

PALM NDPE  
IMPLEMENTATION  
ANNUAL REPORT

20  
22

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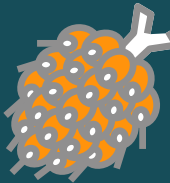
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# TABLE OF CONTENTS



**SUMMARY OF PROGRESS ..... 02**



**INTRODUCTION ..... 05**

Global Context..... 05  
Commitment to NDPE..... 05  
COP27 Commitment: Agricultural Sector Roadmap to 1.5°C ..... 06  
About This Report..... 06



**NDPE IMPLEMENTATION ..... 08**

Traceability ..... 08  
Our Key Programmes in Ensuring Supplier Compliance..... 11



**IMPLEMENTATION OF  
"NO DEFORESTATION"  
AND "NO PEAT" ..... 18**

NDPE Implementation Reporting Framework (NDPE IRF) ..... 18  
Ensuring Better Understanding of High Conservation Value  
and High Carbon Stock (HCV-HCS) Areas Identification and Protection ..... 21  
Landscape-level Initiatives ..... 22

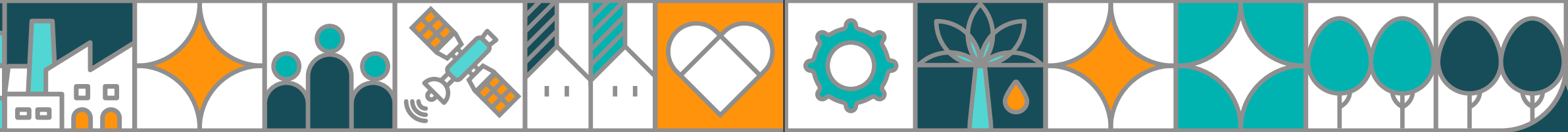


**IMPLEMENTATION OF  
"NO EXPLOITATION" ..... 25**

No Exploitation Protocol ..... 25  
Our Human Rights Due Diligence (HRDD) Approach ..... 26  
Living Wage ..... 27  
Partnerships and Platforms..... 28  
Smallholders..... 28

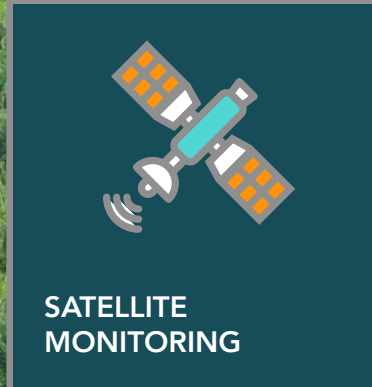
**APPENDIX ..... 30**

External Assurance from Control Union Certifications ..... 30  
Palm Oil Sectoral Roadmap Commitment Index..... 34





# SUMMARY OF PROGRESS



## SATELLITE MONITORING

>23.27\*

MILLION HECTARES (HA) OF LAND COVERED BY SATELLITE MONITORING

in Indonesia, Malaysia and other palm producing countries<sup>1</sup>

>900\*

SUPPLIER GROUPS MONITORED

8,285\*

PLANTATION UNITS MONITORED



## SUPPLIER ENGAGEMENT

920\*  
(100%\*)  
SUPPLIERS ASSESSED

>700  
SUPPLIERS TRAINED ON NDPE IMPLEMENTATION

823\* (89%\*)  
SUPPLIERS ASSESSED AS LOW PRIORITY MILLS

97\* (11%\*)  
SUPPLIERS ASSESSED AS HIGH PRIORITY MILL

51\* (53%\*)  
HIGH PRIORITY MILLS ENGAGED  
(e.g., field visit, received action plans etc.)



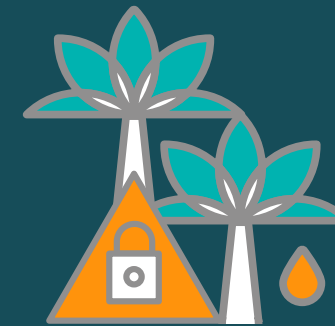
## DELIVERING ON NDPE IRF



89.9%\*

OF PALM AND LAURIC PRODUCTS VOLUMES ACROSS WILMAR'S GLOBAL SUPPLY CHAIN

are from suppliers that have at least group-level commitments and/or action plans in place to address the No Deforestation requirements using the NDPE Implementation Reporting Framework (NDPE IRF)



## APPROACH TO SUPPLIER NON-COMPLIANCE



34

SUPPLIER GROUPS SUSPENDED SINCE 2015



15  
SUPPLIER GROUPS REMAIN ON OUR SUSPENSION LIST  
(covering 1.5 million ha of oil palm plantations)



19  
SUPPLIER GROUPS (covering 1.1 million ha of oil palm plantations) MET WILMAR'S RE-ENTRY CRITERIA

2.6 MILLION HA

OIL PALM PLANTATIONS REMOVED

from our supply chain due to suspensions since 2015

12

SUPPLIER GROUPS HAVE BEEN SUSPENDED

since the introduction of our 'suspend first' approach effective 2019



## GRIEVANCE CASES as of December 2022



85\*

GRIEVANCE CASES



7\*

CASES IN PROGRESS

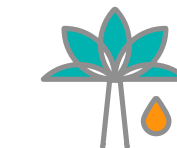


78\*

CASES CLOSED



## TRACEABILITY



98.7%\*

TRACEABLE TO MILL

26.5\*

MILLION MT OF PRODUCTS TRACEABLE TO MILL



83.4%\*

TRACEABLE TO PLANTATION

22.4\*

MILLION MT OF PRODUCTS TRACEABLE TO PLANTATION

\* Control Union Certifications (CU) has conducted limited assurance procedures on these figures.

<sup>1</sup> Other palm producing countries include Papua New Guinea, Colombia, Honduras, Guatemala, Thailand, Cameroon, Congo, Ghana, Nigeria, Costa Rica, Liberia, Mexico, Ivory Coast, Sierra Leone, Solomon Islands, São Tomé and Príncipe





# INTRODUCTION



## GLOBAL CONTEXT

Recent global events have had an impact on the production of vegetable oils, but palm oil remains the most widely used due to its unique properties and versatility. As a crucial ingredient in a wide range of products ranging from food and cosmetics to fuel, it supports the livelihoods of millions of people. However, palm oil must be produced sustainably and with care for the natural environment to prevent catastrophic climate change or the collapse of important biodiversity and ecosystems.

As a leading palm processor and merchandiser, we understand our responsibility to drive positive change in the sector. Over the years, we have made significant progress in improving the sustainability of palm oil and addressing environmental and social issues in our value chain. Our commitment to No Deforestation, No Peat and No Exploitation (NDPE) is the foundation of our sustainable palm oil approach. However, we acknowledge that there is still more work to be done in this area.



