientific and Industrial Research Organisation (CSIRO).

### YIHAI KERRY RESEARCH AND DEVELOPMENT CENTRE'S VISION TO INNOVATE FUTURE FOOD

In China, the **Yihai Kerry Research and Development Centre** (R&D Centre) is a 40,000m² state-of-the-art R&D centre, comprising over 100 laboratories and equipped with more than 1,000 scientific research devices. Established in 2009, the R&D Centre is currently among the largest pure research and development centres in the global grain and oil industry. We have about 300 researchers that are educated from all over the world. Around 70% of them hold a doctorate or master's degree.

The chairman of the R&D Centre is Professor Nam-Hai Chua, a world-famous plant molecular biologist and tenured professor of Rockefeller University, as well as a Foreign Fellow of the Chinese Academy of Sciences.

The mission of the R&D Centre is to:

1. Use new technology to produce safe, nutritious, healthy and tasty products that meet consumers' demands and expectations; and
2. Develop or improve manufacturing processes to produce better quality and more consistent products at lower costs.

The R&D Centre has been accredited by the International Olive Council (IOC) as a recognised olive oil testing laboratory. This is prestigious, as it is the only IOC recognised laboratory in China at present.





## GOODMAN FIELDER'S GROWTH AND INNOVATION TEAM

In 2020, Goodman Fielder established a Growth and Innovation team with a long term objective of looking at growth initiatives centred around the company's newly launched purpose of **"making everyday food better for everyone"**. To deliver on this, Goodman Fielder has developed an innovation framework focused on four key areas:

### 1. Health and well-being:

Focused on digestive well-being; Mood and cognition; Sleep; Skin health and beauty; and Immunity;

### 2. Convenience and lifestyle:

Focused on making food better for breakfast and snack occasions;

### 3. Sustainability and care:

Focused on developing products with positive social and environmental impacts including sustainable packaging, zero waste, hunger relief and plant-based foods;

### 4. Technology and food:

A long term focus to leverage technology and data to enable innovation and transform our product offering in line with our purpose.

## ADVANCING AGRICULTURAL PRACTICES

- In our upstream palm oil operations, we have been focusing on cloning propagation, a method that uses tissue culture to identify and select individual oil palm variations that are favourable in terms of yield performance and other parameters, suitable for mass cloning. In early 2020, we established a new oil palm clonal lab in Central Kalimantan. We are scaling up production to reach a capacity of 500,000 clonal palms per year by 2026, ahead of our replanting programme in our Central Kalimantan Project (CKP) plantation which commences in 2022. Through these variations, we expect yield to improve between 13% to 32%. In parallel, efforts to continue with improvements through conventional breeding methods are conducted in PT Tania Selatan.

- We began collaborating with Temasek Life Sciences Laboratory (TLL) in 2009 to conduct research on using genetic screening to shorten the palm breeding cycle. We are currently field testing selected genetic markers against fresh fruit bunches (FFB) yields in sampled palms that were supplied by our plantation in Palembang, Indonesia. We estimate that the final results can only be concluded in another two to three years. If found to be successful, this research may enable us to halve the breeding process time compared to conventional methods. The TLL team has also found that drought tolerant oil palm trees could be selected at the seedling stage via bioinformatic analysis of RNA-sequencing data. They also found a few DNA markers associated with *Ganoderma* resistance and are currently testing them.

- We have our own plant breeding programme in Wilmar Sugar Australia, which is led by our Technical Field Department. We are trialling the use of Genomic Selection technology using Single Nucleotide Polymorphism (SNP) chips to identify 'super' parents that contain additive traits that will assist in improving cane yields and sugar content of their progeny. We believe that this process will also reduce the 'end to end' time from first selection to final distribution of new clonal material for commercial planting.

- Wilmar has been working with Orillion, a New Zealand-based pest control expert, on a new rodenticide initiative to support our Integrated Pest Management (IPM) programme since 2017. Having identified the preferred rat bait, we are now field testing this rodenticide in a larger area.

- Wilmar Sugar Australia is exploring the use of mill by-products to increase farm productivity. Additionally, although in early stages, they are also working in collaboration with Sugar Research Australia (SRA) and the University of Queensland to develop a Genomic Selection programme for their plant breeding department.

## OPTIMISING FACTORY PROCESSES

- Using machine learning methods, our research teams at YKA and WIL@NUS are able to uncover fatty acid patterns discriminative for ten different plant oil types and their intra-variability. This enables us to tackle risks related to fraudulent oil adulteration and intentional mislabelling of edible oils, which may threaten food safety and endanger public health. Our method enables us to control product quality, determining the fair price of purchased oils, and in turn, allowing health-conscious consumers the future of accurate labelling.





- YKA is generating electricity and steam by burning rice husks, which is rice-processing waste. Our Jiamusi plant generates about 50,000 tonnes of rice husks a year. By using these for electricity and steam generation, we are able to replace the use of 31,400 tonnes of coal which also reduces costs by more than US$ 900,000 and sulphur dioxide emissions by 3,620 tonnes. YKA then uses rice husk ash to produce silica and activated carbon which reduces the disposal of waste.

## STUDYING FOOD SCIENCE TO UNDERSTAND THE HEALTH BENEFITS OF VARIOUS INGREDIENTS

- In a five-year partnership, Wilmar, the National University of Singapore (NUS) and the National Research Foundation launched a US$110 million **WIL@NUS Corporate Laboratory** in Singapore in 2018. The laboratory, which is hosted by the Yong Loo Lin School of Medicine, is dedicated to driving innovation in food technology and sustainable biochemicals, combining NUS's world class experience in clinical research and trials.

  Over the last three years, an important study undertaken by WIL@NUS involved clinical trials to identify food ingredients that can better contribute to healthy living and promote healthy ageing. We have completed this trial and have published the results in the **Journal of Nutrition**. Other trials are ongoing but have been slow to progress due to the COVID-19 pandemic.

- Goodman Fielder has continued our strategic partnership with High Value Nutrition Group in New Zealand. We have been awarded a grant to conduct a clinical trial in 2021-2022 on digestive health outcomes. We are also engaged as an industry partner in a project called "Milk Means More" to study, validate and leverage the health benefits of dairy products and to better understand the potential health benefits and consumer perceptions of novel plant proteins.

## ENHANCING PRODUCT QUALITY ACROSS DIFFERENT SEGMENTS

- Our palm oil products meet the most stringent requirement of 3-MCPD fatty esters, which are chemical contaminants found in palm oil, through strict controls in our entire palm oil supply chain, including plantation management, milling, refining, and transportation.

- Goodman Fielder worked with the Australian Export Grains Innovation Centre (AEGIC) to review the line set-up and recipe formulation to drive more efficient production of high-quality loaf bread in Australia and New Zealand against competitor products. We improved the overall quality scores of our bread in the areas of softness, whiteness, spreadability, resilience and the **Health Star Rating**.


## LOOKING AHEAD

As one of our core values, we embrace innovation across all our operations. The team has a number of initiatives we continue to work on, with new ideas and projects constantly being added to our pipeline. We look forward to sharing more of our work, findings and breakthroughs with our stakeholders in the future. More information on our current R&D activities can be found throughout this report and on page 23 of our **Annual Report 2020**.

# Consumer health and well-being

**103-1, 103-2, 103-3, FB-PF-260A.2**

*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 newly innovated and enhanced products with additional nutritious attributes.*

## Understanding and raising awareness on health and nutrition

Our edible food products range from vegetable oils to sugar, flour, rice, noodles, speciality fats, snacks, bakery and dairy products. Regardless of whether the product is distributed wholesale or sold directly to customers, the 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 make market-leading, nutritious food products. We also believe in transparency, providing product information and educating our consumers. Starting with our own employees, we released the first internal Wilmar Nutrition Newsletter in September 2020. This is a good way to raise awareness on health and well-being topics and to provide Wilmar employees with factual news relating to progress on clinical trials, nutrition and health.

## Innovating to enhance nutritional value at YKA

YKA is dedicated to improving consumer health and has been heavily investing in R&D to enhance nutritional value across a wide range of products. Our oil products are the most influential range in China as a result of their health benefits, including reasonable fatty acid compositions and high vitamin E content. We have developed products derived from corn, rice and flaxseed. YKA has also developed multigrain, buckwheat and fermented noodles to promote good digestion and provide alternatives for diabetic consumers.


**KEEPING NUTRIENTS IN RICE BRAN OIL:**
YKA developed and patented a process that reduces the intensity of refining rice in order to keep most of the minor nutrients in rice bran oil.

**ELDERLY HEALTH AND NUTRITION:**
YKA developed suitable food products for the elderly by investigating various food ingredients on their biological performances and researching into health issues such as cardiovascular diseases, dementia, weakening muscles and diabetes.





> Our approach is centred on understanding the evolving science around nutrition and consumer preferences, to help us design and make market-leading, nutritious food products.

We are passionate about understanding the link between diet and diseases, innovating products to improve the health and well-being of our consumers. We have built a health innovation platform in collaboration with the Chinese Nutrition Society. YKA pledged to invest RMB 100 million by 2023 to support scientific research and development, specifically targeting people with diabetes, the elderly and patients with cardiovascular diseases. We aim for this platform to help us improve nutritional research and develop more targeted products for consumers, which would improve health outcomes and reduce medical expenses.

## Communicating the science of sugar at Wilmar Sugar

Wilmar Sugar's strategy around consumer health is to communicate the science of sugar and health to relevant stakeholders, including employees, policy makers, health professionals, customers and consumers. We have established the **Sugar Nutrition Resource Centre** (SNRC), funded by our **joint venture** with Mackay Sugar Limited. SNRC provides a hub for evidence-based information on sugar for everyone to understand its role in nutrition and health. This information is based on the best available scientific evidence, with input from a group of expert scientists. It has a resource library with items to share including fact sheets, infographics, booklets and research.


> Wilmar Sugar's strategy around consumer health is to communicate the science on sugar and health to relevant stakeholders.





## Health and well-being at the heart of Goodman Fielder's purpose

Goodman Fielder's new purpose of "*making everyday food better for everyone*" places consumer health and well-being at the heart of everything we do. Some of the key areas we are targeting include developing fortified products that enhance digestive well-being and constitute low glucose according to the Glycemic Index (GI). We have also been working to support groups deficient in micronutrients such as indigenous communities.

Goodman Fielder and Wilmar Sugar sell a range of products to consumers with health or nutritional attributes. For example, Goodman Fielder has hundreds of products across our portfolio with health and nutritional attributes, including loaves, flatbreads, flavour enhancers, sweet grocery and cake mixes, spreads and oils. Goodman Fielder has set a target to meaningfully improve the nutritional value of our products. This includes improving the health star-rating of 50 million loaves of bread in 2021.

## Continuing to drive product improvements through R&D

We continue to work on improving the formulation of our current products and develop new ranges with specific health or nutrition attributes. Our research through WIL@NUS will continue to focus on food science, especially on plant protein and clinical trials on dietary intervention and microbiome analysis. Similarly, YKA will continue to research and develop heathy foods and nutritional feeds. Goodman Fielder will focus on developing new products to meet consumer needs with a focus on improving the nutritional profile of these products. This will be achieved by enhancing positive nutrients like protein, fibre, vitamins and minerals and reducing negative nutrients like sodium and saturated fat.

### IMPROVING GUT HEALTH AND DIGESTIVE WELL-BEING

The gut plays a huge role in our overall health and wellness. Goodman Fielder was the first business to launch a product aimed at promoting gut health and digestive well-being in the packaged bread aisle across Australia and New Zealand. Helga's Digestive Wellbeing breads and wraps are baked using the unique BARLEYmax™ barley seeds, which contain a blend of prebiotic fibres such as fructans, beta glucan and resistant starch. These support digestive well-being by helping to feed the good bacteria in the gut. Launching this product range also involved increasing the interest of media and generating discussions related to digestive health and food as a key driver to exploring gut health.



### 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 1980's, 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 throughout indigenous communities and is helping to address common deficiencies in Folate, Fibre and Iron.

# Product marketing and labelling

**103-1, 103-2, 103-3**

*Product marketing and labelling helps consumers make informed purchasing decisions by providing relevant information on the health, safety origin, sustainability and responsible use of products. At Wilmar, we are committed to product transparency by marketing and labelling our products accurately, in accordance with relevant government regulations and using the high standards set by voluntary guidelines.*

## Our commitment to marketing and labelling

Responsible marketing and product labelling is the joint responsibility of several departments, including marketing, R&D, product safety and legal. Our approach will also follow the specific regulatory context around the products at hand, as well as the countries we sell to. In general, we do follow some key basic principles across our operations. For example, as part of our commitment towards responsible marketing to children, we do not directly market products to children.

## Goodman Fielder's strict approach to product marketing and labelling

Goodman Fielder has robust internal procedures, systems and processes that ensure regulatory compliance with the strict product marketing and labelling legislations in Australia and New Zealand. Our internal regulatory and legal teams across international markets provide day-to-day support to ensure compliance with relevant regulations and codes. Our internal experts conduct risk assessments and provide approvals on all marketing, advertising, labelling and artwork claims. This ensures compliance with advertising standards and other relevant industry standards, including Country of Origin requirements and front of pack labelling schemes, such as the Health Star Rating.

The team of experts also provide insights through competitor reviews and marketplace monitoring. Where necessary, we rely on external expertise to provide opinion around product classification, labelling or marketing claims. Any communication that targets consumers directly will go through a strict approval process across key functions, including legal.


**GOODMAN FIELDER'S IMPLEMENTATION OF NEW 'HEALTH STAR RATING'**

The Health Star Rating (HSR) in Australia and New Zealand is a voluntary front-of-pack labelling system that rates the overall nutrition profile of packaged goods and assigns it a rating from ½ star to 5 stars. When comparing similar foods, it allows consumers to choose those with more stars which means they are making a healthier choice.

The HSR system was developed by the Australian and New Zealand governments in consultation with public health experts, the food industry and consumer groups. The calculator that underpins that calculation of the star rating takes into consideration public health nutrients of concern (Energy (kJ), saturated fat, total sugars and sodium content) as well as positive nutrients such as protein and fibre, fruit and vegetable content.

Goodman Fielder currently applies the HSR to our branded bread and dairy products. As a tool, HSR can be used to drive positive reformulation so as to improve a product's overall nutrition profile, by reducing negative nutrients and/or increasing positive attributes.





A wide variety of consumers enjoy our products, including children and we take great care to ensure that our marketing of snacks follows the appropriate guidance, including New Zealand's Children and Young People's Advertising Code. We also proactively participate and provide inputs into legislative development and seek to build strong government and industry body relationships.

As part of our efforts to promote sustainable packaging, Goodman Fielder uses on-pack labelling to explain packaging recycling options for consumers. We track the adoption of these labels to maximise the recycling rate of our products. As of end 2020, more than 90% of our packaging has adopted these labels in Australia. Our goal is to reach 100% adoption in Australia and New Zealand by 2025. For more details, see the **Sustainable Packaging** section of this report.

## Wilmar Sugar and YKA's approach to product labelling and marketing

In our Wilmar Sugar business, hazardous products that are used as ingredients in the manufacturing of consumer and food service goods are labelled in accordance with the Globally Harmonised System of Classification and Labelling of Chemicals (GHS). We engage with external consultants to classify products and prepare safety data sheets in accordance with the GHS. Products that are sold as ingredients meet relevant requirements, including those of the Therapeutic Goods Administration, Australian Industrial Chemicals Introduction Scheme, Australia Food and Grocery Council and Food Standards Australia New Zealand, depending on the end use of the product

Similarly, YKA product labels follow a regulatory review process for labelling, advertising and communications. Several departments including marketing, R&D, product safety and legal ensure robust compliance with national product labelling standards, as well as market standards for new and existing products. Our in-house design department works alongside marketing to develop product design, packaging and communications. Approved communications are shared on a central internal platform to ensure consistent use by various marketing teams and factories. YKA also has a centralised feedback mechanism to address enquiries from consumers and regulators in a timely fashion.


## Ensuring compliance with all relevant regulatory and voluntary codes

**417-2, 417-3, FB-PF-270A.3, FB-PF-270A.4**

In 2020, there were no incidents and Wilmar did not incur any fines related to non-compliance with industry codes or regulatory requirements on product labelling or marketing, including marketing to children.

Going forward, we will continue to comply with relevant regulations and industry codes to ensure we meet the highest standards of responsible product marketing and labelling.

# Meeting the growing demand for sustainable palm oil and sugar through certification

As part of our commitment to sustainability and to meet the growing demand for sustainable and certified palm oil and sugar products, we actively work towards obtaining relevant industry certifications. For palm oil, these include the Roundtable on Sustainable Palm Oil (RSPO), the Indonesia Sustainable Palm Oil (ISPO), the Malaysian Sustainable Palm Oil (MSPO) and the International Sustainability and Carbon Certification (ISCC). For sugar, these include Bonsucro and the Smartcane Best Management Practices (BMP). Details on our progress towards obtaining these certifications can be found in the **Summary of Progress** and **Base data** section of this report.


## RSPO

### RSPO

As an active member of RSPO, we are committed to the RSPO certification process and have developed a time-bound plan to have all our mills and their supply bases certified against the RSPO Principles & Criteria (P&C). More information about our progress on RSPO certification can be found on the **RSPO website**.

We also support scheme and independent smallholders in our supply chain by including them in our certification efforts. For more information on how we work with smallholders and their certification status, see the section on **Supporting Oil Palm Smallholder Farmers**.

## ISPO

### ISPO

The Government of Indonesia under the Ministry of Agriculture introduced the ISPO certification in 2011. The ISPO is a mandatory certification programme for all oil palm growers and millers operating in Indonesia, with the objective to address social and environmental issues in the oil palm industry and improve the competitiveness of Indonesian palm oil in the global market. Wilmar began implementing the ISPO certification at our Indonesia operations in 2013. Currently 10 Wilmar palm oil mills and plantations, as well as four independent mills are certified.

## MSPO

### MSPO

MSPO, endorsed by the Malaysian government in 2013, is the national certification scheme for oil palm plantations, including smallholders and oil processing facilities in Malaysia. Wilmar began implementing the MSPO certification programme at our Malaysia operations in 2016 and have successfully certified 100% of our Malaysian palm oil mills and plantations in 2020.

## ISCC

### ISCC

The ISCC is an international certification system covering all kinds of bio-based feedstocks and renewables catering to energy, food, feed and chemicals sectors. It incorporates sustainability criteria such as reduction of greenhouse gas emissions, sustainable use of land, protection of natural biospheres and social sustainability.

Wilmar is a member of the ISCC association and has been an active user of the system since 2011 to facilitate trade to European Union Renewable Energy market. Achieving ISCC certification enables delivery of products compliant with the sustainability criteria laid down by the European Union's Renewable Energy Directive (RED).

## BONSUCRO

### BONSUCRO

Bonsucro is a global sustainability standard setting and certification organisation for sugarcane products established in 2008. Wilmar joined the organisation in 2014 and through our membership, we are committed to the development of sustainable sugar. Out of our total sugarcane planted areas in Australia, 56% is certified in compliance with Bonsucro Production Standards, including three raw sugar mills. We also have certified downstream operations in Australia, New Zealand and Singapore in line with the Bonsucro Chain of Custody certification.

## SMARTCANE BMP

### SMARTCANE BEST MANAGEMENT PRACTICES (SMARTCANE BMP)

Smartcane BMP is an industry-led initiative available to all sugarcane growers across the state of Queensland in Australia. Our Burdekin farms were first accredited in 2015, with our accreditation renewed in 2020. Our plan to accredit the remaining farms at Plane Creek have been delayed due to the COVID-19 pandemic and are pending audits which are currently scheduled for early 2021.

# Product quality and safety

**103-1, 103-2, 103-3**

*Customers and consumers rely on us to provide them with high-quality and safe products. Whether for consumer or industrial use, we are committed to the highest standards of product quality and safety at every touchpoint of the value chain - from design to sourcing, production, storage and distribution. Adopting a holistic approach to quality and safety is essential to curbing any health risks and preventing harm to our customers and consumers.*

## Our policies for ensuring food product safety

For our food products, we have three key policies. Wilmar's **Food Safety Policy** describes our commitment and implementation of food safety requirements. Our **Food Fraud Policy** sets out our process for protecting our supply chain against deliberate and unintentional adulteration in our food products, food ingredients and food product packaging. Our **Food Defence Policy** protects our products and supply chain from malicious attacks that might affect the safety of our food products, food ingredients and food packaging.

## Certification for food products

Wilmar requires all of our food factories to be certified by a food safety certification scheme accredited by the Global Food Safety Initiative (GFSI). The majority of our factories have been certified to the FSSC 22000 Scheme, while a few others to the British Retail Consortium (BRC) Global Standard for Food Safety. Factories in the US follow the SQF scheme.

We complement our approach to certification by following the Good Manufacturing Practice (GMP), a system to ensure that products meet food safety, quality and legal requirements. We engage AIB International, a technology and information transfer centre for bakers and food processors, to conduct good manufacturing practices inspections in line with the GMP.

All manufacturing facilities with products that go directly to consumers are enrolled in our AIB inspection programme. In 2020, the programme was expanded to all of our facilities producing food and food ingredients that do not go directly to consumers. In 2021, we will expand this programme to also cover our feedmills and oil seed crushing plants which supply their by-product to customers with GMP+ requirement.

> Customers and consumers rely on us to provide them high-quality and safe products.






Cattle feeding on liquid animal stockfeed produced by Wilmar Sugar Australia

## Certification for non-food products

For non-food products, we also adopt a number of certification schemes. These are often in line with customer requirements such as ISO 22716:2007 for cosmetic products. All of our cosmetic, cosmetic ingredients, pharmaceutical excipient and active factories also undergo AIB inspections. To ensure that we meet the standards set by the different certification schemes, we are also adopting our internal GMP approach for our oleochemical factories, including soaps and detergents.

Due to COVID-19, AIB was able to conduct inspections at 113 of the 164 factories that were originally planned for 2020, mostly in China. Of the remaining ones, we prioritised six factories that were not inspected in 2019 for remote audits by our internal Quality Assurance and Quality Control (QAQC) team. The remaining 45 factories had been audited in 2019 and were closely monitored by our QAQC heads in 2020. In 2021, if the COVID-19 situation permits, we plan to audit 195 factories.

## Certification for animal feed products

For our animal feed products, we also adopt relevant product safety management systems, with the majority following the GMP+ certification scheme. Currently, the majority of our GMP+ certified feed production plants are located in ASEAN countries. We are looking to introduce GMP+ inspections for our feedmills in China in 2022. In Africa, we are planning to certify palm fatty acid distillate (PFAD) productions in Ghana and Ivory Coast as feed products once the COVID-19 situation allows.*

* PFAD is a processing residue derived from the refining of food-grade palm oil for the food and chemical industry uses

# Wilmar's approach to managing Genetically Modified Organism (GMOs)

**FB-AG-430B.1**

## WHAT ARE GMOS AND GM CROPS?

In simple terms, GMOs are organisms (plants, animals or microorganisms) that have had their genetic code (or DNA) altered in some way that does not occur naturally. It is different from conventional breeding, which involves the mixing of all the genes from two different sources, in that it allows selected individual genes to be transferred from one organism into another and also between non-related species. Crops produced from or using GMOs are often referred to as GM crops. Widely grown GM crops include corn, soybeans, rapeseed and sugar beets.

## WHY ARE GM CROPS PRODUCED?

One of the objectives for developing GM crops is to improve their protection, for example, by making them more resistant to pests, more tolerant to herbicides and more resilient against diseases. Proponents of GM crops believe that they have an important role to play in increasing food production to feed a growing population.