*Wilmar was the first in the industry to launch an NDPE Policy applicable across our entire supply chain.*



## COMMITMENT TO NDPE

Our **NDPE Policy** was launched in 2013 and updated in 2019 to strengthen and reflect the many sustainability commitments, policies and procedures that were adopted since the initial policy.

Wilmar was the first in the industry to launch an NDPE Policy applicable across our entire supply chain. Our policy seeks to drive positive change and support sustainable development throughout the palm oil supply chain.



To see the key elements of our policy, please refer to our

**SUSTAINABILITY DASHBOARD**

◀ Wilmar's mill in Sabah, Malaysia



# COP27 COMMITMENT: AGRICULTURAL SECTOR ROADMAP TO 1.5°C

In November 2021, at the 26<sup>th</sup> United Nations Climate Change Conference of the Parties (COP26) in Glasgow, Wilmar and 12 other major agricultural commodity companies made a commitment to develop a sectoral roadmap for enhanced supply chain action in line with a 1.5-degree Celsius pathway to be ready by COP27 in 2022.

Throughout 2022, we worked closely with our peers to develop a roadmap that builds on the implementation progress made by the industry over the last decade and enhances existing commitments to address identified gaps needed to meet climate targets. The **Palm Oil Sectoral Roadmap** was completed and made available for review and consultation in September 2022.

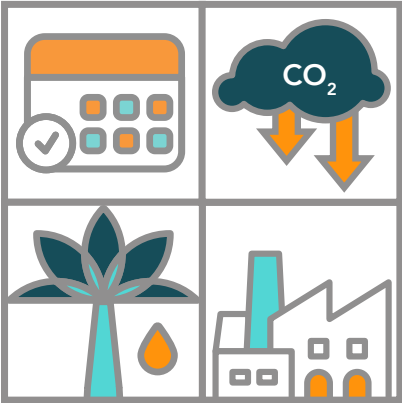
For more information on our progress, please refer to our **Palm Oil Sectoral Roadmap Commitment Index** which outlines our progress to date and steps we will take to ensure we are able to meet this ambitious target. To ensure that we are playing our part and championing the shift towards sustainable palm oil production, Wilmar signed up to the Science Based Target initiative (SBTi) in October 2022. We aim to cement our commitment by setting emission reduction targets, with both near-term and net-zero commitments, in line with a 1.5-degree Celsius pathway.

Over the next 18 months, we will develop timebound plans to achieve these targets. We will also advocate for the adoption of the roadmap among industry players, alongside our continuing efforts to drive the implementation of our NDPE commitments and emission reduction initiatives within our own supply chain.

## ABOUT THIS REPORT

As we work towards transforming our supply chain, it is essential that we monitor and report our progress transparently and regularly. We therefore strive to provide our stakeholders with timely and public updates on our challenges and progress towards supply chain transformation through our Palm NDPE Implementation Annual Report. This report contains data and information in respect of the financial year **1 January 2022 to 31 December 2022** and may reference events in previous years, where relevant.

To enhance stakeholders’ confidence in the data and information, we disclose material palm disclosures such as traceability to mill and plantation data, grievance mechanism and NDPE Implementation Reporting Framework (NDPE IRF) disclosures amongst others, which have been assured by Control Union Certifications (CU). Additionally, Ernst and Young (EY) has provided external assurance for other material ESG disclosures. Further details can be found in the Assurance Statements on **pages 204 to 211 of our Sustainability Report 2022**.



WILMAR SIGNED UP TO  
THE SCIENCE BASED  
TARGETS INITIATIVE  
(SBTi) IN

OCTOBER  
2022



With efforts already well underway to reduce our Scope 1 and 2 emissions, going forward we will focus on addressing our Scope 3 emissions. For more information on our emission reduction initiatives, please refer to the section on **Climate Change** in our

SUSTAINABILITY  
REPORT 2022



In addition to our Annual Report and Sustainability Report, this report provides up-to-date information relating to certification, conservation, supply chain monitoring, NDPE compliance, grievances, traceability. More information can be found on our

SUSTAINABILITY  
DASHBOARD



Viewpoint of Sabahmas plantation from the Observation Tower



# NDPE IMPLEMENTATION

## TRACEABILITY

Responsible sourcing and supply chain transformation has always been a strategic priority for Wilmar. To meet our sustainability commitments, Wilmar recognises the importance of being able to trace supply flows from ports and refineries back to palm oil mills and eventually to plantations. Identifying the origins of our raw materials enables us to evaluate suppliers' performance against our NDPE Policy, identify and assess high-risk suppliers and engage with them to drive continuous improvement.

Palm oil supply chains are highly complex and intricate. This sector in Indonesia, which is the leading producer of palm oil, is highly fragmented and dominated by many smallholders. About 40% of oil palm plantations in Indonesia, amounting to 5.8 million ha of land (an area greater than Switzerland), are managed by about 2.67 million smallholder farmers whose livelihood depends on oil palm cultivation<sup>2</sup>. The process of mapping out these growers, smallholders and agents greatly adds to the complexity of the operation.

As the world's largest palm oil trader, and with third-party suppliers representing over **90%** of our total supply base, we have both a responsibility and an opportunity to lead our supply chain towards sustainable palm oil production. Traceability is therefore important, not only for visibility of sources, but as a vital step towards driving sustainable practices across our entire production base.

### TRACEABILITY TO MILL (TtM)

Wilmar first set out to achieve full **palm oil mill traceability** for all volumes handled by our refineries by 2015. By the end of 2015, we had achieved about 92% traceability to mill-level across our global operations and have since made steady progress year-on-year. In 2019, we revised our target to reach 100% TtM by 2022.

<sup>2</sup> <https://news.mongabay.com/2020/04/indonesia-aims-for-sustainability-certification-for-oil-palm-smallholders/>



Wilmar palm oil mill in Indonesia

As of December 2022, we achieved **98.7%\*** TtM for crude palm oil (CPO) and palm kernel oil (PKO). This translates to about **26.5\* million MT** of palm and lauric products traceable to mills across our global operations.

We acknowledge the challenges of achieving 100% traceability due to commodity transportation and trading structures, particularly in countries like China and India. However, we remain committed to working closely with our suppliers to overcome these obstacles by implementing robust processes and have revised our target to achieve **100% traceability to palm oil mills by 2024**. To accomplish this, we are requesting traceability information for volumes received from third-party refiners, traders and bulkers. Wilmar's sustainability team then continually monitors the lists obtained from suppliers to ensure that there is no breach concerning our NDPE Policy. Further, our procurement practices now also involve buying largely from sources that can provide visibility to origin.

\* CU has conducted limited assurance procedures on these figures.