## ARE GMO CROPS AND INGREDIENTS SAFE?

Regulatory agencies around the world, including the U.S. Food and Drug Administration (FDA), the U.S. Department of Agriculture (USDA), the European Food Safety Authority (EFSA) and Food Standards Australia New Zealand (FSANZ) have concluded that authorised GM crops and food ingredients produced from them are safe for human consumption.

## WHAT ARE SOME OF THE OTHER CONCERNS RELATED TO GMOS?

Other concerns with GM crops are related to the following: the introduction of engineered genes into wild population and the impact this could have on biodiversity; the marketing and labelling of products containing GMOs; the potential dependency of smallholder farmers on large seed companies and their ability to compete in a global market.

## DOES WILMAR PRODUCE OR USE GM CROPS?

We do not grow or produce GM crops and do not use GMOs in our palm and sugar production process. We recognise that consumer views on the acceptance of GMOs, as well as the global regulatory landscape – in terms of the authorisation of GM crops as well as the provision of information to the consumer – will differ across geographies. Our approach to the use of genetically modified ingredients will vary across our different businesses and product lines.

For example, Goodman Fielder's policy is to avoid genetically modified ingredients wherever possible and we do not use genetically modified ingredients in any of our retail branded consumer product. On the other hand, it is getting increasingly difficult to source ingredients that are unequivocally guaranteed to be GM free. YKA, who relies on imported genetically modified soybeans and rapeseeds for processing, will be handling GM crops.

## HOW DOES WILMAR ENSURE THE RESPONSIBLE USE OF GMOS?

Where we do use GM crops, we ensure a comprehensive management system is in place across our value chain. We strictly adhere to regulatory requirements. For example, in China, we follow all the relevant regulations regarding GMO including the Regulations on the Safety Management of Agricultural GMOs (农业转基因生物安全管理条例), Measures for the Administration of Imports of Agricultural GMOs (农业转基因生物进口管理办法), Measures for the Administration of Agricultural GMOs Identification (农业转基因生物标识管理办法), Measures for the Supervision and Administration of Inspection & Quarantine for Import/Export Grains (进出境粮食检验检疫监督管理办法) and Measures for the Approval of Biological GMO Processing (生物转基因加工审批办法). Some of the measures we have in place include:

- Using the latest technology to conduct stringent testing of GMOs on raw materials and finished products, including checking every truck shipment that arrives
- Segregating GMO and non-GMO ingredients at source for specific customer orders
- Ensuring that some factories remain strictly GMO-free by processing non-GMO ingredients only
- Adhering to labelling requirements for our GMO products to ensure that consumers are well informed

> We strive to maintain zero food safety related incidents across the entire business.

## Expanding our certification programme

Our key focus going forward is to continue the expansion of our GMP programme in partnerships with AIB. We plan to conduct inspections, including unannounced ones, to ensure our product quality and safety systems are truly embedded in our everyday operations. In China alone, 94% of our factories are in the pipeline for a GMP inspection by AIB.

We also aim to conduct more in-depth risk assessments. In 2021, we will expand our Hazard Analysis Critical Control Points (HACCP), especially for retail products, to include chemical and biological hazards in countries where this is still voluntary to control. While these hazards are highly regulated in certain countries, it is important to ensure that all of our factories implement the same stringent processes to prevent these hazards, regardless of location. This is also in line with the latest requirements for food safety certification schemes and the Food and Drug Administration (FDA) requirements in the USA.

## Striving for zero food safety incidents

**416-2**

There were no incidences of non-compliance with regulations or voluntary codes concerning the health and safety impacts of our products, including the impact of our products on children's health and safety.

We strive to maintain zero food safety related incidents across the entire business. To do this, we will continue to ensure that all of our factories are certified by a food safety certification scheme accredited by the GFSI. We also have a target to pass all AIB inspections without any serious findings.

While regulatory compliance is a critical element within our systems, continuous improvement of food safety is the priority, also forming an important part of our R&D efforts. For more details, see the **Innovation and Technology** section of this Report.





↑ A fertiliser application team in Wilmar's operations in Malaysia

# Transforming our supply chain

We recognise that a large part of our impact lies outside of our direct operations.

Our suppliers therefore have a critical role to play in making sustainable agriculture and food production a reality. As one of the world's largest agriculture and food companies, Wilmar is well placed to have a lasting impact on our supply chain.







# Responsible sourcing and supply chain transformation

**102-9, 103-1, 103-2, 103-3, FB-AG-430a.3, FB-PF-440a.2**

*Responsible sourcing and supply chain transformation has always been a strategic priority for Wilmar. In order to meet our sustainability commitments, we must ensure that our supply chain works towards the same sustainability standards that we uphold. We are committed to creating a traceable and transparent supply chain. At the same time, we are promoting supply chain inclusiveness by monitoring and engaging with suppliers through capacity building to empower them to meet our standards.*

At a group level, our **Supplier Guidelines** outline the basic principles we expect all our suppliers to uphold. They cover topics including legal compliance and business integrity; labour and human rights; environmental protection; product quality and safety; and reporting violations or misconducts. In turn, suppliers are also expected to demonstrate, communicate and implement the principles within our Supplier Guidelines throughout their supply chains at all times.

We have an extensive responsible sourcing programme. As a company with strong roots in growing oil palm and sugarcane, our focus on the ground has been on the responsible sourcing of these two commodities as key segments within our business.

> Responsible sourcing and supply chain transformation has always been a strategic priority for Wilmar.

A Wilmar bulking terminal





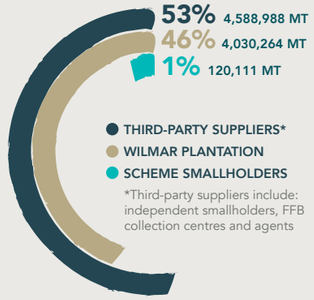
## Overview of our supply chain

### PALM OIL SUPPLIERS

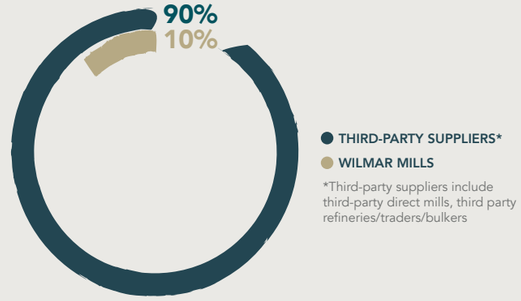
52.5% of our total fresh fruit bunches (FFB) supply for Wilmar palm oil mills comes from third-party supplier plantations in Indonesia, Malaysia, Ghana and Nigeria.

Of our crude palm oil (CPO) and palm kernel oil (PKO) managed by our refineries across the world, over 90% comes from third-party suppliers.

**FFB PROCESSED BY WILMAR PALM OIL MILLS**




**SOURCE OF CPO AND PKO MANAGED BY WILMAR REFINERIES GLOBALLY**



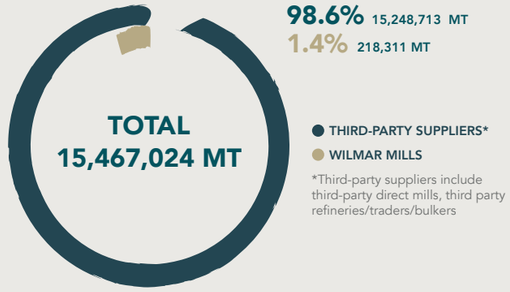

### SUGAR SUPPLIERS

98.6% of our sugarcane processed in our Australia, Myanmar and India sugar mills comes from third-party farmers and smallholders in their respective countries.

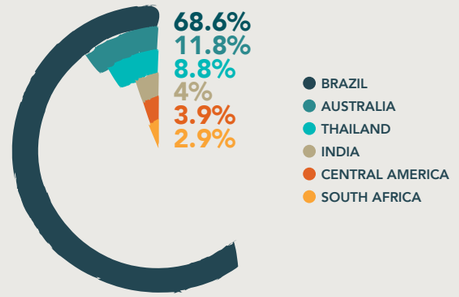
Of our total third-party raw sugar sourced, 89% comes from major traders in Brazil, Thailand and Australia and the remaining 11% from India, South Africa and Latin American countries.

For our sugar division, our primary focus has been on tracing raw sugar sourced from third-party suppliers for our own refineries. We have achieved and maintained 100% traceability to mill for both origin refineries in Australia since 2018.

**SUGARCANE PROCESSED BY WILMAR SUGAR MILLS**

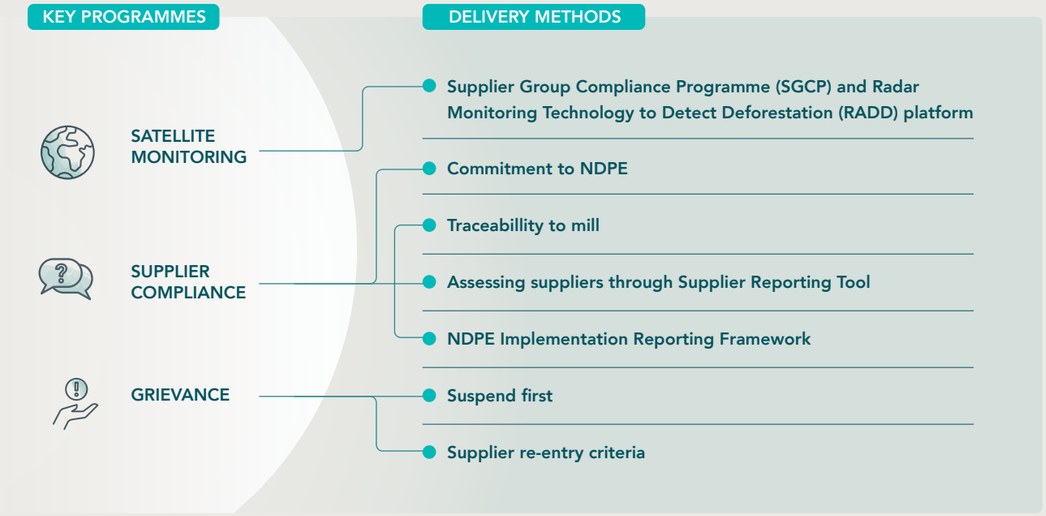



**RAW SUGAR TRADED OR REFINED IN OUR REFINERIES BY COUNTRY OF SOURCE**



## Our key programmes in ensuring palm supplier compliance

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




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

### 1. SATELLITE MONITORING

In December 2013, we launched our **Supplier Group Compliance Programme (SGCP)**. Delivered by Earthqualizer (formerly Aidenvironment Asia), SGCP helps us to identify deforestation through proactive monitoring of all concession areas within a supplier group. It provides deforestation and fire alerts linked directly to the concessions and companies responsible for them, enabling us to confirm and act upon non-compliance occurring within our supply chain. Once an alert is received, the grievance process is triggered. As of end December 2020, the programme monitors more than 20 million hectares[#], which covers over 500 parent groups, representing more than 3,000 plantation units, spanning across Malaysia, Indonesia, Papua New Guinea, Cambodia, Myanmar and Thailand.

In addition to the SGCP, in October 2019, Wilmar joined nine other palm oil producers and buyers to support and fund the development of a new, publicly available, radar-based forest monitoring system known as **Radar Alerts for Detecting Deforestation (RADD)**.

SGCP forms part of our supplier compliance verification framework and is complemented by our **Supplier Reporting Tool (SRT)** and Grievance Mechanism.

> SGCP helps us to identify deforestation through proactive monitoring of all concession areas within a supplier group.

[#] EY has performed limited assurance procedures on this figure





### 2. SUPPLIER COMPLIANCE

Our NDPE policy applies to all third-party suppliers at group level, with no exceptions. In an industry first, we have also made the complete list of our supplying mills available on our **Sustainability Dashboard** since 2015. To date, we have completed formal engagements with 100% of our group-level palm oil suppliers.

In 2017, Wilmar developed and launched the Supplier Reporting Tool (SRT) to better assess our suppliers' progress and their implementation of our NDPE policy. SRT is used to assess suppliers for environmental and social risks, including human rights.

The SRT is an annual programme conducted with 100% of Wilmar's direct supplying mills (including Wilmar mills) and their associated estates. Risk assessment procedures involve analysis of SRT data in combination with mills' certification status, grievances and the Consortium of Resource Experts' (CORE's) neighbourhood geospatial **risk** analysis. Those categorised with higher levels of risk or 'high-priority' mills, undergo site assessments and direct engagement as part of our NDPE policy implementation programmes.

Site assessments are carried out with the help of a digital mobile audit tool called **Nimbly**. Nimbly generates automated reports with time-bound action plans for the supplier mills and plantations assessed. The tool ensures that our suppliers receive assessment results and feedback with minimal lag time.

Mills are scored and ranked for individual INDICATORS of risk and for their overall combination

Mill-based environmental risk is then combined with certification status and grievances for an overall mill-based risk score

The SRT results are then integrated with risk assessment scores to determine risk levels

| | NO. OF SUPPLIER MILLS | % |
|---|---|---|
| Total direct suppliers | 919 | 100 |
| Suppliers assessed as low priority mills (denominator: total direct suppliers) | 829 | 90 |
| Suppliers assessed as high priority mills (denominator: total direct suppliers) | 90 | 10 |
| Engagement with high priority mills (e.g. field verification or received Action Plans from Wilmar) (denominator: suppliers assessed as high priority mills) | 42 | 47 |

**LEGALITY**

**OCCUPATIONAL HEALTH & SAFETY**

**TRACEABILITY**

**WOMEN'S RIGHT**

**CHILD PROTECTION**

**ACCESS TO GRIEVANCE MECHANISMS**

**ENVIRONMENTAL IMPACT MANAGEMENT**

HCV, HCS and peat protection

**LEGAL AND CUSTOMARY (OR TRADITIONAL) LAND RIGHTS**

Free, Prior and Informed Consent (FPIC)

**LABOUR RIGHTS AND STANDARDS**

- Forced labour and human trafficking
- Freedom or association and collective bargaining
- Non-discrimination and equal opportunities
- Fair living wages

Our SRT allows us to collate reports on specific NDPE related criteria as reported by each supplier mill. Based on these reports, we can then identify potential risks of our direct mill suppliers. The criteria that are reported on includes the areas indicated by the icons above.

Since its launch in 2017, SRT has been rolled out to our suppliers in Indonesia, Malaysia, Honduras, Guatemala and Colombia. Out of our 919 suppliers, 574 completed SRTs were submitted as of December 2020. This accounts for 62.5% of the supply base, an increase from the 52.3% reported in 2019. We expect to further improve our SRT response rate in 2021, specifically targeting suppliers who have yet to participate. In view of the current pandemic situation, which has limited our team's ability to conduct site assessments and verify SRT responses, we are exploring alternative solutions for remote assessments and virtual training sessions. This is likely to be informed by the 2020 SRT results and rolled out in the first half of 2021.

### Traceability

For our palm oil operations in particular, traceability is an important first step towards achieving supply chain transformation. It allows us to map our supply base back to palm oil mills and eventually to plantations. With this information, we evaluate suppliers' performance against our NDPE policy, identify and assess high-risk suppliers and engage with them to drive continuous improvement.

Ultimately, this exercise will provide the level of transparency that is expected by our customers and help to provide visibility on our product sources. We update our supplier information bi-annually on our **Sustainability Dashboard**, under the **supply chain map** section to provide transparent information to all stakeholders in a timely manner.

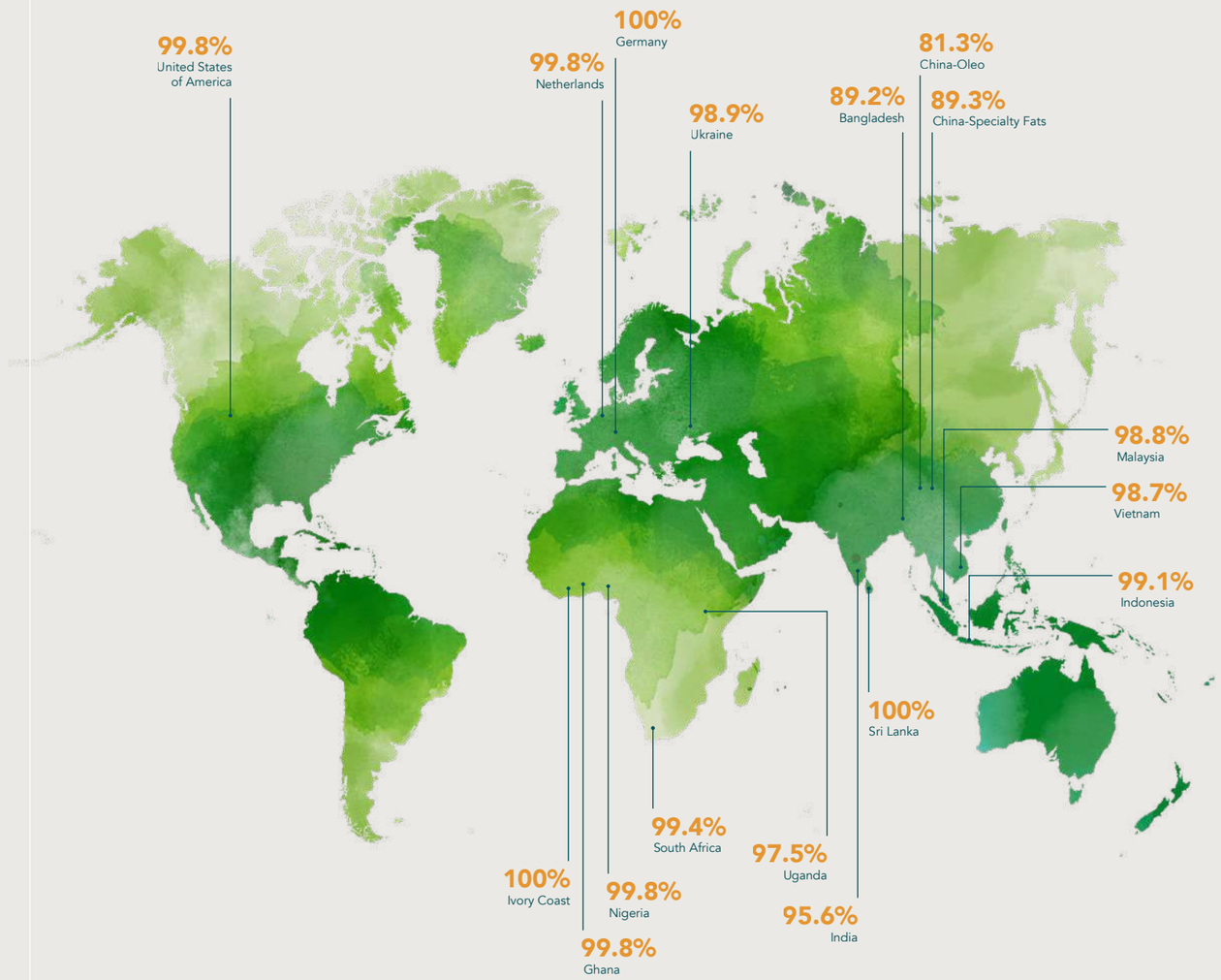
Wilmar first set out to achieve full palm oil mill traceability for all volumes handled by our refineries by 2015. Due to challenges in commodity transportation and trading structures in certain markets, we have revised our target to 2022. We have put in place additional processes to ensure we meet our target. For example, we request traceability information for volumes received from our third-party refiners/traders/bulkers - this is considered a self-declaration document. Wilmar's sustainability team continually monitors the lists obtained from suppliers to ensure that there is no breach in relation to our NDPE Policy. Our procurement practices also now involve buying largely from sources that are able to provide visibility of origin. As of December 2020, we are on track to meet our target, with 97.7%[#] of CPO and PKO equivalent traceable to mill level. This translates to about 23.9 million tonnes of palm products traceable to mills across our global operations.

Overall, 20% of our global supply chain is traceable to plantation. As of December 2020, approximately 14% of third-party supplying mills within our global supply chain are traceable to plantation level. We have achieved 100% traceability to plantation for all Wilmar palm oil mills across our global operations based on the **set criteria**.

Wilmar has no timeline to attain full traceability to plantation level as this primarily serves the purpose of delivering 100% segregated sustainable supply – which can also mean the exclusion of vulnerable producers, such as smallholders. We believe it makes more sense to invest resources to raise the floor for sustainability and good practice for all suppliers within a mill's supply base.

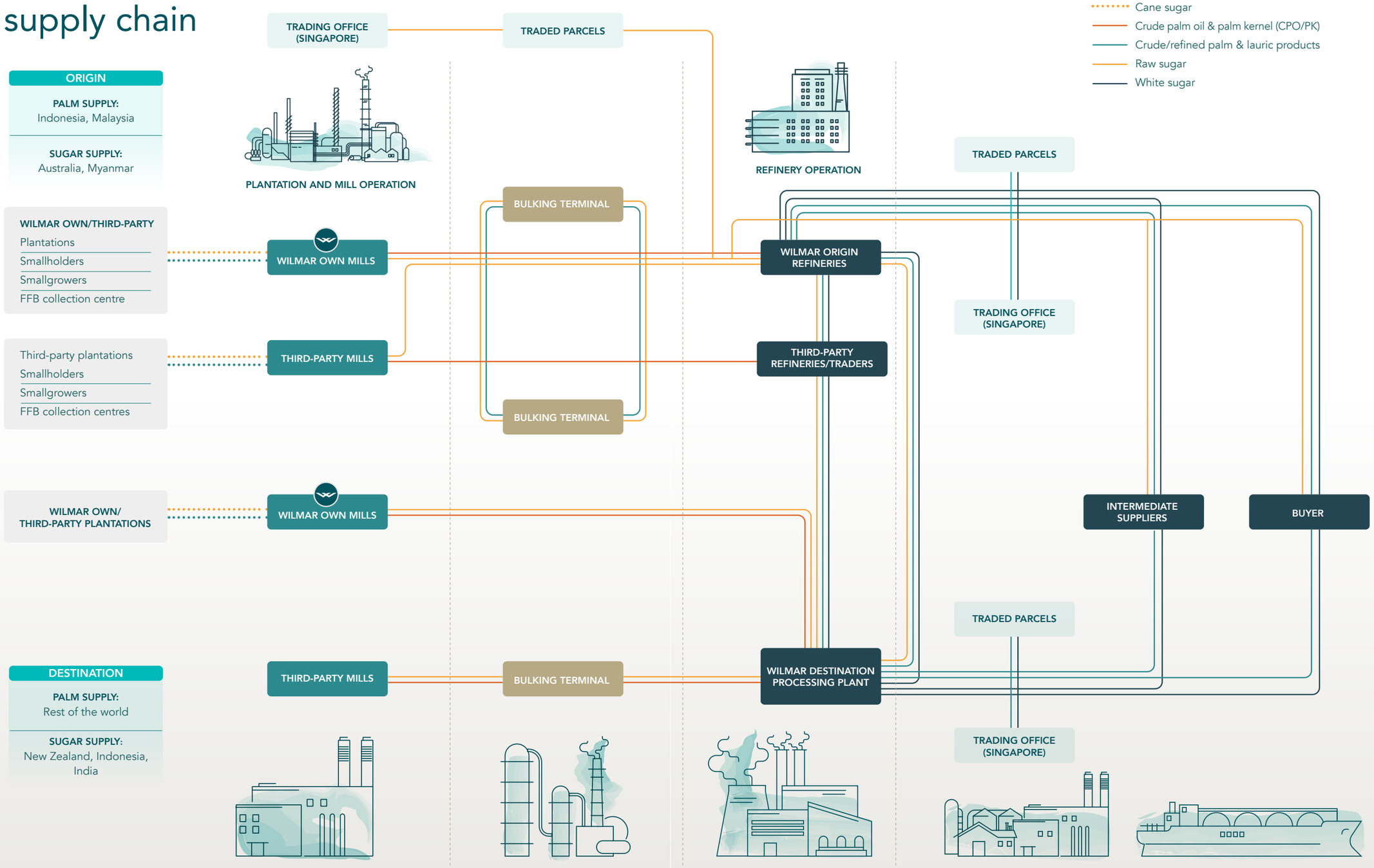
Amongst Wilmar suppliers, there is still a low-level of willingness from many mills to share any information on their FFB suppliers, despite general support on the notion of traceability. Anti-competition regulations are often cited and this can be an issue. We believe that fundamentally a culture change is required in mills. In view of availability of very limited information, Wilmar does not publish nor share information on plantation data. As for Wilmar-owned concession maps, we have been sharing them publicly since 2014 through the Roundtable on Sustainable Palm Oil (RSPO) on the Global Forest Watch (GFW) map platform.

**PALM OIL TRACEABILITY TO MILL BY COUNTRY, AS OF 31 DECEMBER 2020**




[#] CU has conducted limited assurance procedures on this figure

# Overview of our supply chain

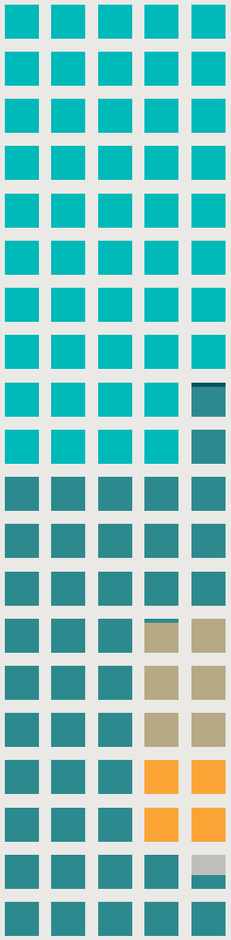


### DELIVERING NDPE COMMITMENTS - NDPE IMPLEMENTATION REPORTING FRAMEWORK (NDPE IRF)

Despite improvements in the transparency of supply chain activities and initiatives, there is still a need to measure and communicate NDPE progress more effectively to suppliers and stakeholders. To this end, Wilmar became an active member of the Proforest-led NDPE IRF in 2019.

The tool involves the assessment and categorisation of supplier mills, evaluating their performance in relation to the three central pillars of our policy: Deforestation, Peat and Exploitation. This categorisation involves obtaining a wide range of data: certification status and grievances; sourcing information; progress on own plantations; and third-party supply, monitoring and verification systems. Data collection for the NDPE IRF is supported by the SRT.

We have found the NDPE IRF to be a highly effective tool for understanding performance across our whole production base. It is helping Wilmar to report more broadly on progress with NDPE implementation, while providing detailed information that can serve as a basis for affirmative action on the ground.



**Progress of Deforestation-Free by Volumes (based on IRF reporting categories)**

We have continued to keep pace on our deforestation-free commitments and as of the end December 2020, 89.5%[#] of palm oil and lauric volumes to Wilmar's origin refineries in Malaysia and Indonesia are from suppliers that have at least company group-level commitments and/or action plans in place to address the No Deforestation requirements.

**48% Delivering**

Volume from mills or mill groups that can demonstrate all supply to mill (under direct and third party management) is in compliance.

**0.1% Progressing**

Volume from mills or mill groups that have made a commitment to ensure all volumes comply with the relevant NDPE requirements and are planning or initiating action

**41.4% Commitments and starting actions**

Volume from mills or mill groups that have made a commitment to ensure all volumes comply with the relevant NDPE requirements and are planning or initiating action

**5.9% Known**

Volume from mills or mill groups that are traceable but no further action has been taken

**4% Awareness**

Volume from mills or mill groups that have been exposed to the relevant NDPE commitments and expectations

**0.6% Unknown**

Volume from mills or mill groups that is untraceable

[#] CU has conducted limited assurance procedures on this figure





### 3. GRIEVANCE MECHANISM

Our **Grievance Procedure** provides an avenue for stakeholders to raise concerns against Wilmar and our third-party suppliers. It helps us to monitor compliance on our NDPE policy across our operations and supply chain and holds us accountable through increased transparency by providing stakeholders with access to timely and public updates on grievances. Wilmar continuously aims to achieve a 100% response rate for all grievances raised and works towards resolving all open cases effectively and transparently. Our grievance list is updated on an on-going basis and is available on our **Sustainability Dashboard**.

Wilmar implements a 'suspend first' approach for suppliers. Effective 1 January 2019, suppliers involved in verified cases of deforestation and/or new development on peatland face immediate suspension at group-level. To avoid any suspension contributing to a growing unsustainable market or negatively impacting oil palm smallholders, Wilmar sees post-suspension engagement as crucial, enabling us to assist suppliers in bringing their operations to compliance. Through corrective measures and action, suspended suppliers can re-enter our supply chain. To guide suppliers on the lifting of suspension, we published our supplier **re-entry criteria** in 2019. This re-entry criteria guides our suspended suppliers on our required actions and expectations for our consideration in lifting suspensions.

One of the biggest challenges in creating a deforestation-free palm oil supply chain is the lack of industry-wide alignment on approaches to addressing deforestation in the supply chain. Disparities include deforestation cut-off dates, how suspensions are carried out and the scope of suspensions for non-compliant suppliers. For example, no other company has adopted a 'suspend first' approach, so some plantation companies are still actively and knowingly conducting deforestation. These companies will only stop their deforestation activities if they are exposed and identified by external stakeholders.

### RECOVERY PLANS FOR NON-COMPLIANCE:

An important element of our re-entry criteria is that we require supplier groups with non-compliant forest clearing and peat development (after the cut-off date of 31 December 2015) to submit recovery plans to address issues on these past non-compliance(s).

In 2019, through a group process convened by the Mighty Earth, Wilmar worked with other palm oil companies and non-governmental organisations (NGOs) to define such criteria. Although the working group could not agree on the adoption of all the criteria due to different stakeholder expectations, Wilmar has adopted the undisputed portion of the re-entry criteria.

Wilmar's recovery plans are guided by four basic criteria:

1. Additionality;
2. Long-lasting;
3. Equitable;
4. Knowledge-based.

Non-compliant forest clearing and peat development leads to negative biodiversity impact. Therefore, we value recovery plans that can create long term conservation outcomes and enhance biodiversity and ecological functions of the proposed sites.

> "Wilmar continuously aims to achieve a 100% response rate for all grievances raised and works towards resolving all open cases effectively and transparently.

There are also no commercial consequences to their active deforestation post January 2019 as long as their buyers do not adopt the “suspend first approach” and “re-entry criteria”. There were many instances where our suspended suppliers could easily redirect their oil into alternative supply chains, where there are no stringent requirements for re-entry.

In addition, the scope of suspensions for non-compliant suppliers tends to vary from one company to another. Wilmar applies suspension at the group-level of supplier companies, while other purchasing companies may suspend at the mill level or apply controlled purchase approaches (i.e. staggered reduction of purchases over a period of time). This means that supplier companies found to be in breach of no deforestation requirements can potentially still find routes into NDPE supply chains.

Besides that, there is currently no industry-wide alignment on the definition of ‘group-level’. Wilmar adopted RSPO's definition for "group", while others have not aligned with RSPO or provided clarity on their definitions. Due to this, some companies tend to take a case-by-case approach in resolving non-compliances which leads to inconsistencies and dismissal of cases without much clarity.

Reflecting on the industry’s sustainability journey, significant progress has been made towards eliminating deforestation from the global palm oil supply chain. Going forward, we must continue to work together as an industry, building towards the same standards and approaches. Through the innovations and initiatives outlined, Wilmar continuously strives to advocate for a deforestation-free palm oil supply chain with support of key stakeholders within the industry.

## Group supplier NDPE compliance status

**308-1, 308-2, 414-1, 414-2, FB-AG-430a.2, FB-PF-430a.2**

### SATELLITE MONITORING

**> 500 supplier groups**
and more than 3,000 plantation units being monitored

### SUPPLIER ENGAGEMENT

**919 (100 %)**
suppliers assessed

**829 (90%)**
suppliers assessed as low priority mills

**90 (10%)**
suppliers assessed as high priority mills

**42 (47%)**
high priority mills engaged (e.g. field visit, received Action Plans etc.)

### WILMAR’S “SUSPEND FIRST POLICY”

**2.5 million hectares**
of total oil palm plantations removed from our supply chain due to suspensions since 2015

**> 20 million hectares**
of land covered by satellite monitoring in Indonesia, Malaysia, Papua New Guinea, Cambodia, Myanmar and Thailand

**11 of 30 supplier groups**
(managing 0.7 million hectares of oil palm plantations) met Wilmar’s re-entry criteria

**30 supplier groups**
suspended since 2015

**19 supplier groups**
remain on our suspension list (managing 1.8 million hectares of oil palm plantations)

**7 supplier groups**
have been suspended since the introduction of our ‘suspend first’ approach





### GRIEVANCE CASES AS OF DECEMBER 2020

**75** [#] grievance cases

**69[#] cases**
against third-party suppliers (61 cases closed)

**6[#] cases**
against Wilmar-owned operations (3 cases closed)

[#] EY has performed limited assurance procedures on these figures

**GRIEVANCES RAISED AGAINST THIRD-PARTY SUPPLIERS AND WILMAR-OWNED OPERATIONS BY CATEGORY**

| | RAISED | IN PROGRESS | CLOSED |
|---|---|---|---|
| Deforestation | 50 | 2 | 48 |
| Human Rights Defender | 2 | 0 | 2 |
| Labour Rights | 10 | 4 | 6 |
| Land Rights | 4 | 4 | 0 |
| Deforestation and Human Rights Defender | 1 | 0 | 1 |
| Deforestation and Land Rights | 6 | 0 | 6 |
| Land Rights and Labour Rights | 1 | 1 | 0 |
| Deforestation, Land Rights and Labour Rights | 1 | 0 | 1 |

# Responsible business practices

Conducting business activities responsibly is the foundation of any successful business.

We are committed to doing business with the utmost integrity to maintain the trust and confidence of our stakeholders. This involves fostering a culture of ethical business conduct, ensuring everyone complies with all relevant laws and internal policies, as well as implementing an effective governance structure.




# Business ethics and compliance

**102-16, 103-1, 103-2, 103-3**

*It is important for Wilmar to have a widespread culture of strong business ethics and compliance. This guides the right behaviours and decision-making within the company. As a group, we make decisions based on a set of values that define who we are and the way we work.*

## Our core values:

**INTEGRITY**

We value honesty, trustworthiness and high ethical standards.

**EXCELLENCE**

We strive for excellent performance in everything we do.

**PASSION**

We are passionate about growing our business globally.

**INNOVATION**

We value innovative efforts, ideas and methods to continually improve our business processes.

**TEAMWORK**

We work as one team to achieve our corporate goals.

**SAFETY**

We pay careful consideration to the health and safety of our employees at the workplace.

## Group policies and guidelines

**102-17, 207-1**

**WILMAR'S CODE OF CONDUCT**
sets out the acceptable standards of conduct and personal behaviours that all employees are expected to maintain. It addresses concerns on conflict of interest, bribery and corruption. The Code of Conduct is centred around three key principles:

1. To avoid conflict of interest;
2. To avoid misuse and/or abuse of position;
3. To ensure confidentiality of information and to prevent misuse of information gained through the Company's operations.

**WILMAR'S CODE OF ETHICS**
prescribes the moral and ethical standards expected of our employees and leadership. Underlying our Code of Ethics is the principle of integrity, which is to be applied in all of our behaviours and relationships.

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

**SUPPLIER GUIDELINES**
Our Supplier Guidelines outline the principles we expect our suppliers to uphold, including those related to business integrity. In turn, suppliers are also expected to communicate and implement the principles within our Supplier Guidelines throughout their supply chains.

**ANTI FRAUD POLICY**
We have a specific Anti-Fraud Policy that sets out guidelines and assigns responsibilities for the development of controls, and for conducting investigations related to fraud.

**WHISTLEBLOWING POLICY**
Our Whistleblowing Policy provides employees and external parties who have a business relationship with Wilmar, with accessible channels to raise concerns about possible corporate improprieties. This can be done in confidence and without the risk of reprisal. It also sets out the process to investigate concerns raised and determining appropriate follow-up actions.

> In 2020, there were no reported incidents of anti-competitive behaviour, monopolistic practice or corruption cases involving Wilmar.





## Training on our corporate policies

**205-2, 205-3, 206-1, 307-1, 415-1, 419-1**

All employees at Wilmar receive training and specific guidance on our **corporate policies**, either as part of their on-boarding or as refresher training. Employees also have access to these policies which are posted on the Company's intranet or website.

These corporate policies have been approved by the Board of Directors who set the tone from the top. Directors are also encouraged to participate in seminars, conferences and training programmes which are relevant to their role. More information on the development programmes attended by some Directors in the course of FY2020, as well as in-house briefings conducted by Management and external consultants can be found on page 54 of our **Annual Report 2020**.

In 2020, there were no reported incidents of anti-competitive behaviour, monopolistic practice or corruption cases involving Wilmar. 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 campaigns or political organisations.

## Corporate governance

**102-18**

Wilmar is committed to upholding a high standard of corporate governance to safeguard the interests of all our stakeholders and continue to create long term value for them. To establish an appropriate governance structure, controls and oversight of our business is essential. This ensure that responsible business practices are upheld and the right culture is instilled. In addition, we recognise the importance of a diverse Board, comprising Directors who bring an appropriate balance and diversity in skills, experience, gender and relevant industry knowledge. Guided by our **Board Diversity Policy**, our Directors are selected from a wide range of backgrounds with diverse skills, qualification and relevant experience. More details on our corporate governance framework, practices and Directors' profiles can be found on pages 38 and 50 of our **Annual Report 2020**.


↑ Wilmar's operation in Lianyungang, China

# Data security and privacy

**103-1, 103-2, 103-3**

*Wilmar places cybersecurity at the core of our digital transformation journey. We use a robust and risk-based framework to manage ever-changing cyber threats and proactively protect our assets.*

We constantly review our IT policies to ensure that they stay relevant and in compliance with prevailing data privacy laws and regulations in countries that we operate in.

Wilmar's IT security team reports to our Chief Information Officer (CIO) who in turn reports to Wilmar's Chief Operating Officer (COO). Key developments, initiatives and emerging issues on IT security are regularly reported by the CIO, after clearing with the COO, to the Board.

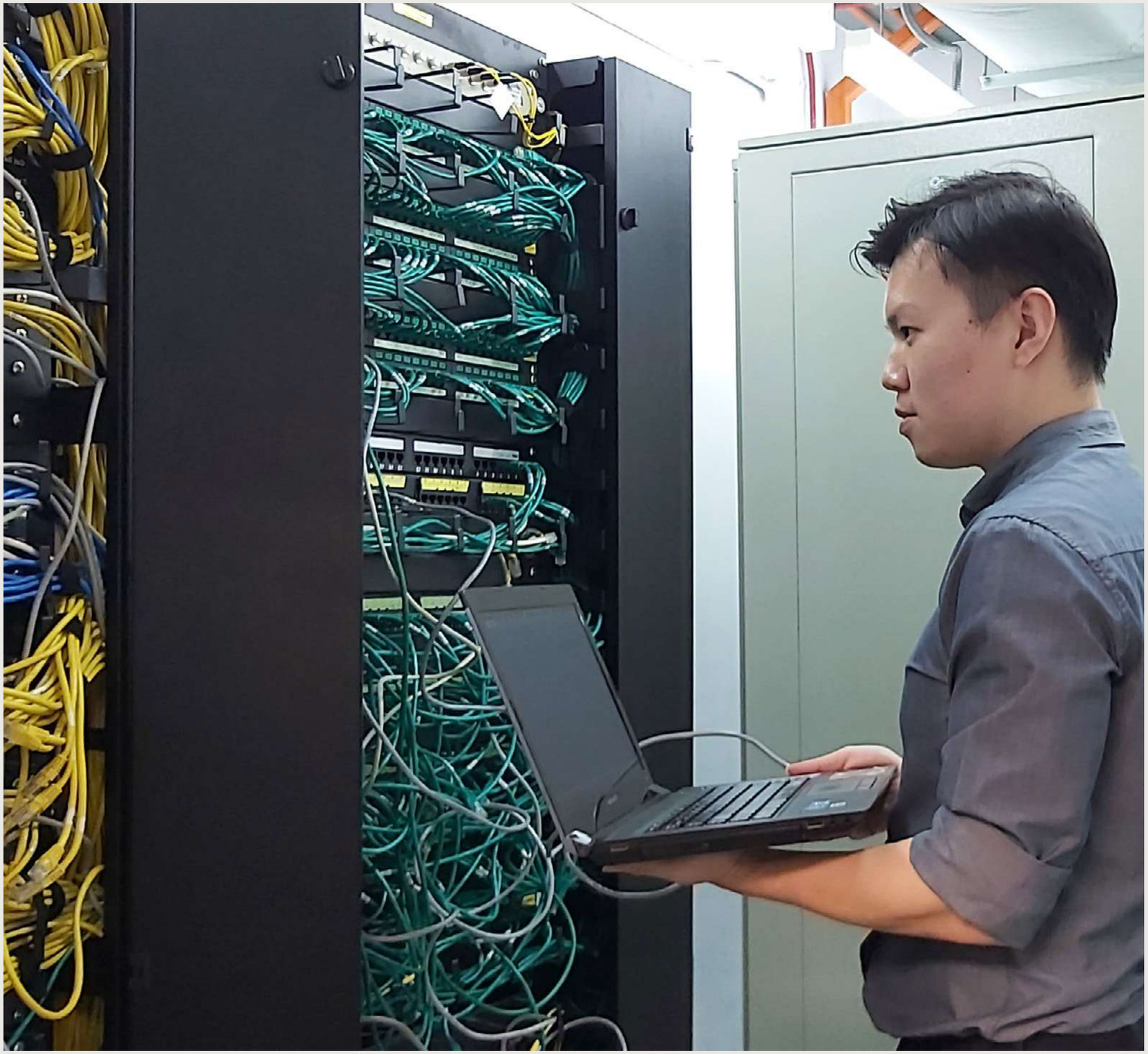
## Protecting data privacy

Wilmar aims to ensure that we comply with all relevant data protection regulations, including the General Data Protection Regulation (GDPR) in Europe and the Personal Data Protection Act (PDPA) in Singapore. The **Wilmar Group Privacy Policy**, available on our website, outlines how we collect personal data; how and for what purposes we may use it; and to whom such data may be disclosed to. This policy also includes important information regarding individuals' rights with respect to the processing of personal data. Wilmar's Internal Privacy Policy addresses how employees must handle data in accordance with these regulations. Both policies were updated in 2020 and were communicated to all employees.

## 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 trainings and sending cybersecurity bulletins with tips and advice regularly. This inculcates good cyber-hygiene amongst our employees and reminds them to stay vigilant.



# Appendix

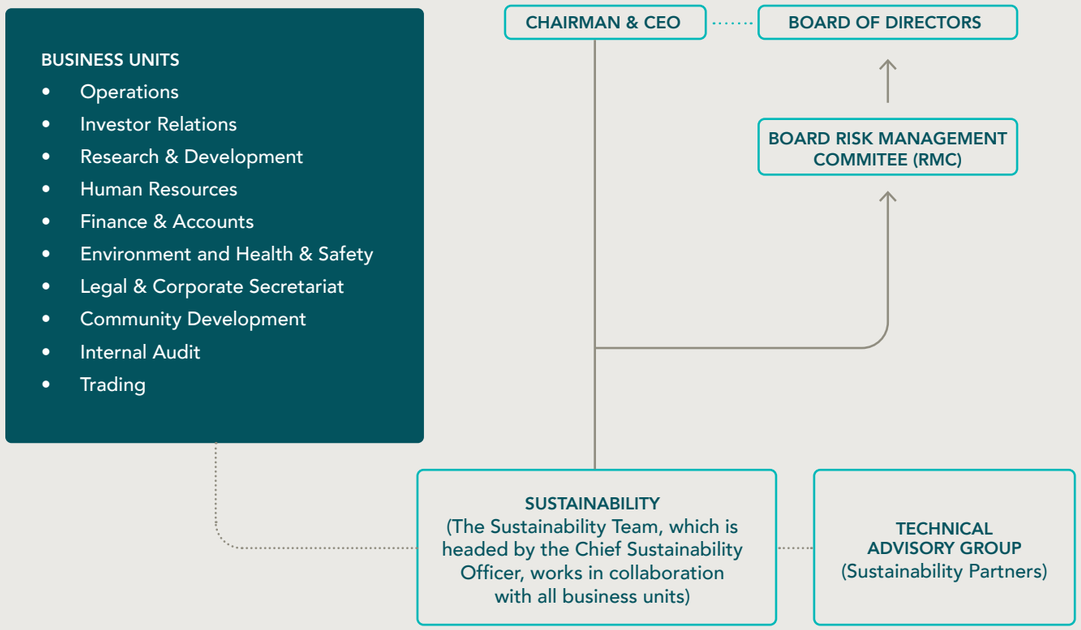
# Sustainability governance

**102-18, 102-19, 102-20, 102-21, 102-22, 102-26, 102-29, 102-31, 102-32**

*The Chairman & CEO and the Board of Directors oversee the management of Wilmar's sustainability strategy. They are supported by the Risk Management Committee (RMC) which meets quarterly and provides oversight on Wilmar's sustainability performance targets for the entire business. This is typically done through reviews of emerging ESG issues and quarterly reports on sustainability performance from the Sustainability Department.*

Wilmar's Sustainability Department is led by the Chief Sustainability Officer, with the General Manager – Group Sustainability in charge of day-to-day management. Staffed by over 60 employees across our global offices and sites, the Sustainability Department works in collaboration with all business and operational units to implement the Group's multifaceted sustainability strategies and initiatives. A combination of local and technical expertise throughout Asia, Africa and Europe enables the Department to oversee implementation of the NDPE policy, other sustainability related policies, sustainability certification, supply chain monitoring, research & development, stakeholder engagement and reporting.

A Technical Advisory Group comprising external sustainability partners (e.g. sustainability consultants, collaborators and civil society organisations) work with our Sustainability team to provide on-the-ground support to execute and evaluate the implementation of our NDPE and other sustainability-related policies.








# Materiality

**102-47**

In line with our increased scope of reporting, we have carried out a comprehensive materiality assessment in 2020 to cover our key business segments. This exercise aimed to identify the ESG topics that matter most to stakeholders and are most important for the long term success of Wilmar as a group.

We engaged an independent consultancy specialising in sustainability to conduct our 2020 assessment. We followed the principle of materiality as set out in the GRI Standards, undertaking a four-stage approach:

**1 CONTEXT AND TOPIC IDENTIFICATION**

Undertook desk-based research and a benchmarking exercise to identify a list of potentially material topics for our key business segments. This stage produced a list of 16 topics that were taken forward for prioritisation, filtering out those that were not relevant to our business.

**2 TOPIC PRIORITISATION**

Conducted an online survey for internal and external stakeholders to prioritise the list of 16 topics based on how important they are for Wilmar to address as a group. We aimed to get balanced views from representatives of our most important stakeholder groups, namely Wilmar's employees from across different departments, academia, banks/lenders, certification bodies, customers, government/regulators, industry bodies, investors/shareholders, labour unions, local communities, media, multi-stakeholder organisations, civil society organisation (CSOs), non-profit organisations, retailers, smallholders, suppliers, sustainability consultants/collaborators, third-party auditors. We received a total of 364 responses from our employees and 521 responses from external stakeholders, enabling us to achieve a response rate of 66.5% and 42% respectively.

**3 INTERVIEWS**

Conducted a series of interviews with key external stakeholders to gather additional context and insights into Wilmar's sustainability context and material topics.

**4 VALIDATION**

Consolidated and analysed findings from the online survey and interviews to produce a preliminary matrix. Validated the results with the Sustainability Team and received sign-off from the Board of Directors.