# 98.7%\*

(26.5\* MILLION MT)

OF PALM AND LAURIC  
PRODUCTS ARE  
TRACEABLE TO MILLS  
ACROSS OUR GLOBAL  
OPERATIONS



TRACEABILITY TO PLANTATION (TtP)

Unlike TtM, there is no agreed industry definition of “Traceable to Plantation”. Our approach to TtP is based on a set of **traceability criteria** specific to each type of supplier.

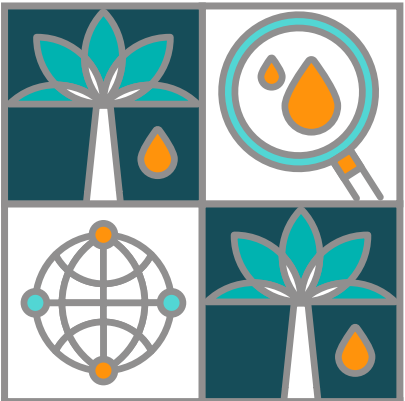
Since 2015, Wilmar has maintained **100% TtP** for all Wilmar-owned mills across our global operations. Our concession maps are publicly available on the Roundtable on Sustainable Palm Oil (RSPO)’s - **GeoRSPO** and the **Global Forest Watch (GFW)** map platforms.

While initial efforts were focused on achieving full TtP for our own mills, we recognise the need to engage and support our third-party suppliers in their traceability efforts to meet our sustainability commitments. To this end, in 2022, Wilmar committed to achieving **90% TtP by 2023** and **100% by 2025**.

Throughout the year, we have made tremendous inroads in ramping up our TtP efforts by engaging with our suppliers to gather information based on their sourcing. This includes voluntary disclosure of concession maps by our direct third-party suppliers, engaging relevant stakeholders to identify deforestation risks for smallholders’ fresh fruit bunches (FFB) supplies and requesting information from direct third-party mills, refiners, traders and bulkers through self-assessment tools from whom we directly source.

It is important to note that the primary barrier to achieving full TtP lies in managing and collecting accurate information from smallholders and dealers due to systemic issues surrounding the accuracy of maps and legal land titles. However, as of December 2022, we are on track to meet our target and have achieved **83.4%\* TtP** across our global operations compared to 27% in 2021 and 20% in 2020. This translates to about **22.4\* million MT** of palm and lauric products traceable to plantations across our global operations.

Further, approximately **83.5%** of our supply from third-party mills within our global supply chain is traceable to plantation level<sup>3</sup>.



83.4%\*

(22.4\* MILLION MT)

OF PALM AND LAURIC PRODUCTS ARE TRACEABLE TO PLANTATIONS ACROSS OUR GLOBAL OPERATIONS



More information on our timebound action plan is available on our

WEBSITE

\* CU has conducted limited assurance procedures on these figures.

<sup>3</sup> While Wilmar does not publish nor share plantation data for third-party supplying mills, since 2015, we report TtP percentages on a per-refinery basis on our Sustainability Dashboard

Wilmar’s Supplier Base



954  
MILLS

909  
THIRD-PARTY MILLS

FFB SUPPLY TO MILLS	% OF THIRD-PARTY MILLS	% OF THIRD-PARTY VOLUMES, MILL BASIS
OWN PLANTATIONS	11.1	6.5
THIRD-PARTY PLANTATIONS	36.6	42.6
OWN AND THIRD-PARTY PLANTATIONS	29.2	39.3
TOTAL	76.9	88.4

OUR KEY PROGRAMMES IN ENSURING SUPPLIER COMPLIANCE

To ensure that our suppliers adhere to our NDPE commitments, Wilmar takes a three-pronged approach to monitoring our entire supply chain:



SATELLITE MONITORING



SUPPLIER COMPLIANCE & DUE DILIGENCE



GRIEVANCE MECHANISM

SATELLITE MONITORING

We use satellite monitoring system to proactively monitor our own concession and conservation areas, as well as those of our suppliers. In 2013, Wilmar launched the **Supplier Group Compliance Programme (SGCP)** with support from **Earthqualizer** to proactively monitor deforestation and peatland development at supplier group-level. Through the SGCP, we receive deforestation and fire alerts linked to the concessions and companies responsible. When an alert is received, the grievance mechanism will be initiated, enabling us to take immediate action to investigate, verify and address the non-compliance identified. The programme currently monitors more than **23.27\* million ha** of land across Malaysia, Indonesia, Papua New Guinea, Colombia, Honduras, Guatemala, Thailand, Cameroon, Congo, Ghana, Nigeria, Costa Rica, Liberia, Mexico, Ivory Coast, Sierra Leone, Solomon Islands, São Tomé and Príncipe.

The SGCP forms part of our supplier compliance verification framework and is complemented by our Supplier Reporting Tool (SRT), grievance mechanism and proactive satellite monitoring by **Satelligence**.

Since 2020, Wilmar has partnered with Satelligence, a leading satellite-powered geodata analytics company, to monitor deforestation and peatland development in both our palm and suppliers’ operations. This

monitoring programme covers more than **23 million ha**. Satelligence monitors deforestation across sourcing landscapes with real-time notifications, historical and current deforestation risk analysis and progress towards sustainability commitments.

In addition to the SGCP, in 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)<sup>4</sup>. RADD is a radar-based forest monitoring system programme facilitated by the World Resources Institute (WRI) and the collaboration includes agreed verification protocols for when RADD alerts are triggered. RADD alerts capture forest changes in high resolution, enabling users to identify deforestation faster and take immediate action. RADD alerts are available on WRI’s GFW map platform covering **44** countries and regions, including Indonesia, Malaysia, Democratic Republic of the Congo, Cameroon, Madagascar and other countries.

\* CU has conducted limited assurance procedures on these figures.

<sup>4</sup> <https://www.wri.org/news/release-palm-oil-industry-jointly-develop-radar-monitoring-technology-detect-deforestation>



SUPPLIER COMPLIANCE AND DUE DILIGENCE

SUPPLIER REPORTING TOOL (SRT)

Wilmar uses the **SRT**, an online self-reporting tool hosted on the **OnConnect** system, to assess our suppliers' progress and implementation of our NDPE Policy. The SRT is an annual programme where questionnaires are sent out to **100%** of Wilmar's direct supplying mills

(including our own mills) and their associated estates. SRT results are used to identify and assess environmental and social risks and form a key part of our **Human Rights Due Diligence (HRDD) approach**.