MATERIAL ESG TOPICS

## PRIORITY TOPICS

**These are topics of very high importance to Wilmar and our key stakeholders. They have relevance to the business's ability to create long term value and its impact on society and the environment. They form the focus of Wilmar's sustainability strategy and reporting.**

- BIODIVERSITY AND CONSERVATION
- BUSINESS ETHICS AND COMPLIANCE
- CLIMATE CHANGE
- DIVERSITY AND INCLUSION
- ECONOMIC AND COMMUNITY CONTRIBUTION
- ENVIRONMENTAL FOOTPRINT OF OPERATIONS
- EMPLOYEE HEALTH, SAFETY AND WELL-BEING
- HUMAN RIGHTS AND LABOUR STANDARDS
- PRODUCT QUALITY AND SAFETY
- RESPONSIBLE SOURCING AND SUPPLY CHAIN TRANSFORMATION

## IMPORTANT TOPICS

**These topics are of moderate to high importance to either Wilmar or our key stakeholders.**

- CONSUMER HEALTH AND WELL-BEING
- DATA SECURITY AND PRIVACY
- INNOVATION AND TECHNOLOGY
- PRODUCT MARKETING AND LABELLING
- SUSTAINABLE PACKAGING
- TALENT MANAGEMENT





**BIODIVERSITY AND CONSERVATION:**

Conserving, managing and rehabilitating High Carbon Stock (HCS) forest, High Conservation Value (HCV) areas and peatland through no deforestation, no development on peatland and fire prevention.

**BUSINESS ETHICS AND COMPLIANCE:**

Conducting business activities with the highest standards of governance and ethics, and in compliance with all relevant laws and policies.

**CLIMATE CHANGE:**

Taking actions to mitigate the impacts of climate change by reducing Greenhouse Gas (GHG) emissions and adapting to regulatory and physical climate risks.

**DIVERSITY AND INCLUSION:**

Fostering a diverse and inclusive workplace, free from harassment and discrimination based on an individual's ethnic origin, gender, national origin, age, social class, religion, sexual orientation, gender identity, union membership, political affiliation or disability. Ensuring a fairer and more inclusive workplace for women.

**ECONOMIC AND COMMUNITY CONTRIBUTION:**

Contributing to the socio-economic development of the communities where we operate.

**ENVIRONMENTAL FOOTPRINT OF OPERATIONS:**

Minimising the environmental footprint of our operations though the efficient consumption and responsible management of energy, water and waste.

**EMPLOYEE HEALTH, SAFETY AND WELL-BEING:**

Promoting and safeguarding the health, safety and well-being of our workforce.

**HUMAN RIGHTS AND LABOUR STANDARDS:**

Providing fair and decent working opportunities, respecting and protecting the rights, dignity and security of our workers, our communities and all people who are part of our value chain.

**PRODUCT QUALITY AND SAFETY:**

Guaranteeing the highest standards of product quality and safety.

**RESPONSIBLE SOURCING AND SUPPLY CHAIN TRANSFORMATION:**

Ensuring responsible sourcing activities by creating a traceable and transparent supply chain. Promoting supply chain inclusiveness by monitoring and engaging with suppliers to empower them to meet high sustainability standards through capacity building.

**CONSUMER HEALTH AND WELL-BEING:**

Contributing to the access of affordable, healthy and nutritious food, especially in emerging markets.

**DATA SECURITY AND PRIVACY:**

Protecting personal data from any unauthorised access or malicious attacks, and ensuring the proper handling, processing, storage and usage of personal information.

**INNOVATION AND TECHNOLOGY:**

Investing in research and development (R&D) and adopting new technologies to drive product and process innovation, leading to enhanced product quality and operational efficiencies.





**PRODUCT MARKETING AND LABELLING:**

Marketing and labelling our products accurately and with high standards for product transparency.

**SUSTAINABLE PACKAGING:**

Sourcing and developing packaging solutions that minimise the use of materials and can be reused/recycled by the end-user.

**TALENT MANAGEMENT:**

Attracting skilled individuals, providing development opportunities and maintaining an engaged workforce to build a high-performing company.

# Supporting the United Nations Sustainable Development Goals (SDGs)

*Adopted in 2015, the SDGs – or Global Goals – represent a shared global agenda to achieve a sustainable future by 2030. As part of our sustainability approach, Wilmar is committed to playing our part in meeting the Global Goals.*

*While our activities will touch on all 17 interrelated SDGs, we have identified six priority goals, which we believe we have an opportunity to make the biggest impact on based on our core business operations, products and services, as well as leveraging our strengths to collaborate and partner with others.*

| SDG GOAL | SDG TARGET | WILMAR ACTIVITIES |
|---|---|---|
| **4 - QUALITY EDUCATION** | | |
| **ENSURE INCLUSIVE AND EQUITABLE QUALITY EDUCATION AND PROMOTE LIFELONG LEARNING OPPORTUNITIES FOR ALL** | **4.1** By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes<br><br>**4.2** By 2030, ensure that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education<br><br>**4.4** By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship<br><br>**4.5** By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations | ● Provision of schools, daycare facilities and crèches<br><br>● School redevelopment programmes<br><br>● Provision of scholarships and apprenticeships |





| SDG GOAL | SDG TARGET | WILMAR ACTIVITIES |
|---|---|---|
| **8 - DECENT WORK AND ECONOMIC GROWTH** | | |
| **PROMOTE SUSTAINED, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL** | **8.5** By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities and equal pay for work of equal value<br><br>**8.7** Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers and by 2025 end child labour in all its forms<br><br>**8.8** Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants and those in precarious employment | ● Launched our Human Rights Framework in 2019<br><br>● Published our No Exploitation Protocol for third-party suppliers<br><br>● Launched our Women's Charter in 2019, outlining our commitment to respecting women's rights and ensuring their welfare<br><br>● Established Women's Working Groups (WoW) or Gender Committee in 100% of our oil palm plantations<br><br>● On-going collaboration with Verité on systemic labour and human rights risks<br><br>● Active member of the RSPO Labour Task Force and now the newly established Decent Living Wage Task Force (DLW TF)<br><br>● Assessing our employees, workers and suppliers to ensure they are paid a living wage<br><br>● Carry out direct recruitment in Malaysia, where we employ a large proportion of foreign workers<br><br>● Provision of schools, scholarships and apprenticeships |
| **17 - PARTNERSHIPS FOR THE GOALS** | | |
| **ENSURE SUSTAINABLE CONSUMPTION AND PRODUCTION PATTERNS** | **12.2** By 2030, achieve the sustainable management and efficient use of natural resources<br><br>**12.4** By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks and significantly reduce their release to air, water and soil in | ● Production of renewable energy from biomass in our palm oil and sugar upstream operations<br><br>● Implementing solar-powered irrigation pumping systems on Shree Renuka Sugars Limited (SRSL) farms<br><br>● Adopting technologies to reduce energy consumption |

| SDG GOAL | SDG TARGET | WILMAR ACTIVITIES |
|---|---|---|
| **12 - RESPONSIBLE CONSUMPTION AND PRODUCTION** *(continued)* | | |
|  <br>**ENSURE SUSTAINABLE CONSUMPTION AND PRODUCTION PATTERNS** | order to minimize their adverse impacts on human health and the environment<br><br>**12.5** By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse | in our factories, including steam condensate recovery, waste heat recovery of exhaust gas and steam residual pressure power generation<br><br>● Conducting Environmental Impact Assessments (EIA) prior to construction of new plants or other significant projects<br><br>● Implemented an Integrated Pest Management (IPM) approach, combining cultural, mechanical, biological and chemical strategies to control pests |
| **13 - CLIMATE ACTION** | | |
|  <br>**TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS** | **13.1** Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries | ● Invest heavily in the R&D of palm seedlings that are more resilient to extreme weather patterns<br><br>● Reduce our reliance on electricity from the grid and non-renewable sources in our factories<br><br>● Rolling out photovoltaic (PV) power plants across our factories across China<br><br>● Conservation of 31,640 hectares of HCS forests and HCV areas in Wilmar oil palm plantations in Malaysia, Indonesia, Ghana and Nigeria<br><br>● Conservation of 1,090 hectares of peatland in our conservation area |
| **13 - CLIMATE ACTION** | | |
|  <br>**PROTECT, RESTORE AND PROMOTE SUSTAINABLE USE OF TERRESTRIAL ECOSYSTEMS, SUSTAINABLY MANAGE FORESTS, COMBAT DESERTIFICATION AND HALT AND REVERSE LAND DEGRADATION AND HALT BIODIVERSITY LOSS** | **15.1** By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements | ● Conservation of 31,640 hectares of HCS forests and HCV areas in Wilmar oil palm plantations in Malaysia, Indonesia, Ghana and Nigeria<br><br>● Conservation of another 826 hectares of land in our sugar plantations in Australia and sugar mills and plants in India |





| SDG GOAL | SDG TARGET | WILMAR ACTIVITIES |
|---|---|---|
| **15 - LIFE ON LAND** *(continued)* | | |
|  <br>**PROTECT, RESTORE AND PROMOTE SUSTAINABLE USE OF TERRESTRIAL ECOSYSTEMS, SUSTAINABLY MANAGE FORESTS, COMBAT DESERTIFICATION AND HALT AND REVERSE LAND DEGRADATION AND HALT BIODIVERSITY LOSS** | **15.2** By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally<br><br>**15.3** By 2030, combat desertification, restore degraded land and soil, including land affected by desertification, drought and floods and strive to achieve a land degradation-neutral world<br><br>**15.5** Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species | ● Monitoring conservation areas using Spatial Monitoring and Reporting Tool (SMART)<br><br>● Raising awareness on the importance of biodiversity conservation through our Wildlife Awareness Outreach Programme (WAOP)<br><br>● Monitoring of fires within and surrounding our palm oil operations through the Fire Free Alliance (FFA)<br><br>● Improving yield and extraction rates in our palm oil operations |
| **17 - PARTNERSHIPS FOR THE GOALS** | | |
|  <br>**STRENGTHEN THE MEANS OF IMPLEMENTATION AND REVITALIZE THE GLOBAL PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT** | **17.16** Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries | ● Member of the Roundtable on Sustainable Palm Oil (RSPO) since its inception in 2004 and active participant in various RSPO working groups<br><br>● Members of the European Palm Oil Alliance (EPOA), Tropical Forest Alliance (TFA), Fire Free Alliance (FFA), Grow Asia, Grow Africa, Bonsucro and the Round Table on Responsible Soy (RTRS) Association<br><br>● Ongoing partnerships on biodiversity and conservation initiatives with research institutions and CSOs<br><br>● R&D programmes with academic and national research centres across the world to optimise process efficiencies and enhance product quality<br><br>● Social diversity and community programmes with local partners |

# Base data

103-3

## Overview of operations

102-7, FB-AG-000.A, FB-AG-000.C

Palm oil production (MT)

| | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|
| FFB PRODUCTION | 4,030,264 | 3,914,613 | 4,189,728 | 3,922,904 |
| FFB PROCESSED | 8,739,363 | 9,758,924 | 9,435,941 | 8,670,952 |
| CPO | 1,716,131 | 1,903,413 | 1,966,505 | 1,742,618 |
| PK | 413,089 | 467,064 | 482,977 | 421,574 |

Sugarcane production from Wilmar plantations (MT)

| | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|
| AUSTRALIA | 494,839 | 461,557 | 484,038 | 491,340 |
| MYANMAR | 12,288 | 28,434 | 21,325 | 29,146* |

* Data were collated based on harvesting season (April 2017 to March 2018)

Oil palm plantations planted area by country (ha)

| | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|
| INDONESIA | 151,971 | 152,754 | 152,929 | 154,557 |
| MALAYSIA | 59,700 | 59,869 | 58,164 | 57,991 |
| GHANA | 4,738 | 4,738 | 4,738 | 4,738 |
| NIGERIA | 15,643 | 15,580 | 14,578 | 12,170 |
| TOTAL | 232,053 | 232,940 | 230,409 | 229,456 |

SUGARCANE PLANTATIONS PLANTED AREA BY COUNTRY IN 2020 (HA)

| | 2020 |
|---|---|
| AUSTRALIA | 6,903.96 |
| MYANMAR | 520 |
| TOTAL | 7,423.96 |





## Protecting the environment

BIODIVERSITY AND CONSERVATION

304-3

| TYPE OF CONSERVATION AREA | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|
| HCV (EXCLUDING RIPARIAN ZONES) | 25,572 | 25,511 | 25,027 | 25,133 |
| HCS | 22 | 22 | 22 | |
| RIPARIAN ZONES | 6,046 | 5,842 | 4,564 | 4,609 |
| OTHER CONSERVATION AREAS | 826 | 826 | 675 | 675 |
| TOTAL | 32,466 | 32,201 | 30,288 | 30,417 |

Total conservation area by region (ha)

| REGION | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|
| SABAH | 6,674 | 6,745 | 6,069 | 6,063 |
| SARAWAK | 1,725 | 1,725 | 1,722 | 1,705 |
| CENTRAL KALIMANTAN | 15,087 | 15,086 | 15,084 | 15,083 |
| WEST KALIMANTAN | 1,921 | 1,920 | 2,010 | 2,041 |
| SUMATRA | 3,009 | 3,009 | 3,011 | 3,114 |
| GHANA | 83 | 83 | 83 | 83 |
| NIGERIA | 3,142 | 2,807 | 1,633 | 1,653 |
| AUSTRALIA | 675 | 675 | 675 | 675 |
| INDIA | 151 | 151 | - | - |
| MYANMAR | 0 | 0 | 0 | 0 |
| TOTAL | 32,466 | 32,201 | 30,288 | 30,417 |

Conserved and planted peat area by region (ha) in 2019 & 2020

| REGION | 2020 | | 2019 | |
|---|---|---|---|---|
| | PLANTED | CONSERVED | PLANTED | CONSERVED |
| SABAH | 11# | 0.6 | 11# | 0.6 |
| SARAWAK | 88# | 2.9 | 88# | 2.9 |
| CENTRAL KALIMANTAN | 0# | 0 | 0# | 0 |
| WEST KALIMANTAN | 145# | 104 | 4,548# | 4 |
| SUMATRA | 2,176# | 983 | 2,213# | 127 |
| GHANA | 0 | 0 | 0 | 0 |
| NIGERIA | 0 | 0 | 0 | 0 |
| TOTAL | 2,420# | 1,090 | 6,860# | 135 |

Hotspots vs actual fires by region in Indonesia in 2020

| | WILMAR'S CONCESSIONS | | | WITHIN A 5KM RADIUS OUTSIDE OF WILMAR CONCESSIONS | | |
|---|---|---|---|---|---|---|
| | NO. OF HOTSPOTS DETECTED | NO. OF ACTUAL FIRES | AREA AFFECTED (HA) | NO. OF HOTSPOTS DETECTED | NO. OF ACTUAL FIRES | AREA AFFECTED (HA) |
| CENTRAL KALIMANTAN | 5 | 12 | 62.4 | 32 | 17 | 150.5 |
| WEST KALIMANTAN | 23 | 13 | 5.1 | 707 | 42 | 56.4 |
| SUMATRA | 3 | 2 | 3.1 | 84 | 64 | 183.3 |
| TOTAL | 31 | 27# | 70.6# | 823 | 123 | 390.2 |

NOTE: There were no fires in our concessions and within the fire buffer zones of our concessions in Malaysia, Ghana and Nigeria.

Hotspots vs actual fires by region in Indonesia

| | WILMAR'S CONCESSIONS | | | | WITHIN A 5KM RADIUS OUTSIDE OF WILMAR CONCESSIONS | | | |
|---|---|---|---|---|---|---|---|---|
| | 2020 | 2019 | 2018 | 2017 | 2020 | 2019 | 2018 | 2017 |
| NO. OF HOTSPOTS DETECTED | 31 | 143 | 41 | 478 | 823 | 1,607 | 791 | NA* |
| NO. OF ACTUAL FIRES | 27# | 166 | 64 | 23 | 123 | 214 | 98 | 28 |
| TOTAL AFFECTED AREA (HA) | 70.58# | 954 | 423.25 | 311 | 390.16 | 6,962.14 | 960.65 | 233.63 |

* 2017 data for hotspots within 5km radius outside of Wilmar concessions were not available

# EY has performed limited assurance procedures on these figures





CLIMATE CHANGE

305-1, 305-2, 305-4, 305-5, FB-AG-110a.1, FB-AG-110a.3

Scope 1 and scope 2 emissions by business activity (MT $CO_2e$) in 2020

| | SCOPE 1 | SCOPE 2 |
|---|---|---|
| OIL PALM PLANTATIONS | 314,960 | 3,467 |
| PALM OIL MILLS | 1,151,337 | 496 |
| SUGARCANE PLANTATIONS | 13,876 | 1,290 |
| SUGAR MILLS | 181,515 | 27,517 |
| FACTORIES | 5,049,381 | 4,490,353 |
| TOTAL | 6,711,069 | 4,523,123 |

NOTE: Scope 1 and 2 emissions are calculated based on the GHG Protocol, the world's most widely used GHG accounting standards for companies and include the following gases: $CO_2$, $CH_4$ and $N_2O$. The GWP rates used are from the IPCC Fifth Assessment Report (AR5). The financial control approach is used to consolidate GHG emissions. Non-manufacturing sites such as headquarters/offices are excluded.

RSPO Palm GHG – Emissions sources and sinks (MT $CO_2e$)

| | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|
| LAND CLEARING | 1,621,657 | 1,606,786 | 1,522,250 | 1,733,027 |
| CROP SEQUESTRATION | - 1,802,296 | - 1,670,966 | - 1,604,662 | - 1,867,781 |
| FERTILISER | 164,469 | 196,027 | 145,909 | 183,310 |
| $N_2O$ | 132,552 | 175,868 | 291,609 | 349,525 |
| FIELD FUEL USE | 42,406 | 51,071 | 55,287 | 60,822 |
| PEAT | 235,722 | 485,081 | 1,074,914 | 1,261,404 |
| CONSERVATION AREA OFFSET | - 96,027 | - 77,562 | - 126,745 | - 58,718 |
| METHANE FROM POME | 396,551 | 367,360 | 493,938 | 546,262 |
| MILL FUEL USE | 12,973 | 11,847 | 12,323 | 18,866 |
| MILL ELECTRICITY CREDIT | - 261,087 | - 296,347 | - 112,367 | - 109,959 |
| GRID ELECTRICITY UTILISATION | 84 | 62 | 69 | 125 |

## ENVIRONMENTAL FOOTPRINT OF OPERATIONS

### Energy

302-1, 302-3, FB-AG-130a.1, FB-PF-130a.1,

Total energy consumption within the organisation by business activity (MWh)

| BUSINESS ACTIVITY | 2020 | 2019 |
|---|---|---|
| OIL PALM PLANTATIONS | 245,820 | 234,568 |
| PALM OIL MILLS | 5,409,261 | 5,627,535 |
| SUGARCANE PLANTATIONS | 11,829 | 12,523 |
| SUGAR MILLS | 20,036,250 | 19,365,688 |
| FACTORIES | 23,274,913 | 25,041,460 |
| **TOTAL ENERGY CONSUMPTION** | **48,978,073** | **50,281,774** |
| ENERGY INTENSITY (MWh PER MT OF PRODUCT) | 0.56 | 0.62 |

**NOTE:** 2020 includes data for operations that were not Wilmar subsidiaries in full year 2019 (e.g. Goodman Fielder, Global Oils and Kuching Palm Oil Industries).

Total energy consumption within the organisation (TJ) in 2020

| | |
|---|---|
| **FUEL CONSUMPTION** | |
| TOTAL FUEL CONSUMPTION FROM NON-RENEWABLE SOURCES | 56,056 |
| TOTAL FUEL CONSUMPTION FROM RENEWABLE SOURCES | 105,477 |
| **ELECTRICITY, HEATING AND STEAM CONSUMPTION** | |
| ELECTRICITY CONSUMPTION FROM NON-RENEWABLE SOURCES | 16,049 |
| ELECTRICITY CONSUMPTION FROM RENEWABLE SOURCES | 492 |
| HEATING CONSUMPTION FROM NON-RENEWABLE SOURCES | 220 |
| HEATING CONSUMPTION FROM RENEWABLE SOURCES | 10 |
| STEAM CONSUMPTION | 9,359 |
| **ELECTRICITY, HEATING AND STEAM SOLD** | |
| ELECTRICITY SOLD (NON-RENEWABLE) | 153 |
| ELECTRICITY SOLD (RENEWABLE) | 1,712 |
| HEATING SOLD | 665 |
| STEAM SOLD | 8,811 |
| **TOTAL ENERGY CONSUMPTION** | **176,321** |

**NOTE:** Type of fuels from non-renewable sources used include diesel, natural gas, lignite coal, sub-bituminous coal, other bituminous coal, lubricants, motor gasoline, biodiesel, LPG, HFO, anthracite coal, acetylene and ethanol. Type of fuels from renewable sources include biogas, wood biomass and other solid biomass fuels.





### Water

303-2, 303-3, 303-5, FB-AG-140a.1

Water withdrawal, by source (ML) in 2020

| | ALL AREAS | | AREAS WITH WATER STRESS | |
|---|---|---|---|---|
| | FRESHWATER (≤1,000 mg/L Total Dissolved Solids) | OTHER WATER (>1,000 mg/L Total Dissolved Solids) | FRESHWATER (≤1,000 mg/L Total Dissolved Solids) | OTHER WATER (>1,000 mg/L Total Dissolved Solids) |
| SURFACE WATER | 74,305 | 3,690 | 7,426 | 1,350 |
| GROUNDWATER | 18,648 | 73 | 310 | 0 |
| SEAWATER | 0 | 19,190 | 0 | 0 |
| PRODUCED WATER | 0 | 0 | 0 | 0 |
| THIRD-PARTY WATER | 35,895 | 254 | 273 | 430 |
| **TOTAL** | **128,848** | **23,207** | **8,009** | **1,779** |
| **TOTAL WATER WITHDRAWAL** | **152,055** | | **9,788** | |

Total water consumption (ML) in 2020

| | ALL AREAS | AREAS WITH WATER STRESS |
|---|---|---|
| TOTAL WATER WITHDRAWAL | 152,055 | 9,788 |
| TOTAL WATER DISCHARGE | 54,045 | 7,276 |
| **TOTAL WATER CONSUMPTION** (Total water withdrawal – Total water discharge) | **98,010** | **2,512** |

### Effluents

303-4

Water discharge by destination in 2020

| | ML | % |
|---|---|---|
| SURFACE WATER | 11,614 | 21 |
| GROUNDWATER | 601 | 1 |
| SEAWATER | 26,376 | 49 |
| THIRD-PARTY WATER SENT FOR USE TO OTHER ORGANISATIONS | 15,455 | 29 |
| **TOTAL** | **54,045** | **100** |

Water discharge by freshwater and other water and by area (ML) in 2020

| | FRESHWATER (≤1,000 mg/L Total Dissolved Solids) | OTHER WATER (>1,000 mg/L Total Dissolved Solids) | TOTAL |
|---|---|---|---|
| ALL AREAS (EXCLUDING WATER STRESS AREAS) | 30,669 | 16,100 | 46,769 |
| AREAS WITH WATER STRESS | 210 | 7,066 | 7,276 |
| TOTAL | 30,879 | 23,166 | 54,045 |

POME BOD levels, by region and discharge destination (mg/L)

| | RIVER DISCHARGE | | | |
|---|---|---|---|---|
| | 2020 | 2019 | 2018 | 2017 |
| SABAH (LAND IRRIGATION) | 21# | 28 | 32 | 26 |
| SARAWAK | 22# | 20 | 17 | 19 |
| SUMATRA | 56# | 52 | 58 | 94 |
| WEST KALIMANTAN | 79# | 87 | 89 | 94 |

| | LAND APPLICATION | | | |
|---|---|---|---|---|
| | 2020 | 2019 | 2018 | 2017 |
| GHANA | 205# | 150 | 175 | 134 |
| CENTRAL KALIMANTAN | 481# | 566 | 1,052 | 506 |
| SUMATRA | 1,075# | 1,244 | 982 | 1,171 |
| WEST KALIMANTAN | 889# | 934 | 312 | 317 |

NOTE:
1. BOD legal limits for river discharge range from 20mg/L to 100mg/L across the regions where we operate. For Sabah, limits may vary depending on the year a mill was constructed.
2. BOD legal limits for land application in Indonesia is 5,000 mg/L and are not applicable for Ghana.