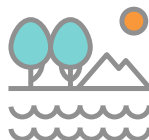
SRT COVERS THE FOLLOWING CORE NDPE ELEMENTS:



ACCESS TO GRIEVANCE MECHANISMS



CHILD PROTECTION



ENVIRONMENTAL AND BIODIVERSITY IMPACT MANAGEMENT

(HCV, HCS, fire and peat management, no burning)



LABOUR RIGHTS AND STANDARDS

(including, but not limited to, forced labour and human trafficking, freedom of association and collective bargaining, non-discrimination and equal opportunities and fair living wages)



RECRUITMENT FEES



LEGALITY



LEGAL AND CUSTOMARY OR TRADITIONAL RIGHTS



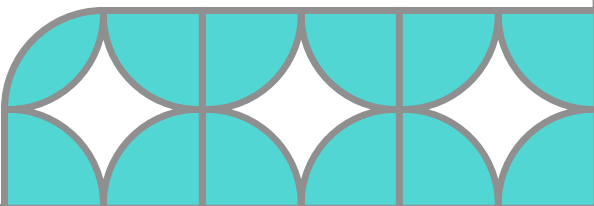
COMMITMENT TO PROTECT AND RESPECT HUMAN RIGHTS DEFENDERS (HRDs)



OCCUPATIONAL HEALTH AND SAFETY



TRACEABILITY



SRT Process

01



QUESTIONNAIRE REVIEW

To ensure that we continue to monitor and assess our suppliers' NDPE progress effectively, the Supplier Compliance team and the wider Sustainability Department annually evaluate and update the questionnaire. The amended questionnaire goes through multiple rounds of review with our ESG, Grievance, Traceability, Conservation, Human Rights, Trading and Marketing teams. Once finalised, it is uploaded to the OnConnect system and checked for any potential errors.

02



QUESTIONNAIRE LAUNCH

The questionnaire is sent out to all of Wilmar's supplying mills on an annual basis. The Supplier Compliance team, with support from the Trading and Marketing teams, continuously follow up via e-mails, phone calls and messages to encourage suppliers to complete the questionnaire.

03



DATA COLLECTION AND ANALYSIS

Upon completing the questionnaire, suppliers receive a report that includes action plans based on identified gaps. Through the "Action Plan" feature of the OnConnect system, individual action plans are generated for all direct supplying mills, providing prompt and effective recommendations for addressing the gaps. The Supplier Compliance team will follow-up with suppliers to ensure that the action plans are implemented successfully.

04



DUE DILIGENCE SYSTEM

THE SRT PROCESS AIMS TO ENSURE SUPPLIER ADHERENCE THROUGH RISK ASSESSMENTS, SITE ASSESSMENTS AND ACTION PLANS.

RISK ASSESSMENTS

Risk assessments are conducted in parallel with the SRT questionnaire. The risk assessment procedures consider SRT data along with the mills' certification status, grievances raised against them and the results of GFW commodity risk geospatial analysis, in order to determine an overall level of risk. Mills categorised as high priority are subjected to site assessments and/or direct engagement as part of our NDPE Policy implementation programme.

SITE ASSESSMENTS

To evaluate the accuracy of SRT results on the ground and obtain further insights into sustainability challenges, Wilmar conducts on-site assessments at mills and directly managed plantations, particularly those categorised as high priority. These assessments also help us develop at-scale approaches to ensure suppliers are in compliance with our NDPE Policy.

We undertake the following activities during site assessments:

- documentation reviews
- observations of practices and conditions at the mill and plantation, including workplaces and on-site housing/living quarters
- interviews with mill/plantation management staff
- confidential interviews with mill/plantation workers (conducted without the presence of management staff)

Site assessments are carried out with the help of **Nimbly**, a digital mobile audit tool. This tool generates reports with timebound action plans for the mills and plantations assessed, ensuring that our suppliers receive assessment results and feedback with minimal waiting time.

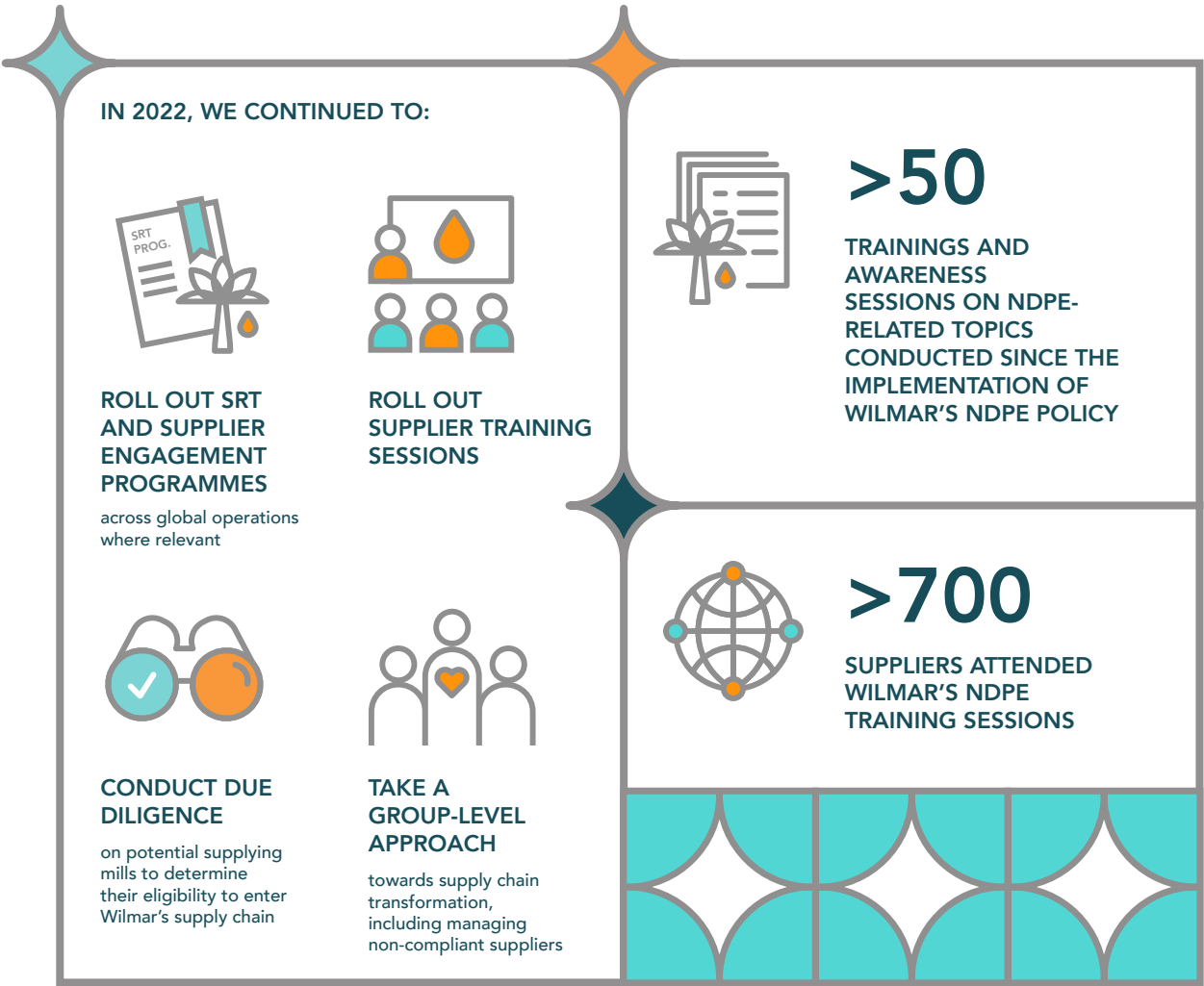
ACTION PLANS

Following the site assessment, action plans are developed to address identified issues. Suppliers are expected to review and clarify findings, and then sign off on the suggested timebound action plans. Progress is monitored annually through SRT and bi-annually through on the ground investigations and satellite imagery. Following our grievance mechanism and No Exploitation Protocol, issues that cannot be resolved satisfactorily through the regular action plan process are escalated to Wilmar's Grievance team for further action.