PORE COD levels, by country and discharge destination (mg/L)

| | DISCHARGED TO EXTERNAL WATER BODIES | | DISCHARGED TO EXTERNAL THIRD-PARTIES | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| AFRICA | 154# | - | 1,033# | - |
| INDONESIA | 60# | 76 | 165# | 798 |
| MALAYSIA | 78# | 187 | NA | NA |

NOTE:
1. Data for Africa in 2019 is not available.
2. COD regulatory limits range from 80 mg/L to 5,000 mg/L across the regions where we operate depending on permits.

# EY has performed limited assurance procedures on these figures





Waste

306-3, 306-4, 306-5

Waste generated, diverted and disposed, by type (MT) in 2020

| | WASTE GENERATED | WASTE DIVERTED FROM DISPOSAL | WASTE DIRECTED TO DISPOSAL |
|---|---|---|---|
| BIOMASS | 4,191,439 | 4,191,439 | 0 |
| METALS | 66,359 | 66,359 | 0 |
| PAPER/CARDBOARD | 5,107 | 5,107 | 0 |
| GLASS | 54 | 54 | 0 |
| WOOD/LEATHER/RUBBER | 0 | 0 | 0 |
| PLASTICS | 8,676 | 8,676 | 0 |
| TEXTILES | 0 | 0 | 0 |
| RESIDUAL WASTE | 685,652 | 4,010 | 681,641 |
| ASH/CINDER - BOILER/THERMAL OIL HEATER/HOT WATER HEATER | 317,660 | 317,660 | 0 |
| ANY OTHERS | 799,230 | 162,254 | 636,975 |
| TOTAL WASTE | 6,074,177 | 4,755,560 | 1,318,617 |

Waste diverted from disposal onsite and offsite by recovery operation (MT) in 2020

| HAZARDOUS WASTE | ONSITE | OFFSITE | TOTAL |
|---|---|---|---|
| PREPARATION FOR REUSE | 0 | 0 | 0 |
| RECYCLING | 0 | 7,065 | 7,065 |
| OTHER RECOVERY OPTIONS | 0 | 757 | 757 |
| TOTAL | 0 | 7,821 | 7,821 |
| **NON-HAZARDOUS WASTE** | **ONSITE** | **OFFSITE** | **TOTAL** |
| PREPARATION FOR REUSE | 0 | 3,926,854 | 3,926,854 |
| RECYCLING | 309 | 556,747 | 557,056 |
| OTHER RECOVERY OPTIONS | 0 | 263,828 | 263,828 |
| TOTAL | 309 | 4,747,429 | 4,747,739 |
| TOTAL WASTE PREVENTED (Hazardous Waste + Non-Hazardous Waste) | 309 | 4,755,251 | 4,755,560 |

Waste directed to disposal onsite and offsite by disposal operation (MT) in 2020

| HAZARDOUS WASTE | ONSITE | OFFSITE | TOTAL |
|---|---|---|---|
| INCINERATION (WITH ENERGY RECOVERY) | 2,669 | 0 | 2,669 |
| INCINERATION (WITHOUT ENERGY RECOVERY) | 0 | 4,884 | 4,884 |
| LANDFILLING | 74 | 135,722 | 135,796 |
| OTHER DISPOSAL OPERATIONS | 3 | 162,366 | 162,370 |
| TOTAL | 2,746 | 302,972 | 305,718 |
| **NON-HAZARDOUS WASTE** | **ONSITE** | **OFFSITE** | **TOTAL** |
| INCINERATION (WITH ENERGY RECOVERY) | 0 | 0 | 0 |
| INCINERATION (WITHOUT ENERGY RECOVERY) | 0 | 33,895 | 33,895 |
| LANDFILLING | 41,833 | 673,725 | 715,558 |
| OTHER DISPOSAL OPERATIONS | 5,691 | 257,755 | 263,446 |
| TOTAL | 47,524 | 965,375 | 1,012,899 |
| TOTAL WASTE DIRECTED TO DISPOSAL (Hazardous Waste + Non-Hazardous Waste) | 50,270 | 1,268,347 | 1,318,617 |

Use of upstream solid waste from our palm oil operations (MT) in 2020

| | EMPTY FRUIT BUNCHES (EFB) | MESOCARP FIBRE AND PALM KERNEL SHELLS |
|---|---|---|
| CONSUMED FOR ENERGY RECOVERY | 48,248 | 1,558,775 |
| MULCHED / COMPOSTED | 1,350,251 | 174 |
| TOTAL | 1,398,499 | 1,558,949 |

Chemical usage (herbicides) in oil palm plantations (kg of active ingredients per ha)

| REGION | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|
| SABAH | 2.89 | 2.64 | 1.91 | 1.94 |
| SARAWAK | 1.39 | 1.75 | 2.31 | 1.98 |
| CENTRAL KALIMANTAN | 1.05 | 0.96 | 0.94 | 1.32 |
| WEST KALIMANTAN | 1.04 | 1.48 | 1.33 | 1.35 |
| SUMATRA | 1.12 | 1.11 | 1.09 | 1.41 |
| GHANA | 0.87 | 1.09 | 1.75 | 1.56 |
| NIGERIA | 0.45 | 1.92 | 0.82 | 0.56 |





Chemical usage in sugarcane plantations (kg of active ingredients per ha)

| REGION | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|
| AUSTRALIA | 4.98 | 4.14 | 3.60 | 4.07 |
| MYANMAR | 3.27 | 2.20 | 3.04 | 5.24 |

NOTE: The Bonsucro limit is of <5.

## SUSTAINABLE PACKAGING

301-1, FB-PF-410a.1

Total weight of materials used for packaging by business activity (MT) in 2020

| | PLASTICS | | NON-PLASTICS | |
|---|---|---|---|---|
| | NON-RENEWABLE | RENEWABLE | NON-RENEWABLE | RENEWABLE |
| SUGAR MILLS | 21,774 | 0 | 0 | 0 |
| FACTORIES | 843,224 | 0 | 34,055 | 1,400,848 |

NOTE: Our oil palm plantations, palm oil mills and sugarcane plantations do not use any packaging materials.

## Looking after people and communities

### TALENT MANAGEMENT

102-7, 102-8, 401-1, 404-1

Proportion of full-time and part-time employees (%)

| | PROPORTION (%) |
|---|---|
| FULL-TIME EMPLOYEES | 98 |
| PART-TIME EMPLOYEES | 2 |

Proportion of permanent and temporary contract employees (%)

| | PROPORTION (%) |
|---|---|
| PERMANENT EMPLOYEES | 98 |
| TEMPORARY EMPLOYEES | 2 |

Breakdown of employees by employment type, by gender (%)

| | MALE | FEMALE |
|---|---|---|
| FULL-TIME EMPLOYEES | 77 | 23 |
| PART-TIME EMPLOYEES | 59 | 41 |

Breakdown of employees by employment contract, by gender (%)

| | MALE | FEMALE |
|---|---|---|
| PERMANENT EMPLOYEES | 76 | 24 |
| TEMPORARY EMPLOYEES | 66 | 34 |

Breakdown of employees by region (%)

| | PROPORTION (%) |
|---|---|
| AFRICA | 6.00 |
| AUSTRALIA/NEW ZEALAND | 4.90 |
| EUROPE | 0.10 |
| INDIA | 2.00 |
| PEOPLE'S REPUBLIC OF CHINA | 29.40 |
| SOUTH EAST ASIA | 54.90 |
| OTHERS | 2.70 |

Breakdown of employees by employment contract, by region (%)

| | PERMANENT | TEMPORARY |
|---|---|---|
| AFRICA | 93.7 | 6.3 |
| AUSTRALIA/NEW ZEALAND | 92.0 | 8.0 |
| EUROPE | 93.9 | 6.1 |
| SOUTH EAST ASIA | 97.3 | 2.7 |
| INDIA | 98.6 | 1.4 |
| PEOPLE'S REPUBLIC OF CHINA | 100 | 0 |
| OTHERS | 96.8 | 3.2 |

Average amount spent on training and development, by employee category (US$)

| | US$ |
|---|---|
| EXECUTIVE MANAGEMENT | 34.5 |
| SENIOR MANAGEMENT | 68.9 |
| MIDDLE MANAGEMENT | 98.0 |
| JUNIOR MANAGEMENT | 70.5 |
| NON-MANAGEMENT | 29.9 |
| FACTORY WORKERS | 70.9 |
| PLANTATION WORKERS | 2.1 |

Average amount spent on training and development, by age (US$)

| | US$ |
|---|---|
| < 30 YEARS | 40.6 |
| 30-50 YEARS | 30.0 |
| > 50 YEARS | 95.1 |

Average amount spent on training and development, by gender (US$)

| | US$ |
|---|---|
| MALE | 37.6 |
| FEMALE | 38.1 |

Average hours of training per employee, by employee category

| | HOURS |
|---|---|
| EXECUTIVE MANAGEMENT | 9.5 |
| SENIOR MANAGEMENT | 9.8 |
| MIDDLE MANAGEMENT | 13.7 |
| JUNIOR MANAGEMENT | 13.4 |
| NON-MANAGEMENT | 9.8 |
| FACTORY WORKERS | 19.6 |
| PLANTATION WORKERS | 0.4 |

Average hours of training per employee, by age

| | HOURS |
|---|---|
| < 30 YEARS | 11.3 |
| 30-50 YEARS | 9.7 |
| > 50 YEARS | 9.2 |

Average hours of training per employee, by gender

| | HOURS |
|---|---|
| MALE | 10.1 |
| FEMALE | 10.2 |

New employee hires and voluntary turnover rates, by gender (%)

| | TOTAL NEW EMPLOYEE HIRES RATE | TOTAL EMPLOYEE TURNOVER RATE | TOTAL VOLUNTARY EMPLOYEE TURNOVER RATE |
|---|---|---|---|
| MALE | 10 | 7 | 5 |
| FEMALE | 10 | 8 | 6 |

New employee hires and voluntary turnover rates, by age (%)

| | TOTAL NEW EMPLOYEE HIRES RATE | TOTAL EMPLOYEE TURNOVER RATE | TOTAL VOLUNTARY EMPLOYEE TURNOVER RATE |
|---|---|---|---|
| <30 YEARS OLD | 23 | 12 | 10 |
| 30-50 YEARS OLD | 5 | 5 | 4 |
| >50 YEARS OLD | 3 | 8 | 4 |





New employee hires and voluntary turnover rates, by employee category (%)

| | TOTAL NEW EMPLOYEE HIRES RATE | TOTAL EMPLOYEE TURNOVER RATE | TOTAL VOLUNTARY EMPLOYEE TURNOVER RATE |
|---|---|---|---|
| EXECUTIVE MANAGEMENT | 3 | 5 | 2 |
| SENIOR MANAGEMENT | 4 | 6 | 3 |
| MIDDLE MANAGEMENT | 6 | 7 | 4 |
| JUNIOR MANAGEMENT | 8 | 8 | 6 |
| NON-MANAGEMENT | 12 | 9 | 7 |
| FACTORY WORKERS | 18 | 10 | 8 |
| PLANTATION WORKERS | 1 | 2 | 2 |

## HUMAN RIGHTS AND LABOUR STANDARDS

**202-1**

All Wilmar employees across the Group are paid at or above (ratio of at least 1) the legal minimum wages of their respective regions or countries.

## DIVERSITY AND INCLUSION

**405-1, 405-2**

Gender diversity by employee category (%)

| | MALE | FEMALE |
|---|---|---|
| EXECUTIVE MANAGEMENT | 92 | 8 |
| SENIOR MANAGEMENT | 82 | 18 |
| MIDDLE MANAGEMENT | 77 | 23 |
| JUNIOR MANAGEMENT | 70 | 30 |
| NON-MANAGEMENT | 73 | 27 |
| FACTORY WORKERS | 88 | 12 |
| PLANTATION WORKERS | 70 | 30 |

Employee age diversity (%)

| | % OF TOTAL EMPLOYEES |
|---|---|
| < 30 YEARS | 27 |
| 30-50 YEARS | 66 |
| > 50 YEARS | 7 |

Age diversity by employee category (%)

| | <30 YEARS | 30-50 YEARS | >50 YEARS |
|---|---|---|---|
| EXECUTIVE MANAGEMENT | 0 | 49 | 51 |
| SENIOR MANAGEMENT | 0 | 64 | 36 |
| MIDDLE MANAGEMENT | 2 | 79 | 19 |
| JUNIOR MANAGEMENT | 7 | 86 | 7 |
| NON-MANAGEMENT | 30 | 64 | 6 |
| FACTORY WORKERS | 31 | 59 | 9 |
| PLANTATION WORKERS | 26 | 68 | 6 |

Ratio of weighted average annual basic salary and average annual remuneration, by employee category

| | RATIO FEMALE TO MALE (BASIC SALARY) | RATIO FEMALE TO MALE (ANNUAL REMUNERATION) |
|---|---|---|
| EXECUTIVE MANAGEMENT | 0.99 | 0.98 |
| SENIOR MANAGEMENT | 0.90 | 0.89 |
| MIDDLE MANAGEMENT | 0.94 | 0.98 |
| JUNIOR MANAGEMENT | 1.02 | 1.00 |
| NON-MANAGEMENT | 1.58 | 1.31 |
| FACTORY WORKERS | 1.06 | 0.97 |
| PLANTATION WORKERS | 1.00 | 0.86 |

## EMPLOYEE HEALTH, SAFETY AND WELL-BEING

403-9, FB-AG-320a.1

Fatalities and Fatality Rate (FR): Employees and contractors

| | FATALITIES | | | | FR PER 200,000 HOURS WORKED | | | |
|---|---|---|---|---|---|---|---|---|
| | 2020 | 2019 | 2018 | 2017 | 2020 | 2019 | 2018 | 2017 |
| OIL PALM PLANTATIONS | 6 | 4 | 5 | 4 | 0.013 | 0.008 | 0.011 | 0.009 |
| PALM OIL MILLS | 1 | 4 | 1 | 3 | 0.013 | 0.048 | 0.013 | 0.038 |
| SUGARCANE PLANTATIONS | 0 | 0 | 0 | 0 | 0.000 | 0.000 | 0.000 | 0.000 |
| SUGAR MILLS | 1 | 0 | 3 | 0 | 0.016 | 0.000 | 0.121 | 0.000 |
| FACTORIES | 10 | 11 | 7 | 11 | 0.012 | 0.014 | 0.010 | 0.016 |
| **WILMAR GROUP** | **18** | **19** | **16** | **18** | **0.012** | **0.014** | **0.012** | **0.014** |





Lost Time Injury (LTI) and Lost Time Injury Rate (LTIR): Employees and contractors

| | LTI | | | | LTIR PER 200,000 HOURS WORKED | | | |
|---|---|---|---|---|---|---|---|---|
| | 2020 | 2019 | 2018 | 2017 | 2020 | 2019 | 2018 | 2017 |
| OIL PALM PLANTATIONS | 1,056 | 1,008 | 1,105 | 784 | 2.239 | 2.080 | 2.325 | 1.678 |
| PALM OIL MILLS | 47 | 35 | 46 | 54 | 0.607 | 0.418 | 0.576 | 0.678 |
| SUGARCANE PLANTATIONS | 1 | 0 | 0 | 1 | 1.573 | 0.000 | 0.000 | 2.544 |
| SUGAR MILLS | 31 | 45 | 32 | 21 | 0.488 | 0.667 | 1.290 | 0.923 |
| FACTORIES | 182 | 157 | 113 | 108 | 0.218 | 0.205 | 0.158 | 0.160 |
| **WILMAR GROUP** | **1,317** | **1,245** | **1,296** | **968** | **0.910** | **0.889** | **1.002** | **0.777** |

Lost Work Days (LWD) and Lost Work Days Rate (LWDR): Employees and contractors

| | LWD | | | | LWDR PER 200,000 HOURS WORKED | | | |
|---|---|---|---|---|---|---|---|---|
| | 2020 | 2019 | 2018 | 2017 | 2020 | 2019 | 2018 | 2017 |
| OIL PALM PLANTATIONS | 4,291 | 4,251 | 4,552 | 2,915 | 9.10 | 8.77 | 9.58 | 6.24 |
| PALM OIL MILLS | 457 | 1,089 | 498 | 1,286 | 5.90 | 13.02 | 6.24 | 16.23 |
| SUGARCANE PLANTATIONS | 2 | 0 | 0 | 2 | 3.15 | 0.00 | 0.00 | 5.09 |
| SUGAR MILLS | 787 | 877 | 1,346 | 541 | 12.39 | 12.99 | 54.25 | 23.77 |
| FACTORIES | 3,229 | 5,719 | 3,893 | 4,937 | 3.87 | 7.48 | 5.46 | 7.29 |
| **WILMAR GROUP** | **8,766** | **11,936** | **10,289** | **9,681** | **6.05** | **8.52** | **7.95** | **7.77** |

Permanent Disabilities (PD) and Permanent Disability Rate (PDR): Employees and contractors

| | PD | | | | PD PER 200,000 HOURS WORKED | | | |
|---|---|---|---|---|---|---|---|---|
| | 2020 | 2019 | 2018 | 2017 | 2020 | 2019 | 2018 | 2017 |
| OIL PALM PLANTATIONS | 1 | 2 | 2 | 2 | 0.002 | 0.004 | 0.004 | 0.004 |
| PALM OIL MILLS | 1 | 4 | 1 | 4 | 0.013 | 0.048 | 0.013 | 0.050 |
| SUGARCANE PLANTATIONS | 0 | 0 | 0 | 0 | 0.000 | 0.000 | 0.000 | 0.000 |
| SUGAR MILLS | 0 | 0 | 0 | 2 | 0.000 | 0.000 | 0.000 | 0.088 |
| FACTORIES | 7 | 15 | 7 | 8 | 0.008 | 0.020 | 0.010 | 0.012 |
| **WILMAR GROUP** | **9** | **21** | **10** | **16** | **0.006** | **0.015** | **0.008** | **0.013** |

ECONOMIC AND COMMUNITY CONTRIBUTION

201-1

Contributions by type (US$)

| TYPE | CONTRIBUTION (US$) |
|---|---|
| CASH CONTRIBUTION | 28,747,795 |
| EMPLOYEE TIME | 91,433 |
| IN-KIND DONATIONS | 5,089,401 |
| MANAGEMENT COST | 2,833,962 |
| **TOTAL** | **36,762,591** |

Contributions by motivation (US$)

| MOTIVATION | CONTRIBUTION (US$) |
|---|---|
| CHARITABLE DONATIONS | 30,843,118 |
| COMMUNITY INVESTMENT | 4,883,819 |
| COMMERCIAL INITIATIVES | 1,035,655 |

Infrastructure area in palm oil operations (ha)

| REGION | 2020 | 2019 | 2018 |
|---|---|---|---|
| SABAH | 3,595 | 3,570 | 3,396 |
| SARAWAK | 2,428 | 2,461 | 2,403 |
| CENTRAL KALIMANTAN | 3,780 | 3,776 | 3,794 |
| WEST KALIMANTAN | 1,243 | 1,211 | 1,236 |
| SUMATRA | 2,261 | 2,232 | 2,173 |
| NIGERIA | 1,040 | 974 | 870 |
| GHANA | 145 | 145 | 135 |
| **TOTAL** | **14,491** | **14,380** | **14,008** |

**NOTE:** 2019 infrastructure data has been updated with inclusion of nursery areas in addition to areas for mills, housings and roads.





# Delivering product excellence

INNOVATION AND TECHNOLOGY

FFB yield and CPO/PK extraction rates

| | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|
| FFB YIELD (MT FFB/HA) | 20.4 | 20.11 | 21.6 | 19.7 |
| CPO EXTRACTION RATE (%) | 19.88 | 19.5 | 19.9 | 20 |
| PK EXTRACTION RATE (%) | 4.73 | 4.8 | 4.9 | 4.8 |

Sugarcane yield (MT/ha)

| | 2020 | 2019 | 2018 |
|---|---|---|---|
| AUSTRALIA | 95.80 | 87.6 | 91.4 |
| MYANMAR | 30.2 | 51.2 | 69.4 |

PRODUCT MARKETING AND LABELLING

RSPO certification status

| | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|
| **RSPO CERTIFIED – OWN PLANTATION AREA (HA)** | **239,516[#] (77%[#])** | **229,301[#] (74%[#])** | **222,318 (76%)** | **260,407 (89%)** |
| SABAH | 49,365 | 49,365 | 49,365 | 49,366 |
| SARAWAK | 26,513 | 26,513 | 26,513 | 26,514 |
| CENTRAL KALIMANTAN | 94,366 | 94,367 | 94,367 | 114,346 |
| WEST KALIMANTAN | 11,829.45 | 11,830.43 | 4,847 | 12,758 |
| SUMATRA | 52,294 | 42,077 | 47,077 | 52,274 |
| NIGERIA | 0 | 0 | 0 | N/A |
| GHANA | 5,149 | 5,149 | 5,149 | 5,149 |
| **RSPO-CERTIFIED – SCHEME SMALLHOLDER AREA (HA)** | **3,237 (31%)** | **5,095 (12%)** | **3,690 (9%)** | **5,662 (17%)** |
| INDONESIA | 1,587 | 3,445 | 2,040 | 4,012 |
| GHANA | 1,650 | 1,650 | 1,650 | 1,650 |
| NIGERIA | 0 | 0 | 0 | 0 |

[#] EY has performed limited assurance procedures on these figures

RSPO certification status (cont.)

| | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|
| **RSPO-CERTIFIED MILLS (NO.)** | **27# (75%)** | **26# (72%)** | **25 (69%)** | **28 (78%)** |
| SABAH | 6 | 6 | 6 | 6 |
| SARAWAK | 2 | 2 | 2 | 2 |
| CENTRAL KALIMANTAN | 8 | 8 | 8 | 9 |
| WEST KALIMANTAN | 2 | 2 | 1 | 2 |
| SUMATRA | 8 | 7 | 7 | 8 |
| NIGERIA | 0 | 0 | 0 | 0 |
| GHANA | 1 | 1 | 1 | 1 |
| **RSPO-CERTIFIED REFINERIES (NO.)** | **133 (98%)** | **113 (84%)** | **102 (78%)** | **91 (67%)** |
| INDONESIA | 44 | 45 | 43 | 37 |
| MALAYSIA | 22 | 22 | 19 | 19 |
| CHINA | 54 | 33 | 27 | 24 |
| VIETNAM | 6 | 6 | 6 | 5 |
| EUROPE | 1 | 1 | 1 | 2 |
| AFRICA | 3 | 3 | 3 | 3 |
| OTHERS | 3 | 3 | 3 | 1 |

MSPO certification status

| | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|
| MILLS | 9# | 9# | 8 | 2 |
| DOWNSTREAM OPERATIONS | 18 | 16 | - | - |

**NOTE:** Downstream operations include: Refineries, warehouses, kernel crushing plants, oleochemical plants and biodiesel plants.

ISPO certification status

| | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|
| **ISPO CERTIFIED MILLS** | **14# (41%)** | **11# (32%)** | **8 (24%)** | **8 (24%)** |
| INDEPENDENT MILLS | 4 | 1 | 0 | 0 |
| MILLS WITH OWN PLANTATIONS | 10 | 10 | 8 | 8 |

# EY has performed limited assurance procedures on these figures





ISCC certification status

| | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|
| **ISCC CERTIFIED SITES (NO.)** | **42** | **37** | **35** | **34** |
| PALM OIL MILLS | 20 | 20 | 20 | |
| PALM OIL REFINERIES | 12 | 10 | 8 | |
| TRADERS | 2 | 1 | 1 | |
| BIODIESEL PLANTS | 3 | 3 | 3 | |
| BULKING TERMINALS | 2 | 2 | 0 | |
| WAREHOUSES | 1 | 1 | 3 | |
| KERNEL CRUSHING PLANTS | 1 | | | |
| OLEOCHEMICAL PLANTS | 1 | | | |

Certified Sustainable Palm oil

| | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|
| **CERTIFIED SUSTAINABLE PALM OIL (MT)** | **767,866 (45%)** | **720,816 (38%)** | **680,935 (35%)** | **879,436 (50%)** |
| MALAYSIA | 221,498 | 212,649 | 214,395 | 226,280 |
| INDONESIA | 525,158 | 486,768 | 448,719 | 633,862 |
| GHANA | 21,210 | 21,399 | 17,821 | 19,294 |
| NIGERIA | 0 | 0 | 0 | 0 |
| **CERTIFIED SUSTAINABLE PALM KERNELS (MT)** | **175,996 (43%)** | **161,442 (35%)** | **148,934 (31%)** | **189,376 (45%)** |
| MALAYSIA | 43,309 | 41,612 | 41,908 | 44,361 |
| INDONESIA | 127,132 | 114,225 | 102,696 | 140,641 |
| GHANA | 5,555 | 5,605 | 4,330 | 4,375 |
| NIGERIA | 0 | 0 | 0 | 0 |
| **CERTIFIED SUSTAINABLE FFB PURCHASED FROM INDEPENDENT SMALLHOLDERS/ OUTGROWERS (MT)** | **44,038** | **31,955** | | |
| MALAYSIA | 19,363 | 31,955 | | |
| INDONESIA | 24,674 | 0 | | |

# Transforming our supply chain

## RESPONSIBLE SOURCING AND SUPPLY CHAIN TRANSFORMATION

102-9, 308-1, 308-2, 414-1, 414-2

### Smallholders

| | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|
| **NO. OF SCHEME SMALLHOLDERS** | **10,738** | **16,064** | **15,883** | **8,008** |
| MALAYSIA | 0 | 0 | 0 | 0 |
| INDONESIA | 10,238 | 15,583 | 15,402 | 7,527 |
| GHANA | 438 | 438 | 438 | 438 |
| NIGERIA | 62 | 43 | 43 | 43 |
| **SCHEME SMALLHOLDER TOTAL PLANTED AREA (HA)** | **10,011** | **35,391** | **35,799** | **34,524** |
| MALAYSIA | 0 | 0 | 0 | 0 |
| INDONESIA | 8,361 | 33,742 | 34,149 | 32,874 |
| GHANA | 1,650 | 1,650 | 1,650 | 1,650 |
| NIGERIA * | 180 | 150 | 85 | 0 |

* Nigeria planted area for scheme smallholders is in immature stage and not harvested yet.

### FFB processed by Wilmar palm oil mills

| | MT | % |
|---|---|---|
| WILMAR PLANTATIONS | 4,030,264 | 46.125 |
| SCHEME SMALLHOLDERS | 120,111 | 1.37 |
| THIRD-PARTY SUPPLIER | 4,588,988 | 52.51 |

### Source of CPO and PKO managed by Wilmar refineries globally (%)

| CPO AND PKO | % |
|---|---|
| WILMAR MILLS | ~10 |
| THIRD-PARTY SUPPLIERS* | ~90 |

* Third-party suppliers include third-party direct mills, third-party refineries/traders/bulkers





### Sugarcane processed by Wilmar sugar mills

| | MT | % |
|---|---|---|
| WILMAR PLANTATIONS | 218,311 | 1.4 |
| THIRD-PARTY PLANTATIONS | 15,248,713 | 98.6 |
| TOTAL | 15,467,024 | 100 |

### Supplier assessments

| | NO. OF SUPPLIER MILLS | % |
|---|---|---|
| TOTAL DIRECT SUPPLIERS | 919 | 100 |
| SUPPLIERS ASSESSED AS LOW PRIORITY MILLS (denominator: total direct suppliers) | 829 | 90 |
| SUPPLIERS ASSESSED AS HIGH PRIORITY MILLS (denominator: total direct suppliers) | 90 | 10 |
| ENGAGEMENT WITH HIGH PRIORITY MILLS (E.G. FIELD VERIFICATION OR RECEIVED ACTION PLANS FROM WILMAR) (denominator: suppliers assessed as high priority mills) | 42 | 47 |

### Grievance cases as of December 2020

| | RAISED | IN PROGRESS | CLOSED |
|---|---|---|---|
| **GRIEVANCES RAISED AGAINST THIRD-PARTY SUPPLIERS BY CATEGORY** | **69#** | **8#** | **61#** |
| **GRIEVANCES RAISED AGAINST WILMAR-OWNED OPERATIONS** | **6#** | **3#** | **3#** |
| DEFORESTATION | 50 | 2 | 48 |
| HUMAN RIGHTS DEFENDER | 2 | 0 | 2 |
| LABOUR RIGHTS | 10 | 4 | 6 |
| LAND RIGHTS | 4 | 4 | 0 |
| DEFORESTATION AND HUMAN RIGHTS DEFENDER | 1 | 0 | 1 |
| DEFORESTATION AND LAND RIGHTS | 6 | 0 | 6 |
| LAND RIGHTS AND LABOUR RIGHTS | 1 | 1 | 0 |
| DEFORESTATION, LAND RIGHTS AND LABOUR RIGHTS | 1 | 0 | 1 |
| **INELIGIBLE CASES** | **84#** | **N/A** | **84#** |

# EY has performed limited assurance procedures on these figures

# External assurance from Ernst & Young LLP

**102-56**

*Independent Limited Assurance Statement in connection with the Subject Matters included in the Sustainability Report of Wilmar International Limited for the year ended 31 December 2020*

In connection with our Engagement Letter dated 4th December 2019 and our addendum dated 15th December 2020, we have performed a limited assurance engagement on the Subject Matters set out in the ***Subject Matters Information*** section below. These Subject Matters are included in the attached Sustainability Report of Wilmar International Limited ('Wilmar') for the financial year ended 31 December 2020 ('the Sustainability Report').

## Subject Matters Information

Our limited assurance engagement covers the following Subject Matters for the above mentioned period:

| MATERIAL MATTER | INFORMATION FOR ASSURANCE | SCOPE FOR PALM OIL SEGMENT | |
|---|---|---|---|
| **RESPONSIBLE SOURCING AND SUPPLY CHAIN TRANSFORMATION** | Total hectares monitored under Supplier Group Compliance Programme (SGCP) as of 31 December 2020 i.e. Extent of deforestation (Ha) detected in concessions owned by suppliers (group-level) | Concession land owned by monitored Suppliers | Indonesia, Malaysia |
| **ECONOMIC AND COMMUNITY CONTRIBUTION** | Number of independent smallholders involved in Wilmar Programmes | Scoped-in Plantations | Indonesia, Malaysia, Ghana and Nigeria |
| **RESPONSIBLE SOURCING AND SUPPLY CHAIN TRANSFORMATION** | Number of grievance cases by nature / status (e.g. in progress, pending, closed, ineligible, unrelated, etc.) on Wilmar Grievance List*. The grievances listed are as defined in Wilmar Grievance Procedure. | Scoped-in Plantations, Mills and Refineries | Group-level |
| **HUMAN RIGHTS AND LABOUR STANDARDS** | Percentage of compulsory school-going age children living in Wilmar plantations attending school (Wilmar and government school) for the above mentioned period | Scoped-in Plantations | Indonesia, Malaysia, Ghana and Nigeria |
| **BIODIVERSITY AND CONSERVATION** | Total number of fires & affected area within concession (ha) for the above mentioned period | Scoped-in Plantations | Indonesia |

* The Wilmar Grievance list includes the grievances up until 31st December 2020. The last grievance was registered on 20 August 2020.





| MATERIAL MATTER | INFORMATION FOR ASSURANCE | SCOPE FOR PALM OIL SEGMENT | |
|---|---|---|---|
| **PRODUCT MARKETING AND LABELLING** | Number of mills and increase in Wilmar's plantation areas certified under RSPO, ISPO and MSPO as of end 2020 | Scoped-in Mills | Indonesia, Malaysia and Ghana |
| **ENVIRONMENTAL FOOTPRINT OF OPERATIONS** | Water use intensity ($m^3$/ MT FFB processed) for the above mentioned period | Scoped-in Mills | Indonesia, Malaysia, Ghana and Nigeria |
| **ENVIRONMENTAL FOOTPRINT OF OPERATIONS** | Treatment of POME and BOD quality (mg/L) for mills and PORE and COD quality (mg/L) for refineries | Scoped-in Mills | Indonesia, Malaysia and Ghana |
| | | Scoped-in Refineries | Indonesia, Malaysia, Ghana and South Africa |
| **BIODIVERSITY AND CONSERVATION** | Planted area on peat for 2019 and 2020 | Scoped-in Plantations | Indonesia, Malaysia |

A hashtag symbol (#) in the Sustainability Report denotes statements and claims on which we have performed limited assurance procedures.

## Criteria applied by Wilmar

In preparing the report, Wilmar applied the criterion of "Accuracy" as defined by GRI and specific criteria determined by Wilmar as being relevant for its sustainability performance. Such Criteria were specifically designed for sustainability performance; as a result, the subject matter information may not be suitable for another purpose.

## Management's and Board of Directors' responsibility

Management is responsible for selecting Criteria, and for presenting the Subject Matter Information in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

The Board has ultimate responsibility for the company's sustainability reporting. For the purpose of the Sustainability Report 2021, there are no legally prescribed requirements relating to the verification of sustainability reports.

> "The Board has ultimate responsibility for the company's sustainability reporting.

> Our responsibility is to express a conclusion on the presentation of the Subject Matter Information based on the evidence we have obtained.

## Auditor's responsibility

Our responsibility is to express a conclusion on the presentation of the Subject Matter Information based on the evidence we have obtained.

We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000') and the terms of reference for this engagement as agreed with Wilmar on 4th December 2019 and our addendum dated 15th December 2020. Those standards require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error. We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our review was limited to the information on the select indicators set out within the Report from 01 January 2020 to 31 December 2020 and our responsibility does not include:

- Any work in respect of sustainability information published elsewhere in Wilmar's annual report, website and other publications,
- Sustainability information prior to 01 January 2020 and subsequent to 31 December 2020, and
- Management's forward-looking statements such as targets, plans and intentions.

## Auditor's independence and quality control

We have complied with the independence and other ethical requirements of the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Singapore Standards on Quality Control 1 of the Institute of Singapore Chartered Accountants and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have the required competencies and experience to conduct this assurance engagement. Our professionals have experience in both assurance skills and in the applicable subject matter including environmental, social and financial aspects.

## Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter Information and related information, and applying analytical and other appropriate procedures.

Our procedures included:

1. Inquiries with Wilmar's Sustainability team to:
    - Understand principal business operations,
    - Appreciate key sustainability issues and developments,
    - Map out information flow for sustainability reporting and the relevant controls,
    - Identify data providers with their responsibilities, and
    - Recognise the likelihood of possible manipulation of sustainability information and data.
2. Virtual interviews with and sought clarifications from employees and Management in Singapore, Indonesia, Malaysia, Ghana and Nigeria (e.g. Sustainability team, Human Resource team, Estate Managers, Mill Managers) to understand key sustainability issues related to the selected indicators, collection processes and accuracy of reporting.
3. Conducting of process walk-through of systems and processes for data aggregation and reporting with relevant personnel to understand the quality of checks and control mechanisms, and assess and test the controls in relation to the concerned subject matters.
4. Performing of analytical reviews on data and inquire with relevant personnel when anomalies are observed.
5. Obtaining of documentation through sampling methods to verify assumptions, estimations and computations made by Management in relation to the concerned subject matters.
6. Checking data and statements had been correctly transcribed from corporate systems and / or supporting evidence, in relation to concerned subject matters.
7. Obtaining of relevant certifications and reports in relation to the concerned Subject Matters Information in the Report.

## Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter Information as of 14 May 2021 for the year ended 31 December 2020, in order for it to be in accordance with the Criteria.

**RESTRICTED USE**

This report is intended solely for the information and use of the Management of Wilmar and is not intended to be and should not be used by anyone other than those specified parties.

**ERNST & YOUNG LLP**

Signed for Ernst & Young LLP by:
**SIMON YEO**
*Partner, Climate Change and Sustainability Services*

**SINGAPORE**
**14 MAY 2021**

Building a better working world

# External assurance from Control Union Certifications

*Control Union Certifications was commissioned by Wilmar to conduct an independent assurance of traceability data and NDPE Implementation Reporting Framework disclosures. The scope of this assurance covers palm oil and lauric.*

The traceability information in the Sustainability Report is the exclusive responsibility of Wilmar. Control Union Certifications was not involved in the preparation of any material included in this document.

The responsibility of Control Union is to express an opinion concerning the statements included in the Report regarding traceability to mill data and NDPE Implementation Reporting Framework disclosures, within the assurance scope mentioned below, with the purpose to inform all the Interested Parties.

## Assurance scope

The assurance engagement has been planned and performed in accordance with AA1000AS v3.
The assurance process involves verification of the following aspects:

### INCLUSIVITY

**Engagement with stakeholders in the report development process and their involvement in organisational decision making.**

Wilmar has formed partnerships where they collaborate with stakeholders in the industry on issues of traceability and NDPE-IRF. Wilmar's broader stakeholder engagement is dependent on the stakeholder group. That is, depending on the type of stakeholder group they are in talks with, stakeholder engagements include regular meetings, whistleblowing and grievances processes.

### MATERIALITY

**Identification of issues in the report that are relevant and significant to the organisation's stakeholders, the presence of and the extent to which these material issues are disclosed in the report.**

Traceability is a prerequisite to implement sustainability programmes within the supply chain. Thus, within the scope of this review, traceability has been identified as a relevant material topic. As a result, Wilmar International has a policy in place that addresses traceability and NDPE. NDPE responds to the needs of the industry and mitigate risks on no-deforestation and peat conversion.

### RESPONSIVENESS

**Acting on stakeholder issues and provision of feedback through decisions, actions, performance and communication.**

Wilmar publishes the outcomes of stakeholder engagements on the company's website, to publicly share the achievements of this process. Additionally, feedback from stakeholder engagement is addressed through a number of channels such as the grievance procedure.

### IMPACT

**Monitoring, measurement and providing accountability for how the actions of the organisation affect the economy, the environment, society, stakeholders or the organisation itself.**

Currently, Wilmar's Traceability to Mill (TTM) volume is 97.7% of the total volume. This result is aggregated from the 63 refineries that supplied palm oil and lauric in 2020. Also, 89.5% of palm oil and lauric volumes to Wilmar´s origin refineries in Malaysia and Indonesia are from suppliers that have at least company group level commitments and/or action plans in place to address the No Deforestation requirements. This volume percentage is an aggregated value from 23 Wilmar own refineries.





## Level of assurance

The level of Assurance is used to determine the depth of detail that an assurance provider uses to identify if there are material errors, omissions or misstatements. The level of assurance for this report is moderate.

## Methodology

- Review of internal and external documentary evidence presented by Wilmar
- Review of approach to data collection at company level
- Audit of data presented in the Report including a detailed review of a sample of data
- Review of a selection of internal performance documents
- Interviews of personnel within relevant divisions responsible for management of the two programmes in the report (IRF and traceability)

## Independence and quality control

Control Union Certifications is accredited according to ISO 17021-1:2015/ISO 17065:2012 covering our global scope and operations. This includes the need to maintain a comprehensive system of quality control including documented policies and procedures on compliance to ethical and legal requirements as well as objectivity throughout our operations. The auditors performing the data check have proven track records in the review of similar assignments and qualified according to industry leading third party certification programmes of the palm sector.

## Conclusion

Based on our moderate process, nothing has come to our attention that causes us to believe that the scope as detailed above and presented in the report is not presented fairly in accordance with the criteria.

Hence, our work confirms that the information on the above mentioned traceability data and NDPE Implementation Reporting Framework disclosures are reliable and objective and are presented clearly and understandably.

**JON HEINRICHS**
**PROGRAM MANAGER**
**12 APRIL 2021**

CONTROLUNION

AA1000
Licensed Report
000-159/V3-N2IFE

# GRI content index

102-55

*This Report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards - Core Option. Our GRI Content Index specifies each of the GRI Standards disclosures included in this Report, in our* Annual Report 2020 *and* Sustainability Dashboard. ***Where we were not able to meet the GRI Standards reporting requirements, we have included our reasons for omission.***

## General disclosures

| GRI STANDARD | GRI DISCLOSURE NUMBER | GRI DISCLOSURE TITLE | DATA/ INFORMATION SOURCE REASONS FOR OMISSION |
|---|---|---|---|
| **ORGANISATIONAL PROFILE** | | | |
| **GRI 102: GENERAL DISCLOSURES 2016** | **102-1** | Name of the organisation | Wilmar International Limited |
| | **102-2** | Activities, brands, products and services | SR 2020 p. 22<br>AR 2020 p. 16-17 |
| | **102-3** | Location of headquarters | SR 2020 p. 22 |
| | **102-4** | Location of operations | SR 2020 p. 23-24<br>AR 2020 p. 12 |
| | **102-5** | Ownership and legal form | SR 2020 p. 22 |
| | **102-6** | Markets served | SR 2020 p. 24-25<br>AR 2020 p. 12 |
| | **102-7** | Scale of the organisation | SR 2020 p. 24-25, p. 82 and p. 180, AR 2020 p. 12-15 |
| | **102-8** | Information on employees and other workers | SR 2020 p. 82-83 and p. 190 |
| | **102-9** | Supply chain | SR 2020 p. 148-149 and p. 200 |
| | **102-10** | Significant changes to the organisation and its supply chain | China-incorporated Yihai Kerry Arawana Holdings Co., Ltd (YKA), an indirect 89.99% owned subsidiary of Wilmar, was listed on the Shenzhen Stock Exchange (SZSE) ChiNext Board in October 2020. All other significant changes to Wilmar subsidiaries, associated companies and joint venture companies can be found on the SGX Announcement section of our website. |





| GRI STANDARD | GRI DISCLOSURE NUMBER | GRI DISCLOSURE TITLE | DATA/ INFORMATION SOURCE REASONS FOR OMISSION |
|---|---|---|---|
| **GRI 102: GENERAL DISCLOSURES 2016** | **102-11** | Precautionary Principle or approach | SR 2020 p. 26-28 |
| | **102-12** | External initiatives | SR 2020 p. 29-31<br>Partnerships and Collaboration |
| | **102-13** | Membership of associations | SR 2020 p. 29-31<br>Partnerships and Collaboration |
| **STRATEGY** | | | |
| **GRI 102: GENERAL DISCLOSURES 2016** | **102-14** | Statement from senior decision-maker | SR 2020 p. 4-9 |
| | **102-15** | Key impacts, risks and opportunities | AR 2020 p. 48-49 |
| **ETHICS AND INTEGRITY** | | | |
| **GRI 102: GENERAL DISCLOSURES 2016** | **102-16** | Values, principles, standards and norms of behaviour | SR 2020 p. 163-165 |
| | **102-17** | Mechanisms for advice and concerns about ethics | SR 2020 p. 164<br>Grievance procedure |
| **GOVERNANCE** | | | |
| **GRI 102: GENERAL DISCLOSURES 2016** | **102-18** | Governance structure | SR 2020 p. 165 and p. 170<br>AR 2020 p. 50 |
| | **102-19** | Delegating authority | SR 2020 p. 170 |
| | **102-20** | Executive-level responsibility for economic, environmental and social topics | SR 2020 p. 170 |
| | **102-21** | Consulting stakeholders on economic, environmental and social topics | SR 2020 p. 170<br>Stakeholder engagement |
| | **102-22** | Composition of the highest governance body and its committees | SR 2020 p. 170<br>AR 2020 p. 38-45 and p. 55-57 |
| | **102-23** | Chair of the highest governance body | AR 2020 p. 58-59 |
| | **102-24** | Nominating and selecting the highest governance body | AR 2020 p. 60 |
| | **102-25** | Conflicts of interest | AR 2020 p. 52 |
| | **102-26** | Role of highest governance body in setting purpose, values and strategy | SR 2020 p. 170<br>AR 2020 p. 51 |

| GRI STANDARD | GRI DISCLOSURE NUMBER | GRI DISCLOSURE TITLE | DATA/ INFORMATION SOURCE REASONS FOR OMISSION |
|---|---|---|---|
| GRI 102: GENERAL DISCLOSURES 2016 | **102-27** | Collective knowledge of highest governance body | AR 2020 p. 54 |
| | **102-28** | Evaluating the highest governance body's performance | AR 2020 p. 60-61 |
| | **102-29** | Identifying and managing economic, environmental and social impacts | SR 2020 p. 170 and p. 172 |
| | **102-30** | Effectiveness of risk management processes | AR 2020 p. 49 and p. 64 |
| | **102-31** | Review of economic, environmental and social impacts | SR 2020 p. 170 |
| | **102-32** | Highest governance body's role in sustainability reporting | SR 2020 p. 170 |
| | **102-35** | Remuneration policies | AR 2020 p. 61-62 |
| | **102-36** | Process for determining remuneration | AR 2020 p. 61-62 |
| **STAKEHOLDER ENGAGEMENT** | | | |
| GRI 102: GENERAL DISCLOSURES 2016 | **102-40** | List of stakeholder groups engaged | SR 2020 p. 29<br>AR 2020 p. 72-74<br>**Stakeholder engagement** |
| | **102-41** | Collective bargaining agreements | SR 2020 p. 93 |
| | **102-42** | Identifying and selecting stakeholders | SR 2020 p. 29<br>AR 2020 p. 72-74<br>**Stakeholder engagement** |
| | **102-43** | Approach to stakeholder engagement | SR 2020 p. 29<br>AR 2020 p. 72-74<br>**Stakeholder engagement** |
| | **102-44** | Key topics and concerns raised | SR 2020 p. 29<br>AR 2020 p. 72-74<br>**Stakeholder engagement** |





| GRI STANDARD | GRI DISCLOSURE NUMBER | GRI DISCLOSURE TITLE | DATA/ INFORMATION SOURCE REASONS FOR OMISSION |
|---|---|---|---|
| **REPORTING PRACTICE** | | | |
| GRI 102: GENERAL DISCLOSURES 2016 | **102-45** | Entities included in the consolidated financial statements | AR 2020 p. 178-179 |
| | **102-46** | Defining report content and topic Boundaries | SR 2020 p. 3 |
| | **102-47** | List of material topics | SR 2020 p. 171-175 |
| | **102-48** | Restatements of information | Where applicable, restatements are explained in relevant sections of our SR |
| | **102-49** | Changes in reporting | SR 2020 p. 3 |
| | **102-50** | Reporting period | SR 2020 p. 3 |
| | **102-51** | Date of most recent report | Wilmar's Sustainability Report 2019 was published on 29 May 2020 |
| | **102-52** | Reporting cycle | Annually |
| | **102-53** | Contact point for questions regarding the report | SR 2020 p. 3 |
| | **102-54** | Claims of reporting in accordance with the GRI Standards | SR 2020 p. 3 |
| | **102-55** | GRI content index | SR 2020 p. 208-219 |
| | **102-56** | External assurance | SR 2020 p. 202-207 |