ONGOING ENGAGEMENT WITH SUPPLIERS

We consider ongoing engagement critical in ensuring all suppliers adhere to our NDPE Policy commitments. Wilmar’s supplier engagement process holds suppliers accountable to deliver on expected milestones in line with our NDPE commitments.



Supplier Engagement in 2022

	NUMBER OF SUPPLIER MILLS	%
TOTAL DIRECT SUPPLIERS	920*	100*
SUPPLIERS ASSESSED AS LOW PRIORITY MILLS (Denominator: Total direct suppliers)	823*	89*
SUPPLIERS ASSESSED AS HIGH PRIORITY MILLS (Denominator: Total direct suppliers)	97*	11*
ENGAGEMENT WITH HIGH PRIORITY MILLS <sup>5</sup> (Denominator: Suppliers assessed as high priority mills)	51*	53*

\* CU has conducted limited assurance procedures on these figures.  
<sup>5</sup> Examples of engagement include field verification or suppliers receiving action plans from Wilmar, among others

GRIEVANCE MECHANISM

Stakeholders can raise concerns against Wilmar and/or our third-party suppliers regarding the implementation of our NDPE Policy through our grievance mechanism. The **Grievance Procedure** underwent significant updates in 2019 to better support the implementation of our NDPE Policy.



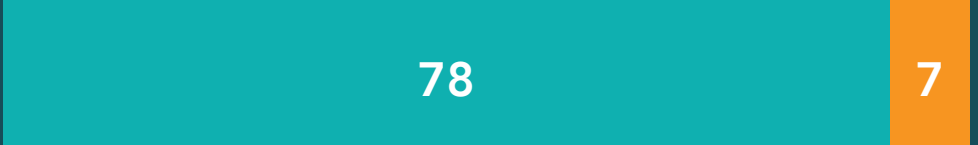


Number of Grievance Cases Received

BREAK DOWN OF  
GRIEVANCE CASES  
PER YEAR



STATUS IN 2022



CLOSED



IN PROGRESS

CASE TYPE	NO. OF CASES RAISED	STATUS	
		IN PROGRESS	CLOSED
DEFORESTATION	53	1	52
HUMAN RIGHTS DEFENDERS	3	1	2
LABOUR RIGHTS	12	3	9
LAND RIGHTS	5	1	4
DEFORESTATION AND HUMAN RIGHTS DEFENDERS	1	-	1
DEFORESTATION AND LAND RIGHTS	6	-	6
LAND RIGHTS AND LABOUR RIGHTS	1	-	1
DEFORESTATION, LAND RIGHTS AND LABOUR RIGHTS	2	1	1
ENVIRONMENTAL POLLUTION, LAND RIGHTS AND LABOUR RIGHTS	2	-	2
TOTAL	85*	7*	78*

\* CU has conducted limited assurance procedures on these figures.



Harvesting fresh fruit bunches in Sabahmas Oil Palm plantation

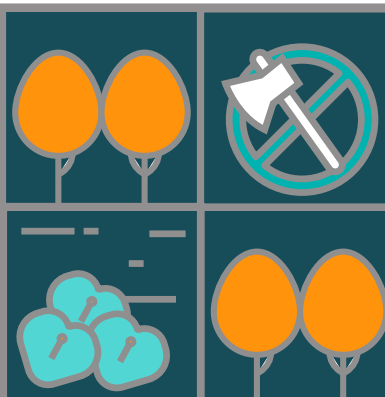


# IMPLEMENTATION OF "NO DEFORESTATION" AND "NO PEAT"

## NDPE IMPLEMENTATION REPORTING FRAMEWORK (NDPE IRF)

The NDPE IRF is a tool that provides palm oil companies with an industry-wide approach to measure progress on NDPE commitments across the entire production base connected to their supply chain. Since 2019, Wilmar has been an active member of the NDPE IRF initiative of the Palm Oil Collaboration Group (POCG), supporting discussions to help align thinking on key issues and identify areas for collaborative action.

Wilmar has found the tool to be highly effective in understanding performance across our whole production base, treading the line between a bird's-eye view for reporting purposes and a granular mill-level categorisation for targeted engagement and improvement. A key tenet of the tool is that it focuses on implementation actions and breaks them down into discrete steps. By including information on initial engagement actions such as workshops and policy developments, as well as longer-term, on-the-ground actions and initiatives, the tool can summarise any progress or gaps in the implementation of NDPE commitments.