## Protecting the environment

| GRI STANDARD | GRI DISCLOSURE NUMBER | GRI DISCLOSURE TITLE | DATA/ INFORMATION SOURCE REASONS FOR OMISSION |
|---|---|---|---|
| **BIODIVERSITY AND CONSERVATION** | | | |
| **GRI 103: MANAGEMENT APPROACH 2016** | **103-1** | Explanation of the material topic and its Boundary | SR 2020 p. 36 and p. 173 |
| | **103-2** | The management approach and its components | SR 2020 p. 36-48 |
| | **103-3** | Evaluation of the management approach | SR 2020 p. 12, p. 36-48 and p. 181-182 |
| **GRI 304: BIODIVERSITY 2016** | **304-1** | Operational sites owned, leased, managed in or adjacent to, protected areas and areas of high biodiversity value outside protected areas | SR 2020 p. 36-38 |
| | **304-2** | Significant impacts of activities, products and services on biodiversity | SR 2020 p. 36 |
| | **304-3** | Habitats protected or restored | SR 2020 p. 36-42 |
| | **304-4** | IUCN Red List species and national conservation list species with habitats in areas affected by operations | SR 2020 p. 36 |
| **CLIMATE CHANGE** | | | |
| **GRI 103: MANAGEMENT APPROACH 2016** | **103-1** | Explanation of the material topic and its Boundary | SR 2020 p. 50 and p. 173 |
| | **103-2** | The management approach and its components | SR 2020 p. 50-58 |
| | **103-3** | Evaluation of the management approach | SR 2020 p.12-13, p. 50-58 and p. 183 |
| **GRI 201: ECONOMIC PERFORMANCE 2016** | **201-2** | Financial implications and other risks and opportunities due to climate change | SR 2020 p. 50-52 |
| **GRI 305: EMISSIONS 2016** | **305-1** | Direct (Scope 1) GHG emissions | SR 2020 p. 55, p. 58 and p. 183 |
| | **305-2** | Energy indirect (Scope 2) GHG emissions | SR 2020 p. 55, p. 58 and p. 183 |
| | **305-4** | GHG emissions intensity | SR 2020 p. 55, and p. 58 |
| | **305-5** | Reduction of GHG emissions | SR 2020 p. 55-56, and p. 58 |





| GRI STANDARD | GRI DISCLOSURE NUMBER | GRI DISCLOSURE TITLE | DATA/ INFORMATION SOURCE REASONS FOR OMISSION |
|---|---|---|---|
| **ENVIRONMENTAL FOOTPRINT OF OPERATIONS** | | | |
| **GRI 103: MANAGEMENT APPROACH 2016** | **103-1** | Explanation of the material topic and its Boundary | SR 2020 p. 60 and p. 173 |
| | **103-2** | The management approach and its components | SR 2020 p. 60-75 |
| | **103-3** | Evaluation of the management approach | SR 2020 p. 13, p.60-75 and p. 184-189 |
| **GRI 302: ENERGY 2016** | **302-1** | Energy consumption within the organisation | SR 2020 p. 63 and p. 184 |
| | **302-3** | Energy intensity | SR 2020 p. 62 and p. 184 |
| **GRI 303: WATER AND EFFLUENTS 2018** | **303-1** | Interactions with water as a shared resource | SR 2020 p. 64-70 |
| | **303-2** | Management of water discharge-related impacts | SR 2020 p. 64-70 |
| | **303-3** | Water withdrawal | SR 2020 p. 68 and p. 185 |
| | **303-4** | Water discharge | SR 2020 p. 70 and p. 185-186 |
| | **303-5** | Water consumption | SR 2020 p. 68 and p. 185 |
| **GRI 306: WASTE 2020** | **306-1** | Waste generation and significant waste-related impacts | SR 2020 p. 71-73 |
| | **306-2** | Management of significant waste-related impacts | SR 2020 p. 71-73 |
| | **306-3** | Waste generated | SR 2020 p. 72 and p. 187 |
| | **306-4** | Waste diverted from disposal | SR 2020 p. 73 and p. 187 |
| | **306-5** | Waste directed to disposal | SR 2020 p. 73 and p. 188 |
| **SUSTAINABLE PACKAGING** | | | |
| **GRI 103: MANAGEMENT APPROACH 2016** | **103-1** | Explanation of the material topic and its Boundary | SR 2020 p. 76 and p. 175 |
| | **103-2** | The management approach and its components | SR 2020 p. 76-79 |
| | **103-3** | Evaluation of the management approach | SR 2020 p. 13, p. 76-79 and p. 189 |
| **GRI 301: MATERIALS 2016** | **301-1** | Materials used by weight or volume | SR 2020 p. 79 and p. 189 |

## Looking after people and communities

| GRI STANDARD | GRI DISCLOSURE NUMBER | GRI DISCLOSURE TITLE | DATA/ INFORMATION SOURCE REASONS FOR OMISSION |
|---|---|---|---|
| **TALENT MANAGEMENT** | | | |
| **GRI 103: MANAGEMENT APPROACH 2016** | **103-1** | Explanation of the material topic and its Boundary | SR 2020 p. 82 and p. 175 |
| | **103-2** | The management approach and its components | SR 2020 p. 82-90 |
| | **103-3** | Evaluation of the management approach | SR 2020 p. 14, p. 82-90 and p. 190-193 |
| **GRI 401: EMPLOYMENT 2016** | **401-1** | New employee hires and employee turnover | SR 2020 p. 88 and p. 192-193 |
| | **401-2** | Benefits provided to full-time employees that are not provided | SR 2020 p. 84 |
| **GRI 404: TRAINING AND EDUCATION 2016** | **404-1** | Average hours of training per year per employee | SR 2020 p. 85 and p. 192 |
| | **404-2** | Programs for upgrading employee skills and transition assistance programmes | SR 2020 p. 85 |
| | **404-3** | Percentage of employees receiving regular performance and career development reviews | SR 2020 p. 87 |
| **HUMAN RIGHTS AND LABOUR STANDARDS** | | | |
| **GRI 103: MANAGEMENT APPROACH 2016** | **103-1** | Explanation of the material topic and its Boundary | SR 2020 p. 91 and p. 174 |
| | **103-2** | The management approach and its components | SR 2020 p. 91-98 |
| | **103-3** | Evaluation of the management approach | SR 2020 p. 14-15, p. 91-98 and p. 193 |
| **GRI 202-1: MARKET PRESENCE 2016** | **202-1** | Ratios of standard entry level wage by gender compared to local minimum wage | SR 2020 p. 193 |
| **GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING** | **407-1** | Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | SR 2020 p. 93-94 |
| **GRI 408: CHILD LABOUR 2016** | **408-1** | Operations and suppliers at significant risk for incidents of child labor | SR 2020 p. 93-95 |





| GRI STANDARD | GRI DISCLOSURE NUMBER | GRI DISCLOSURE TITLE | DATA/ INFORMATION SOURCE REASONS FOR OMISSION |
|---|---|---|---|
| **GRI 409: FORCED OR COMPULSORY LABOUR 2016** | **409-1** | Operations and suppliers at significant risk for incidents of forced or compulsory labour | SR 2020 p. 93-94 |
| **GRI 411: RIGHTS OF INDIGENOUS PEOPLES 2016** | **411-1** | Incidents of violations involving rights of indigenous peoples | SR 2020 p. 98 |
| **DIVERSITY AND INCLUSION** | | | |
| **GRI 103: MANAGEMENT APPROACH 2016** | **103-1** | Explanation of the material topic and its Boundary | SR 2020 p. 99 and p. 173 |
| | **103-2** | The management approach and its components | SR 2020 p. 99-105 |
| | **103-3** | Evaluation of the management approach | SR 2020 p. 15, p. 99-105 and p. 193-194 |
| **GRI 405: DIVERSITY AND EQUAL OPPORTUNITY** | **405-1** | Diversity of governance bodies and employees | SR 2020 p. 99-100 and p. 193-194 |
| | **405-2** | Ratio of basic salary and remuneration of women to men | SR 2020 p. 101 and p. 194 |
| **GRI 406: NON-DISCRIMINATION** | **406-1** | Incidents of discrimination and corrective actions taken | SR 2020 p. 101 |
| **EMPLOYEE HEALTH, SAFETY AND WELL-BEING** | | | |
| **GRI 103: MANAGEMENT APPROACH 2016** | **103-1** | Explanation of the material topic and its Boundary | SR 2020 p. 106 and p. 174 |
| | **103-2** | The management approach and its components | SR 2020 p. 106-113 |
| | **103-3** | Evaluation of the management approach | SR 2020 p. 15, p. 106-113 and p. 194-195 |
| **GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018** | **403-1** | Occupational health and safety management system | SR 2020 p. 106 |
| | **403-2** | Hazard identification, risk assessment and incident investigation | SR 2020 p. 106-107 and p. 110 |
| | **403-3** | Occupational health services | SR 2020 p. 106-107 |
| | **403-4** | Worker participation, consultation and communication on occupational health and safety | SR 2020 p. 106-107 and p. 110 |

| GRI STANDARD | GRI DISCLOSURE NUMBER | GRI DISCLOSURE TITLE | DATA/ INFORMATION SOURCE REASONS FOR OMISSION |
|---|---|---|---|
| GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018 | 403-5 | Worker training on occupational health and safety | SR 2020 p. 106-110 |
| | 403-6 | Promotion of worker health | SR 2020 p. 112-113 |
| | 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | SR 2020 p. 106 |
| | 403-8 | Workers covered by an occupational health and safety management system | SR 2020 p. 106-107 |
| | 403-9 | Work-related injuries | SR 2020 p. 110-112 and p. 184-195<br>In addition to fatalities and fatality rates, Wilmar currently measures Lost Time Injury Rate (LTIR), Total Lost Work Days (LWD), Total Lost Work Days Rate (LWDR), Permanent Disability (PD) and Permanent Disability Rate (PDR) for health and safety performance. |
| **ECONOMIC AND COMMUNITY CONTRIBUTION** | | | |
| GRI 103: MANAGEMENT APPROACH 2016 | 103-1 | Explanation of the material topic and its Boundary | SR 2020 p. 114 and p. 173 |
| | 103-2 | The management approach and its components | SR 2020 p. 114-125 |
| | 103-3 | Evaluation of the management approach | SR 2020 p. 15-16, p. 114-125, and p. 15-16 |
| GRI 201: ECONOMIC PERFORMANCE 2016 | 201-1 | Direct economic value generated and distributed | SR 2020 p. 114-115 and p. 196<br>AR 2020 p. 92 |
| GRI 203: INDIRECT ECONOMIC IMPACTS 2016 | 203-1 | Infrastructure investments and services supported | SR 2020 p. 114-119, p. 120-125 and p. 196 |
| | 203-2 | Significant indirect economic impacts | SR 2020 p. 114-125 |





## Delivering product excellence

| GRI STANDARD | GRI DISCLOSURE NUMBER | GRI DISCLOSURE TITLE | DATA/ INFORMATION SOURCE REASONS FOR OMISSION |
|---|---|---|---|
| **INNOVATION AND TECHNOLOGY** | | | |
| GRI 103: MANAGEMENT APPROACH 2016 | 103-1 | Explanation of the material topic and its Boundary | SR 2020 p. 128 and p. 174 |
| | 103-2 | The management approach and its components | SR 2020 p. 128- 131 |
| | 103-3 | Evaluation of the management approach | SR 2020 p. 17, p. 128-131, and p. 197 |
| **CONSUMER HEALTH AND WELL-BEING** | | | |
| GRI 103: MANAGEMENT APPROACH 2016 | 103-1 | Explanation of the material topic and its Boundary | SR 2020 p. 132 and p. 174 |
| | 103-2 | The management approach and its components | SR 2020 p. 132-135 |
| | 103-3 | Evaluation of the management approach | SR 2020 p. 17 and p. 132-135 |
| **PRODUCT MARKETING AND LABELLING** | | | |
| GRI 103: MANAGEMENT APPROACH 2016 | 103-1 | Explanation of the material topic and its Boundary | SR 2020 p. 136 and p. 175 |
| | 103-2 | The management approach and its components | SR 2020 p. 136-139 |
| | 103-3 | Evaluation of the management approach | SR 2020 p. 18, p. 136-139 and p. 197-199 |
| GRI 417: MARKETING AND LABELLING 2016 | 417-2 | Incidents of non-compliance concerning product and service information and labelling | SR 2020 p. 137 |
| | 417-3 | Incidents of non-compliance concerning marketing communications | SR 2020 p. 137 |
| **PRODUCT QUALITY AND SAFETY** | | | |
| GRI 103: MANAGEMENT APPROACH 2016 | 103-1 | Explanation of the material topic and its Boundary | SR 2020 p. 140 and p. 174 |
| | 103-2 | The management approach and its components | SR 2020 p. 140-145 |
| | 103-3 | Evaluation of the management approach | SR 2020 p.18 and p. 140-145 |

| GRI STANDARD | GRI DISCLOSURE NUMBER | GRI DISCLOSURE TITLE | DATA/ INFORMATION SOURCE REASONS FOR OMISSION |
|---|---|---|---|
| GRI 416: CUSTOMER HEALTH AND SAFETY 2016 | 416-1 | Assessment of the health and safety impacts of product and service categories | 99.4% of our significant consumer product categories have been assessed for improvements in health and safety impacts. |
| | 416-2 | Incidents of non-compliance concerning the health and safety impacts of products and services | SR 2020 p. 144 |

## Transforming our supply chain

| GRI STANDARD | GRI DISCLOSURE NUMBER | GRI DISCLOSURE TITLE | DATA/ INFORMATION SOURCE REASONS FOR OMISSION |
|---|---|---|---|
| **RESPONSIBLE SOURCING AND SUPPLY CHAIN TRANSFORMATION** | | | |
| GRI 103: MANAGEMENT APPROACH 2016 | 103-1 | Explanation of the material topic and its Boundary | SR 2020 p. 148 and p. 174 |
| | 103-2 | The management approach and its components | SR 2020 p. 148-159 |
| | 103-3 | Evaluation of the management approach | SR 2020 p. 19, p. 148-159 and p. 200-201 |
| GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016 | 308-1 | New suppliers that were screened using environmental criteria | SR 2020 p. 158 and p. 201 |
| | 308-2 | Negative environmental impacts in the supply chain and actions taken | SR 2020 p. 158 and p. 201 |
| GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016 | 414-1 | New suppliers that were screened using social criteria | SR 2020 p. 158 and p. 201 |
| | 414-2 | Negative social impacts in the supply chain and actions taken | SR 2020 p. 158 and p. 201 |





## Responsible business practices

| GRI STANDARD | GRI DISCLOSURE NUMBER | GRI DISCLOSURE TITLE | DATA/ INFORMATION SOURCE REASONS FOR OMISSION |
|---|---|---|---|
| **BUSINESS ETHICS AND COMPLIANCE** | | | |
| GRI 103: MANAGEMENT APPROACH 2016 | 103-1 | Explanation of the material topic and its Boundary | SR 2020 p. 163 and p. 173 |
| | 103-2 | The management approach and its components | SR 2020 p. 163-165 |
| | 103-3 | Evaluation of the management approach | SR 2020 p. 21 and p. 163-165 |
| GRI 205: ANTI-CORRUPTION 2016 | 205-2 | Communication and training about anti-corruption policies and procedures | SR 2020 p. 165 |
| | 205-3 | Confirmed incidents of corruption and actions taken | SR 2020 p. 165 |
| GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016 | 206-1 | Legal actions for anti-competitve behavior, anti-trust and monopoly practices | SR 2020 p. 165 |
| GRI 207: TAX 2019 | 207-1 | Approach to tax | SR 2020 p. 164 |
| GRI 307: ENVIRONMENTAL COMPLIANCE 2016 | 307-1 | Non-compliance with environmental laws and regulations | SR 2020 p. 165 |
| GRI 415: PUBLIC POLICY 2016 | 415-1 | Political contributions | SR 2020 p. 165 |
| GRI 419: SOCIOECONOMIC COMPLIANCE 2016 | 419-1 | Non-compliance with laws and regulations in the social and economic area | SR 2020 p. 165 |
| **DATA SECURITY AND PRIVACY** | | | |
| GRI 103: MANAGEMENT APPROACH 2016 | 103-1 | Explanation of the material topic and its Boundary | SR 2020 p. 166 and p. 174 |
| | 103-2 | The management approach and its components | SR 2020 p. 166-167 |
| | 103-3 | Evaluation of the management approach | SR 2020 p. 21 and p. 166-167 |
| GRI 418: CUSTOMER PRIVACY 2016 | 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | In 2020, we have had no substantiated complaints concerning breaches of customer privacy and losses of customer data. |

# SASB content index

*Wilmar's Sustainability Report 2020 also follows the Standard for the Agricultural Products and the Standard for Processed Food sector as defined by the Sustainable Accounting Standards Board's (SASB) Sustainable Industry Classification System™ (SICS™). Our SASB Content Index specifies where each disclosure can be found in this Report, in our* Annual Report 2020 *and* Sustainability Dashboard. ***Where we were not able to meet the SASB Standards reporting requirements, we have included our reasons for omission.***

## Agricultural products:
## Sustainability disclosure topics and accounting metrics

| CODE | ACCOUNTING METRIC | UNIT OF MEASURE | DATA/ INFORMATION SOURCE<br>REASONS FOR OMISSION |
|---|---|---|---|
| **GREENHOUSE GAS EMISSIONS** | | | |
| **FB-AG-110a.1** | Gross global Scope 1 emissions | Metric ton (t) $CO_2$-e | SR 2020 p. 55 and p. 183 |
| **FB-AG-110a.2** | Discussion of long term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets and an analysis of performance against those targets | n/a | SR 2020 p. 50-59 |
| **FB-AG-110a.3** | Fleet fuel consumed, percentage renewable | Gigajoules (GJ), Percentage (%) | Wilmar consumed 1,130,772 GJ of fuel for transportation purposes, of which 13% are from renewable sources |
| **ENERGY MANAGEMENT** | | | |
| **FB-AG-130a.1** | (1) Operational energy consumed, (2) percentage grid electricity, (3) percentage renewable | Gigajoules (GJ), Percentage (%) | SR 2020 p. 62-63 and p. 184 |
| **WATER MANAGEMENT** | | | |
| **FB-AG-140a.1** | (1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress | Thousand cubic meters ($m^3$), Percentage (%) | SR 2020 p. 68 and p. 185 |
| **FB-AG-140a.2** | Description of water management risks and discussion of strategies and practices to mitigate those risks | n/a | SR 2020 p. 64-68 |
| **FB-AG-140a.3** | Number of incidents of non-compliance associated with water quantity and/or quality permits, standards and regulations | Number | There were no incidents of non-compliance associated with water quantity and/or quality permits, standards and regulations |
| **FOOD SAFETY** | | | |
| **FB-AG-250a.1** | Global Food Safety Initiative (GFSI) audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances | Rate | Wilmar does not currently track GFSI audit results at a group level |
| **FB-AG-250a.2** | Percentage of agricultural products sourced from suppliers certified to a Global Food Safety Initiative (GFSI) recognised food safety certification programme | Percentage (%) by cost | Wilmar does not currently track the percentage of agricultural products sourced from suppliers certified to a GFSI recognised food safety certification programme at a group level |
| **FB-AG-250a.3** | (1) Number of recalls issued and (2) total amount of food product recalled | Number, Metric ton (t) | Wilmar does not currenly track data on recalls at a group level |
| **WORKFORCE HEALTH AND SAFETY** | | | |
| **FB-AG-320a.1** | (1) Total recordable incident rate (TRIR), (2) fatality rate and (3) near miss frequency rate (NMFR) for (a) direct employees and (b) seasonal and migrant employees | Rate | In addition to fatalities and fatality rates, Wilmar reports currently measures Lost Time Injury Rate (LTIR), Total Lost Work Days (LWD), Total Lost Work Days Rate (LWDR), Permanent Disability (PD) and Permanent Disability Rate (PDR) for health and safety performance |

| CODE | ACCOUNTING METRIC | UNIT OF MEASURE | DATA/ INFORMATION SOURCE<br>REASONS FOR OMISSION |
|---|---|---|---|
| **ENVIRONMENTAL & SOCIAL IMPACTS OF INGREDIENT SUPPLY CHAIN** | | | |
| **FB-AG-430a.1** | Percentage of agricultural products sourced that are certified to a third-party environmental and/or social standard and percentages by standard | Percentage (%) by cost | SR 2020 p. 118 and p. 198-199<br><br>Wilmar reports on the percentage of palm oil suppliers certified by number and volume |
| **FB-AG-430a.2** | Suppliers' social and environmental responsibility audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances | Rate | SR 2020 p. 158 and p. 201 |
| **FB-AG-430a.3** | Discussion of strategy to manage environmental and social risks arising from contract growing and commodity sourcing | n/a | SR 2020 p. 148-159 |
| **GMO MANAGEMENT** | | | |
| **FB-AG-430b.1** | Discussion of strategies to manage the use of genetically modified organisms (GMOs) | n/a | SR 2020 p. 142-143 |
| **INGREDIENT SOURCING** | | | |
| **FB-AG-440a.1** | Identification of principal crops and description of risks and opportunities presented by climate change | n/a | SR 2020 p. 50-52 |
| **FB-AG-440a.2** | Percentage of agricultural products sourced from regions with High or Extremely High Baseline Water Stress | Percentage (%) by cost | Wilmar does not currently track the percentage of agricultural products sourced from regions with High or Extremely High Baseline Water Stress |





## Agricultural products:
## Activity metrics

| CODE | ACTIVITY METRIC | CATEGORY | UNIT OF MEASURE | DATA/ INFORMATION SOURCE<br>REASONS FOR OMISSION |
|---|---|---|---|---|
| **FB-AG-000.A** | Production by principal crop | Quantitative | Metric ton (t) | SR 2020 p. 180 |
| **FB-AG-000.B** | Number of processing facilities | Quantitative | Number | SR 2020 p. 24-25<br>AR 2020 p. 12 |
| **FB-AG-000.C** | Total land area under active production | Quantitative | Hectares | SR 2020 p. 180<br>AR 2020 p. 132 |
| **FB-AG-000.D** | Cost of agricultural products sourced externally | Quantitative | Reporting currency | Due to commercial sensitivity, we do not disclose this data |