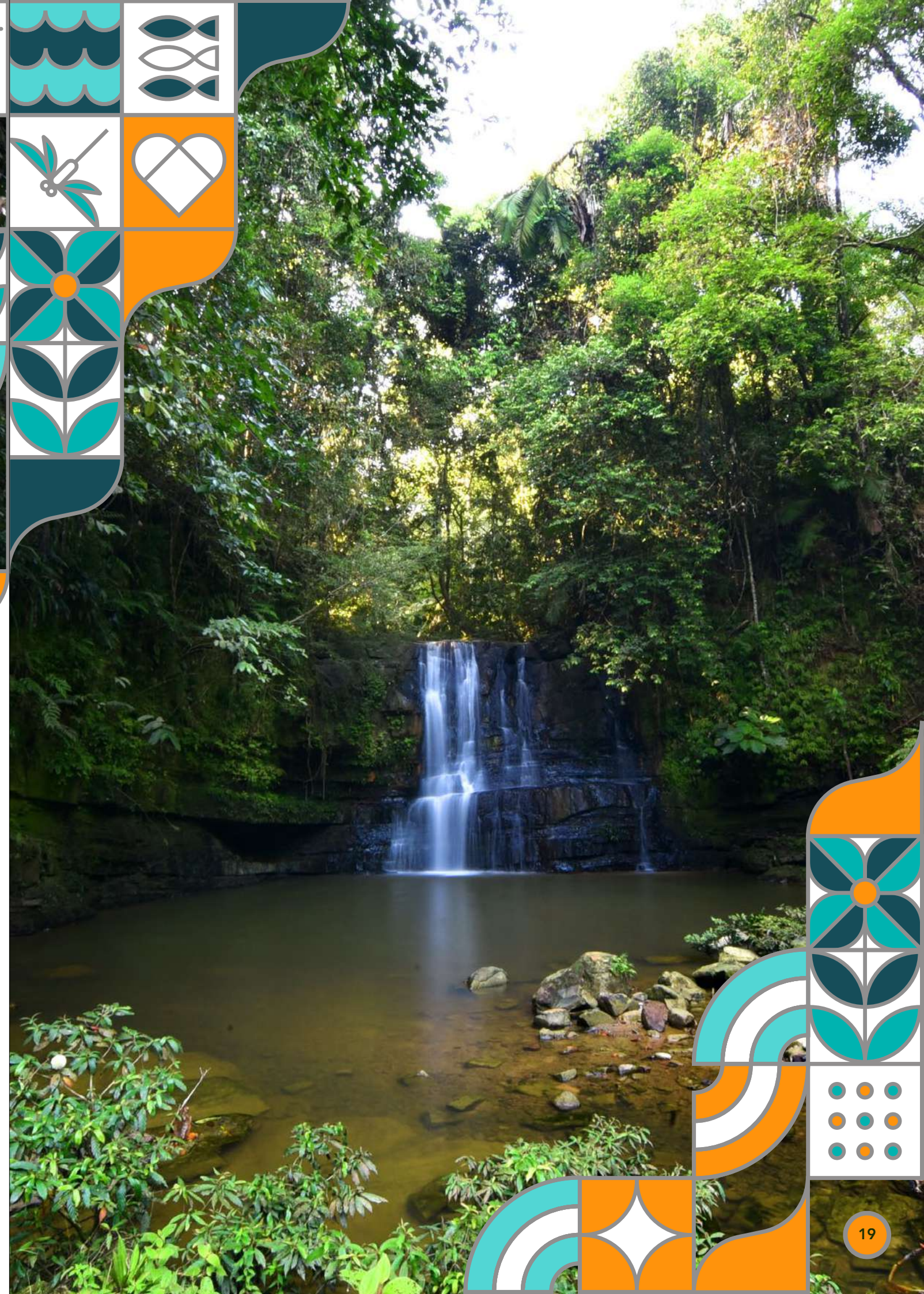


**45.4%**  
TOTAL VOLUME SOURCED  
ORIGINATING FROM MILLS  
DELIVERING ON BOTH NO  
DEFORESTATION AND NO  
PEAT COMMITMENTS

## REPORTING ON PROGRESS USING THE NDPE IRF

Of the total volumes sourced by our origin refineries in 2022, **45.4%** originated from mills delivering on both No Deforestation and No Peat commitments. Some of these mills are RSPO Identity Preserved (IP) or Mass Balance (MB) certified, while most are monitored via satellite for deforestation and development on peat. Of the remaining volumes sourced, **45.2%** originated from mills that have committed or have taken action to ensure their volumes comply with our No Deforestation commitments, while **45.9%** have done this for our No Peat commitments.

In 2022, more than **90%** of volumes sourced in our Origin Refineries in Indonesia and Malaysia were from supplying mills that at least have NDPE commitments and are starting implementation actions. This means that more than 90% of volumes are from supplying mills in the highest NDPE IRF categories - "Commitments and Starting Actions", "Progressing", or "Delivering". This represents an increase of **3.5%** and **2.4%** in the highest NDPE IRF categories for No Deforestation and No Peat requirements respectively.





As for Destination Refineries, in comparison to the results from 2021, our global supply chain has made significant progress in advancing from lower categories of progress to higher. This includes over **10.9%** and **23.8%** increase in volumes across the highest categories of progress for No Deforestation and No Peat requirements, respectively.

As of the end of 2022, **91.8%\*** of palm and lauric products volumes supplied to Wilmar's origin refineries in Malaysia and Indonesia and **89.9%\*** across Wilmar's global supply chain are from suppliers that have at least group-level commitments and/or action plans in place to address the No Deforestation requirements.

Wilmar's NDPE IRF profiles have been independently verified by CU for all our global operations. This means data across our 70 global facilities covering

cross-functional and inter-regional data collection and processing have been externally verified. These efforts are supported by several systems, including the SRT, SGCP and grievance mechanism.

Having an industry-accepted framework to report on these initiatives enables all players in the sector to collectively monitor progress, identify gaps and drive improvement. We have faced several challenges that have hindered our progress. These include differences in reporting timing between companies and the lack of adoption of the NDPE IRF tool by smaller suppliers. Additionally, not all companies publish results for their entire scope of operation. While we appreciate the efforts of those who have published their NDPE IRF profiles, we hope to see more widespread participation and adoption in the future.

Deforestation-free Volumes\* by Percentage (Based on NDPE IRF Reporting Categories)

	2022		2021 <sup>6</sup>		2022		2021 <sup>6</sup>	
	ORIGIN REFINERIES <sup>7</sup>		DESTINATION REFINERIES <sup>8</sup>		ORIGIN REFINERIES <sup>7</sup>		DESTINATION REFINERIES <sup>8</sup>	
	No Deforestation Progress at Production Level (%)	No Peat Progress at Production Level (%)	No Deforestation Progress at Production Level (%)	No Peat Progress at Production Level (%)	No Deforestation Progress at Production Level (%)	No Peat Progress at Production Level (%)	No Deforestation Progress at Production Level (%)	No Peat Progress at Production Level (%)
DELIVERING	<div><div></div></div> 45.4	<div><div></div></div> 45.4	<div><div></div></div> 41.5	<div><div></div></div> 41.5	<div><div></div></div> 45.8	<div><div></div></div> 45.8	<div><div></div></div> 37.4	<div><div></div></div> 30.6
PROGRESSING	<div><div></div></div> 1.2	<div><div></div></div> 0.5	<div><div></div></div> 0.0	<div><div></div></div> 0.0	<div><div></div></div> 4.6	<div><div></div></div> 4.6	<div><div></div></div> 0.6	<div><div></div></div> 0.2
COMMITMENTS AND STARTING ACTIONS	<div><div></div></div> 45.2	<div><div></div></div> 45.9	<div><div></div></div> 46.8	<div><div></div></div> 47.8	<div><div></div></div> 35.0	<div><div></div></div> 35.0	<div><div></div></div> 36.6	<div><div></div></div> 39.4
AWARENESS	<div><div></div></div> 0.7	<div><div></div></div> 0.7	<div><div></div></div> 4.5	<div><div></div></div> 3.4	<div><div></div></div> 0.4	<div><div></div></div> 0.4	<div><div></div></div> 3.3	<div><div></div></div> 6.5
KNOWN	<div><div></div></div> 7.5	<div><div></div></div> 7.5	<div><div></div></div> 7.2	<div><div></div></div> 7.2	<div><div></div></div> 9.7	<div><div></div></div> 9.7	<div><div></div></div> 16.9	<div><div></div></div> 26.4
UNKNOWN	<div><div></div></div> 0.0	<div><div></div></div> 0.0	<div><div></div></div> 0.0	<div><div></div></div> 0.0	<div><div></div></div> 4.5	<div><div></div></div> 4.5	<div><div></div></div> 5.2	<div><div></div></div> 5.2

\* CU has conducted limited assurance procedures on these figures.  
<sup>6</sup> For 2021 data, due to rounding, percentages presented may not precisely reflect the absolute figures.  
<sup>7</sup> Origin Refineries refer to refineries and kernel crushing plants that are located in oil-palm producing countries, such as Malaysia and Indonesia.  
<sup>8</sup> Destination Refineries refer to refineries that import crude or refined palm/ lauric oil from other regions to meet local demand for palm products. Examples of destination refineries include those in China, Europe, the United States, etc.

## ENSURING BETTER UNDERSTANDING OF HIGH CONSERVATION VALUE AND HIGH CARBON STOCK (HCV-HCS) AREAS IDENTIFICATION AND PROTECTION

The identification and protection of HCV-HCS extend from our efforts to manage, maintain and sustain biodiversity and ecological functions within conservation areas in Wilmar-owned operations, as well as the wider landscapes where we operate.


We strive to provide technical guidance and support to our stakeholders, including our suppliers, to facilitate the integration of biodiversity conservation into the plantation landscape. As part of these efforts, we have developed and published a series of **Best Management Practices (BMP) Guidelines** in 2021. The guidelines are designed to support our Indonesian and Malaysian suppliers in implementing conservation actions on the ground, including monitoring of HCV-HCS areas. The BMP has been translated into Bahasa Indonesia, while the Practical Guidance on Monitoring of Conservation Areas is available in **Bahasa Indonesia** and **Bahasa Melayu** to support practitioners on the ground. In the last two years, we provided two BMP trainings for our third-party suppliers in Malaysia.

These trainings were focused on riparian management and biodiversity monitoring, and involved site visits. These trainings were well received, with almost 200 participants trained on BMP.

Beyond our own supply chain, we also work with external stakeholders such as **South East Asia Rainforest Research Partnership (SEARPP)** to promote research on enhancing BMP in the plantation landscape. Our partnership with SEARPP was renewed in 2022 for a five-year term, which focuses on Wilmar's NDPE commitments to develop research-led programs for the restoration and rehabilitation of forests and habitats. Wilmar is also part of the **RSPO Biodiversity and High Conservation Values Working Group (BHCVWG)** to provide strategic and technical support on the implementation of the HCV approach of the RSPO Principles and Criteria (P&C) and the **RSPO Compensation Task Force 2 (CTF 2)** to review Remediation and Compensation Plan (RaCP) related matters.

i

For more information on our HCV-HCS initiatives, please refer to the **Biodiversity and Conservation** section of our **SUSTAINABILITY REPORT 2022**



Bukit Durang Conservation Area, one of the key HCV areas, in Saremas, Sarawak, Malaysia



LANDSCAPE-LEVEL INITIATIVES

Wilmar actively participates in a number of partnerships and collaborations to promote transformation at the landscape-level. This is part of Wilmar’s ongoing commitments to enable sector-wide change and transformation which will require collaborative efforts between industry partners.

PRODUCTION AND PROTECTION BEYOND CONCESSIONS (PPBC)

Wilmar is part of the PPBC action group, a joint effort by 12 companies and several technical support organisations coordinated by Proforest. Recognising that a large proportion of deforestation in the oil palm landscape occurs outside oil palm concessions, the PPBC aims to define a proactive approach to address this forest loss through interventions, targeted monitoring and livelihood enhancement. Key efforts focus on prioritising locations where action is needed through geospatial analysis, stakeholder engagement and initiative mapping. The target is to develop, collectively agree and implement action and monitoring protocols for oil palm priority areas, mainly in Indonesia and Malaysia.

WORKING WITH MSPO

MSPO is a national sustainable certification scheme for oil palm production which forms the basis of mandatory legal frameworks for oil palm production in Malaysia. To operate legally in Malaysia, companies must obtain a Malaysian Palm Oil Board (MPOB) licence, for which MSPO certification is a prerequisite.

Wilmar participates in the MSPO working groups responsible for updating the MSPO Standards. In order to maintain its effectiveness in meeting sustainability objectives, the MSPO Standards are reviewed every five years. Each MSPO Standard has its own working group (WG) that provides recommendations and inputs.

In the last few years, MSPO has focused its efforts towards enhancing smallholder participation, with a focus on the states of Sabah and Sarawak.



Wilmar actively participates in a number of partnerships and collaborations to promote transformation at the landscape-level.



FACILITATING JURISDICTIONAL APPROACHES

Wilmar is a member of the Sabah Jurisdictional Certification Steering Committee (JCSC) which supports the Sabah state government in its goal to achieve 100% certified palm oil production by 2025, aligning with both MSPO and RSPO certification standards.

Priority actions for the Sabah state government are to:



ACHIEVE NO LOSS OF HCV AND HCS FOREST



ENABLE ZERO-CONFLICT IN PRODUCTION LANDSCAPES



STRENGTHEN SMALLHOLDER SUSTAINABILITY



UPLIFT LOCAL LIVELIHOODS

The committee, which was established in 2016, brings together 15 stakeholder groups from the government, private sector and civil society to develop a roadmap for sustainable palm oil production using a jurisdictional approach. This approach seeks to mitigate deforestation and promote socio-economic development through

regulatory frameworks and stakeholder partnerships. Current members of the JCSC include NGOs such as WWF-Malaysia and UNICEF, and private sector partners such as HSBC Bank and Sime Darby, among others. Forever Sabah and RSPO serve as technical advisors to the committee.



Wilmar’s Sapi Oil Palm plantation in Sabah, Malaysia

WILMAR IS A MEMBER OF THREE WGs:

WG 1

GENERAL PRINCIPLES FOR MSPO

WG 2

GENERAL PRINCIPLES FOR OIL PALM PLANTATIONS FOR MSPO

WG 3

GENERAL PRINCIPLES FOR PALM OIL MILLS AND SUPPLY CHAIN STANDARDS FOR MSPO





# IMPLEMENTATION OF "NO EXPLOITATION"

## NO EXPLOITATION PROTOCOL

The **No Exploitation Protocol** was developed to ensure that our NDPE Policy's commitment to "No Exploitation of People and Local Communities" is upheld throughout our supply chain. It covers additional measures and oversight procedures to address issues of non-compliance pertaining to No Exploitation that warrant additional action and oversight, beyond those described in our Grievance Procedure. The protocol outlines a framework for our suppliers to implement corrective actions, undertake remediation, address systemic change and report on their progress.