## Processed foods:
## Sustainability disclosure topics and accounting metrics

| CODE | ACCOUNTING METRIC | CATEGORY | UNIT OF MEASURE | DATA/ INFORMATION SOURCE<br>REASONS FOR OMISSION |
|---|---|---|---|---|
| **ENERGY MANAGEMENT** | | | | |
| **FB-PF-130a.1** | (1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable | Quantitative | Gigajoules (GJ), Percentage (%) | SR 2020 p. 62-63 and p. 184 |
| **WATER SOURCING** | | | | |
| **FB-PF-140a.1** | (1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress | Quantitative | Thousand cubic meters ($m^3$), Percentage (%) | SR 2020 p. 68 and p. 185 |

| CODE | ACCOUNTING METRIC | CATEGORY | UNIT OF MEASURE | DATA/ INFORMATION SOURCE REASONS FOR OMISSION |
|---|---|---|---|---|
| **FB-PF-140a.2** | Number of incidents of non-compliance associated with water quantity and/or quality permits, standards and regulations | Quantitative | Number | There were no incidents of non-compliance associated with water quantity and/or quality permits, standards and regulations |
| **FB-PF-140a.3** | Description of water management risks and discussion of strategies and practices to mitigate those risks | Discussion and Analysis | n/a | SR 2020 p. 64-68 |
| **FOOD SAFETY** | | | | |
| **FB-PF-250a.1** | Global Food Safety Initiative (GFSI) audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances | Quantitative | Rate | Wilmar does not currently track GFSI audit results at a group level |
| **FB-PF-250a.2** | Percentage of ingredients sourced from Tier 1 supplier facilities certified to a Global Food Safety Initiative (GFSI) recognised food safety certification programme | Quantitative | Percentage (%) by cost | Wilmar does not currently track the percentage of ingredients sourced from suppliers certified to a GFSI recognised food safety certification programme at a group level |
| **FB-PF-250a.3** | (1) Total number of notices of food safety violation received, (2) percentage corrected | Quantitative | Number, Percentage (%) | Wilmar did not receive any notices of food safety violations in 2020 |
| **FB-PF-250a.4** | (1) Number of recalls issued and (2) total amount of food product recalled | Quantitative | Number, Metric ton (t) | Wilmar does not currenly track data on recalls at a group level |





| CODE | ACCOUNTING METRIC | CATEGORY | UNIT OF MEASURE | DATA/ INFORMATION SOURCE REASONS FOR OMISSION |
|---|---|---|---|---|
| **HEALTH & NUTRITION** | | | | |
| **FB-PF-260a.1** | Revenue from products labeled and/or marketed to promote health and nutrition attributes | Quantitative | Reporting currency | Our subsidiaries Goodman Fielder and Wilmar Sugar sell a range of products to consumers with health or nutrition attributes, contributing to a total of US$ 869,027,185 in sales revenue in 2020 |
| **FB-PF-260a.2** | Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers | Discussion and Analysis | n/a | SR 2020 p. 132-135 |
| **PRODUCT LABELING & MARKETING** | | | | |
| **FB-PF-270a.1** | Percentage of advertising impressions (1) made on children and (2) made on children promoting products that meet dietary guidelines | Quantitative | Percentage (%) | Wilmar does not make advertising impressions targeted at children |
| **FB-PF-270a.2** | Revenue from products labeled as (1) containing genetically modified organisms (GMOs) and (2) non-GMO | Quantitative | Reporting currency | Wilmar does not currently track revenue from products labeled as GMOs and non-GMO |
| **FB-PF-270a.3** | Number of incidents of non-compliance with industry or regulatory labeling and/or marketing codes | Quantitative | Number | SR 2020 p. 137 |
| **FB-PF-270a.4** | Total amount of monetary losses as a result of legal proceedings associated with labeling and/or marketing practices | Quantitative | Reporting currency | SR 2020 p. 137 |

| CODE | ACCOUNTING METRIC | CATEGORY | UNIT OF MEASURE | DATA/ INFORMATION SOURCE<br>REASONS FOR OMISSION |
|---|---|---|---|---|
| **PACKAGING LIFECYCLE MANAGEMENT** | | | | |
| **FB-PF-401a.1** | (1) Total weight of packaging, (2) percentage made from recycled and/ or renewable materials and (3) percentage that is recyclable, reusable and/or compostable | Quantitative | Metric ton (t), Percentage (%) | SR 2020 p. 70 and p. 189 |
| **FB-PF-401a.2** | Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle | Discussion and Analysis | n/a | SR 2020 p. 76-79 |
| **ENVIRONMENTAL & SOCIAL IMPACTS OF INGREDIENT SUPPLY CHAIN** | | | | |
| **FB-PF-430a.1** | Percentage of food ingredients sourced that are certified to third-party environmental and/or social standards and percentages by standard | Quantitative | Percentage (%) by cost | SR 2020 p. 118 and p. 198-199<br><br>Wilmar reports on the percentage of palm oil suppliers certified by number and volume |
| **FB-PF-430a.2** | Suppliers' social and environmental responsibility audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances | Quantitative | Rate | SR 2020 p. 158 and p. 201 |
| **INGREDIENT SOURCING** | | | | |
| **FB-PF-440a.1** | Percentage of food ingredients sourced from regions with High or Extremely High Baseline Water Stress | Quantitative | Percentage (%) by cost | Wilmar does not currently track the percentage of agricultural products sourced from regions with High or Extremely High Baseline Water Stress |
| **FB-PF-440a.2** | List of priority food ingredients and discussion of sourcing risks due to environmental and social considerations | Discussion and Analysis | n/a | SR 2020 p. 148-149 |





## Processed foods:
## Activity metrics

| CODE | ACTIVITY METRIC | CATEGORY | UNIT OF MEASURE | DATA/ INFORMATION SOURCE<br>REASONS FOR OMISSION |
|---|---|---|---|---|
| **FB-PF-000.A** | Weight of products sold | Quantitative | Metric ton (t) | 87,779,587 |
| **FB-PF-000.B** | Number of processing facilities | Quantitative | Number | SR 2020 p. 24-25<br>AR 2020 p. 12 |

# Glossary of terms

| | |
|---|---|
| **2DS** | The 2°C Scenario (2DS) describes an energy system consistent with an emissions trajectory that recent climate science research indicates would give an 80% chance of limiting average global temperature increase to 2°C. |
| **3-MCPD** | An organic chemical compound: 3-monochloropropane-1,2-diol or 3-chloropropane-1,2-diol. |
| **ADB** | African Development Bank |
| **AEGIC** | Australian Export Grains Innovation Centre |
| **AFD** | *Agence Française de Développement* - French Development Agency |
| **AI** | Artificial Intelligence |
| **AIB** | AIB International is an organisation that provides food safety audits, inspection, certification and educational seminars worldwide to the food manufacturing and distribution industry and its suppliers. |
| **ALS** | Alternative Livelihood Scheme |
| **APC** | Australian Packaging Covenant |
| **ARL** | Australian Recycling Label |
| **BAGASSE** | A dry, fibrous matter remaining after the extraction of juice from the sugarcane. |
| **BHCV WG** | The Biodiversity and High Conservation Value Working Group of the Roundtable on Sustainable Palm Oil (RSPO) |
| **BIOLOGICAL OXYGEN DEMAND (BOD)** | The amount of oxygen exerted when organic matter undergoes decomposition by micro-organisms. BOD testing is done to assess the amount of organic matter in the water. |
| **BMP** | Best Management Practice |
| **BONSUCRO** | A voluntary global standard for responsible sugarcane production. The Bonsucro Production Standard applies to mills and supply operations, while the Bonsucro Chain of Custody Standard applies to all products handled above mill level. |
| **BOPP** | Benso Oil Palm Plantations |
| **BPL** | Biase Plantations Ltd |
| **BRC** | British Retail Consortium |
| **BSR** | Previously known as Business for Social Responsibility, BSR is an organisation of sustainable business experts that works with its global network of the world's leading companies to build a just and sustainable world. |





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|---|---|
| **BU** | Business Unit |
| **CARBON DIOXIDE EQUIVALENTS ($CO_2e$):** | A universal metric used to compare the emissions from various greenhouse gases on the basis of their global-warming potential (GWP), by converting amounts of other gases to the equivalent amount of carbon dioxide with the same global warming potential. |
| **CDP** | Formerly known as the Carbon Disclosure Project, CDP is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts. |
| **CEO** | Chief Executive Officer |
| **CERTIFIED SUSTAINABLE PALM OIL (CSPO)** | Palm oil produced by oil palm plantations and mills which have been independently audited and certified against the Roundtable on Sustainable Palm Oil (RSPO) standard. |
| **$CH_4$** | Methane |
| **CHEMICAL OXYGEN DEMAND (COD)** | An indicative measure of the amount of oxygen that can be consumed by reactions in a measured solution. The most common application of COD is in quantifying the amount of oxidizable pollutants found in surface water (e.g. lakes and rivers) or wastewater. |
| **CHRB** | Corporate Human Rights Benchmark |
| **CIO** | Chief Information Officer |
| **CLC** | Community Learning Centres (CLC) are schools that have been set up under a formal programme of the Indonesian Consulate for children of Indonesian foreign workers in the Malaysian states of Sabah and Sarawak. |
| **$CO_2$** | Carbon dioxide |
| **COO** | Chief Operations Officer |
| **CORE** | Consortium of Resource Experts |
| **CPO** | Crude palm oil |
| **CSIRO** | Commonwealth Scientific and Industrial Research Organisation |
| **CSO** | Civil Society Organisation |
| **CSO** | Chief Sustainability Officer |
| **CSPK** | Certified Sustainable Palm Kernel |

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| **CTF** | The Compensation Taskforce of the Roundtable on Sustainable Palm Oil (RSPO) that is tasked with decisions related to the compensation procedure when High Conservation Values (HCV) have been cleared after 2005 without a valid HCV assessment. |
| **CU** | Control Union |
| **DECENT LIVING WAGE (DLW)** | The remuneration received for a standard workweek by a worker in a particular place sufficient to afford a decent standard of living for the worker and her or his family. Elements of a decent standard of living include food, water, housing, education, health care, transport, clothing and other essential needs including provision for unexpected events. |
| **DJSI** | Dow Jones Sustainability Index |
| **DNA** | Deoxyribonucleic acid |
| **EF** | Earthworm Foundation, formerly The Forest Trust (TFT) |
| **EFFLUENT** | Treated or untreated wastewater that is discharged. |
| **EFSA** | European Food Safety Authority |
| **EHS** | Environment, Health & Safety |
| **EIA** | Environmental Impact Assessment |
| **EMPTY FRUIT BUNCHES (EFB)** | Remains of the fresh fruit bunch (FFB) once the fruit has been removed for oil pressing. |
| **EMS** | Environmental Management System |
| **EPOA** | European Palm Oil Alliance |
| **ERM** | Enterprise Risk Management |
| **ESG** | Environmental, Social and Governance |
| **ETP** | Effluent Treatment Plant |
| **EXTRACTION RATE** | An amount of oil extracted in a mill from oil palm fruit. Crude palm oil (CPO) is derived from the flesh; palm kernel oil (PKO) from the nut. |
| **EY** | Ernst & Young |
| **FCDO** | UK Foreign Commenwealth and Development Office |
| **FIRE FREE ALLIANCE (FFA)** | A multi-stakeholder initiative initiated for the management of recurrent haze and fire problems in Indonesia. Under its auspices, the Fire-Free Village Programme (FFVP) is a community-based incentive scheme to help reduce the incidence of fires. |
| **FOKIA** | Federation of Kutch Industries Association |





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|---|---|
| **FOOD LOSS AND WASTE (FLW) PROTOCOL** | A multi-stakeholder effort that has developed the global accounting and reporting standard (known as the FLW Standard) for quantifying food and associated inedible parts removed from the food supply chain. |
| **FREE, PRIOR AND INFORMED CONSENT (FPIC)** | The principle that a community has the right to give or withhold its consent to proposed projects that may affect the lands they customarily own, occupy or otherwise use. |
| **FRESH FRUIT BUNCH (FFB)** | The ripe fruit bunch harvested from the oil palm tree. The weight of the fruit bunch ranges between 10 kg to 40 kg depending on the size and age. |
| **FSANZ** | Food Standards Australia New Zealand |
| **FSSC** | Food Safety System Certification |
| **GCF** | Global Child Forum |
| **GDPR** | General Data Protection Regulation in Europe |
| **GFW** | Global Forest Watch |
| **GHG** | Greenhouse gases |
| **GHS** | Globally Harmonized System of Classification & Labelling of Chemicals |
| **GIS** | Geographic Information System |
| **GJ** | Giga joule |
| **GLOBAL FOOD SAFETY INITIATIVE (GFSI):** | A business-driven initiative for the development of food safety management systems to ensure food facilities are processing safe food for consumers. |
| **GLOBAL REPORTING INITIATIVE (GRI)** | The independent, international organisation that helps businesses and other organisations take responsibility for their impacts, by providing them with the global common language to communicate those impacts. GRI provides the world's most widely used standards for sustainability reporting – the GRI Standards. |
| **GM** | General Manager |
| **GMO** | Genetically Modified Organism |
| **GOOD MANUFACTURING PRACTICE (GMP)** | A system that ensures manufacturing products, such as food, cosmetics and pharmaceutical goods, are consistently produced and controlled according to set quality standards. |
| **GWP** | Global warming potential |
| **HAZARD ANALYSIS CRITICAL CONTROL POINTS (HACCP)** | A management system in which food safety is addressed through the analysis and control of biological, chemical and physical hazards from raw material production, procurement and handling, to manufacturing, distribution and consumption of the finished product. |

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| **HCV NETWORK** | Formerly known as the HCV Resource Network, the HCV Network is a member-based organisation that strives to protect High Conservation Values in areas where the expansion of forestry and agriculture may put important forests, biodiversity and local communities at risk. The HCV Network governs the quality control process for HCV and HCS assessments. |
| **HCV NETWORK ALS** | The HCV Network's Assessor License Scheme issues licences to qualified professionals worldwide and monitors their performance through desk-based evaluation of their HCV or HCV-HCSA assessment reports. |
| **HCV-HCS ASSESSMENTS** | A participatory process for identifying social and environmental values which need to be conserved in production landscapes. As per the revised RSPO Principles and Criteria. released in November 2018, any new land clearing (in existing plantations or new plantings) after 15 November 2018 must be preceded by a HCV-HCSA assessment. Assessments need to follow the HCV-HCS Assessment Manual and new quality assurance procedures via the HCV Assessor Licensing Scheme (ALS). |
| **HEALTH STAR RATING (HSR)** | A front-of-pack labelling system used in Australia that rates the overall nutritional profile of packaged food and assigns it a rating from ½ a star to 5 stars. It provides a quick, easy, standard way to compare similar packaged foods. |
| **HFO** | Heavy fuel oil |
| **HIGH CARBON STOCK (HCS)** | The four classes of land area differentiated by the type of vegetative cover (High Density Forest, Medium Density Forest, Low Density Forest and Young Regenerating Forest) that have been identified to contain reasonable amount of carbon and biodiversity. |
| **HIGH CONSERVATION VALUES (HCV)** | Areas with biological, ecological, social or cultural values of outstanding significance at the national, regional or global level or of critical importance at the local level. |
| **HSE** | Health, Safety & Environment |
| **HUKATAN-KSBSI** | Labour union confederation in Indonesia consisting of the union Hukatan and KSBSI (*Konfederasi Serikat Buruh Seluruh Indonesia*, i.e. Confederation of Labour Unions of Indonesia). |
| **INDEPENDENT SMALLHOLDER** | Small growers with less than 50 hectares of land (with the exception of Indonesia, with less than 25 hectares of land), which are self-financed, managed, equipped and not bound to a particular mill. They may deal directly with local mill operators of their choice or process their own palm oil using personal or community manual palm oil presses. |
| **INDONESIAN SUSTAINABLE PALM OIL (ISPO) STANDARD** | A mandatory certification requirement for all oil palm growers and millers operating in Indonesia imposed by the government in an effort to preserve the environment, promote economic and social activities and enforcement of Indonesian statutory laws in the palm oil sector. |
| **INTEGRATED PEST MANAGEMENT (IPM)** | An approach that focuses on long term prevention of pests or their damage through a combination of techniques such as cultural, mechanical, biological and chemical strategies to control pests. |
| **INTERNATIONAL SUSTAINABILITY AND CARBON CERTIFICATE (ISCC)** | A certification system that promotes the sustainable cultivation, processing and utilisation of biomass and bioenergy. It is geared towards GHG emissions reduction, sustainable land use, protection of natural biospheres and social sustainability. |





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| **INTERNATIONAL UNION FOR CONSERVATION OF NATURE AND NATURAL RESOURCES (IUCN) RED LIST OF THREATENED SPECIES** | The world's most comprehensive inventory of the global conservation status of biological species. It is a critical indicator of the health of the world's biodiversity. |
| **IOC** | International Olive Council |
| **IOT** | Internet of Things |
| **IPCC FIFTH ASSESSMENT REPORT (AR5)** | The Fifth Assessment Report (AR5) of the United Nations Intergovernmental Panel on Climate Change (IPCC) is the fifth in a series of such reports and was finalised in 2014 |
| **IT** | Information Technology |
| **kWp** | Kilowatts peak, the rate at which an electrical system generates energy at peak performance |
| **LMS** | Learning Management System |
| **LPG** | Liquefied petroleum gas |
| **LTIR** | Lost Time Injury Rate, the number of lost time injuries occurring in a workplace per 200,000 hours |
| **LWDR** | Lost Work Day Rate is a standardised metric that provides a measure of the total number of working days lost within a workplace due to occupational injury or illness. |
| **MALAYSIAN SUSTAINABLE PALM OIL (MSPO) STANDARD** | A national certification requirement applicable to all Malaysia-based palm oil operations. |
| **MESOCARP** | The middle layer of pericarp, the fleshy part of a palm fruit. |
| **mg/L** | milligrams per Liter |
| **MoU** | Memorandum of Understanding |
| **MT** | Metric Tonne |
| **MULCHING** | A layer of material applied to the soil surface to improve its fertility and health. Mulch is usually organic. |
| **MWh** | Megawatt-hour, equal to 1,000 kilowatts of electricity used continuously for one hour. It is equivalent to the amount of electricity used by about 330 homes during one hour |
| **$N_2O$** | Nitrous oxide |
| **NDPE IMPLEMENTATION REPORTING FRAMEWORK (NDPE IRF)** | A reporting tool designed to help companies to systematically understand and track progress in delivering NDPE commitments in their palm oil supply chain. |

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| **NEW PLANTING PROCEDURE (NPP)** | The RSPO NPP consists of a set of assessments and verification activities to be conducted by grower members and certification bodies prior to a new oil palm development, in order to help guide responsible planting and ensure that social and environmental requirements have been met. |
| **NGO** | Non-governmental organisation |
| **NIST** | National Institute of Standards and Technology of Singapore |
| **NO DEFORESTATION, NO PEAT, NO EXPLOITATION (NDPE) POLICY** | A commitment to adopt measures and actions to achieve no deforestation, no peat development and no exploitation within the company's operations and supply chain. |
| **OECD GUIDELINES** | The OECD Guidelines for Multinational Enterprises (OECD Guidelines) are recommendations from governments to multinational enterprises on responsible business conduct. |
| **OSHA** | Occupational Safety and Health Act |
| **P&C** | Principles & Criteria. Is often used to reference the RSPO Principles & Criteria for oil palm production. |
| **PALM OIL MILL EFFLUENT (POME)** | The by-product of processed FFB. |
| **PALM OIL REFINERY EFFLUENT (PORE)** | Wastewater produced by processing crude palm oil in a palm oil refinery. |
| **PD & PD RATE** | Permanent Disability & Permanent Disability Rate |
| **PDPA** | Personal Data Protection Act in Singapore |
| **PEATLAND** | Accumulation of partially decayed vegetation matter. Peat forms in wetlands or peatlands. This can include bogs, moors, muskegs, pocosins, mires and peat swamp forests. Land with soil consisting of over 65% organic matter is considered peatland. |
| **PET PLASTIC** | Plastics made of Polyethylene terephthalate |
| **PFAD** | Palm Fatty Acid Distillate |
| **PIC** | Person in charge |
| **PIC** | Palm Kernel |
| **PKB OR CBA** | *Perjanjian Kerja Bersama* (PKB) is the Indonesian term for Collective Bargaining Agreement (CBA). |
| **PORAM** | Palm Oil Refiners Association of Malaysia |
| **PPBOP** | PPB Oil Palms Berhad |
| **PPE** | Personal protective equipment |





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| **PRESS MUD** | Sugarcane press mud is the residue of sugarcane juice filtration. |
| **PV** | Photovoltaic |
| **PVC** | Polyvinyl chloride |
| **QAQC** | Quality Assurance & Quality Control |
| **QAS** | Queensland Ambulance Service |
| **R&D** | Research & Development |
| **RADD** | Radar Alerts for Detecting Deforestation |
| **REC** | Renewable Energy Certificate |
| **RMC** | Risk Management Committee |
| **ROUNDTABLE ON SUSTAINABLE PALM OIL (RSPO)** | A not-for-profit organisation that unites stakeholders from the seven sectors of the palm oil industry: oil palm producers, processors or traders, consumer goods manufacturers, retailers, banks/investors and environmental and social nongovernmental organisations (NGOs), to develop and implement global standards for sustainable palm oil consisting of environmental and social criteria. |
| **RTE** | Rare, Threatened and Endangered species |
| **RTRS** | Roundtable on Responsible Soy |
| **SCHEME SMALLHOLDERS (OR PLASMA SCHEMES)** | A programme initiated by the Indonesian government to encourage the development of smallholder plantations with the assistance and co-operation of plantation companies (the nucleus) which assist and support the surrounding community plantations (the plasma). |
| **SGCP** | Wilmar Supplier Group Compliance Programme |
| **SGX** | Singapore Stock Exchange |
| **SICA** | Wilmar's Sekar Imej Conservation Area |
| **SK** | *Sekolah Kebangsaan*, local governement-run primary schools in Malaysia |
| **SLL** | Sustainability Linked Loans |
| **SMARTCANE BMP** | A Queensland-focused voluntary accreditation system providing best practice guidance for cultivating sugarcane. |
| **SNP** | Single Nucleotide Polymorphism |
| **SNRC** | Sugar Nutrition Resource Centre |
| **SOP** | Standard Operating Procedures |

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| **SPATIAL MONITORING AND REPORTING TOOL (SMART)** | An open source, non-proprietary and freely available software application that enables the collection, storage, communication and evaluation of ranger-based data on: patrol efforts, patrol results and threat levels. |
| **SPENT WASH** | Distillery spent wash is the unwanted residual liquid waste generated during production. It is a dark brown, highly organic effluent. |
| **SPOTT** | Sustainability Policy Transparency Toolkit – an initiative developed by ZSL (the Zoological Society of London) - is a free, online platform supporting sustainable commodity production and trade. |
| **SQF** | Safe Quality Food Programme |
| **SRA** | Sugar Research Australia |
| **SRMP** | Scientific Ratoon Management Practices |
| **SRSL** | Shree Renuka Sugar Limited |
| **SRT** | Wilmar's Supplier Reporting Tool |
| **SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB)** | An independent non-profit organisation that sets standards to guide the disclosure of financially material sustainability information by companies to their investors. |
| **SUSTAINABLE DEVELOPMENT GOALS (SDGs)** | A set of goals, also known as the Global Goals, were adopted by all United Nations Member States in 2015 as a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030. |
| **SZSE** | Shenzhen Stock Exchange |
| **TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)** | A voluntary disclosure platform, set up by the Financial Stability Board (FSB), designed to provide a framework for companies and other organisations to develop more effective climate-related financial disclosures through their existing reporting processes. |
| **TLL** | Temasek Life Sciences Laboratory |
| **TROPICAL FOREST ALLIANCE (TFA)** | A multi-stakeholder partnership platform hosted by the World Economic Forum and initiated to support the implementation of private-sector commitments to remove deforestation from various commodities from their supply chains. |
| **UNDRIP** | United Nations Declaration on the Rights of Indigenous Peoples |
| **US DA** | United States Department of Agriculture |
| **US FDA** | United States Food and Drug Administration |
| **USM** | *Universiti Sains Malaysia*, the University of Science Malaysia |
| **WAO** | Women's Aid Organisation |
| **WAOP** | Wilmar Wildlife Awareness Outreach Programme |





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| **WCSG** | Wilmar Women's Committee Steering Group |
| **WHO** | World Health Organization |
| **WHO IA & IB PESTICIDES** | Pesticides rated under the World Health Organization's classification as Extremely Hazardous (IA) and Highly Hazardous (IB) |
| **WIL@NUS** | WIL@NUS Corporate Laboratory is a research partnership between the National University of Singapore and Wilmar International Limited and is hosted at the Yong Loo Lin School of Medicine, NUS. |
| **WILSO** | Wilmar Safety Observation |
| **WIMS** | Wilmar Integrated Management System |
| **WoW** | Wilmar Women's Working Groups |
| **YKA** | Yihai Kerry Arowana |


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