The No Exploitation Protocol aims to safeguard the most vulnerable groups in our supply chain and includes adherence to several principles, including:



THE RIGHTS  
OF WORKERS



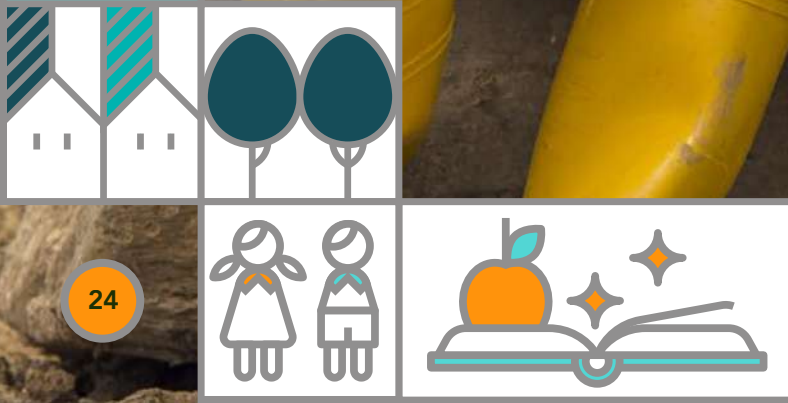
THE RIGHTS OF INDIGENOUS  
PEOPLES, COMMUNITY RIGHTS  
AND LAND RIGHTS



THE RIGHTS OF  
HUMAN RIGHTS  
DEFENDERS (HRDs)

To ensure the protocol was robust, we partnered with the Consortium of Resource Experts (CORE) and formed a technical working group consisting of labour and land rights specialists from Verité, Landesa and Earthworm Foundation. We also held two rounds of multi-stakeholder consultations involving local and international NGOs and human rights experts to shape the development of the protocol. Feedback from these consultations highlighted the complex and sensitive nature of exploitation issues, which was taken into consideration during the development process.

Wilmar acknowledges that withdrawing as a buyer in response to human rights issues could potentially jeopardise vulnerable groups. Therefore, we are committed to exhausting all possible efforts before deciding to suspend a supplier as such a decision may impact the ability of affected workers and communities to access remedies and reparation. This approach takes into account guidance around responsible disengagement, in line with principles set out in the OECD Due Diligence Guidance for Responsible Business Conduct and the United Nations Guiding Principles on Business and Human Rights (UNGPs).





# OUR HUMAN RIGHTS DUE DILIGENCE (HRDD) APPROACH

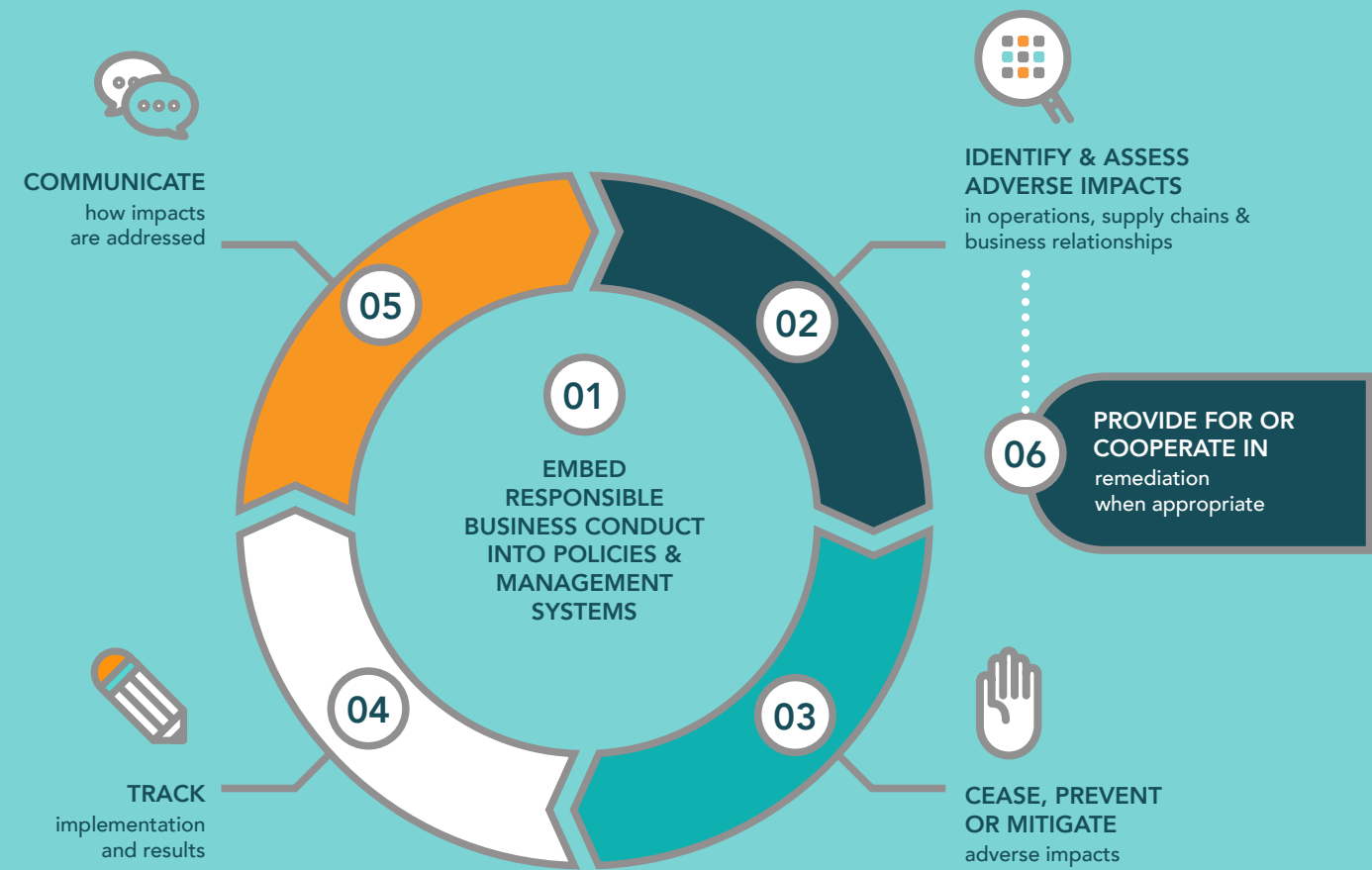
The HRDD process is crucial for us as it provides a systematic approach to respecting human rights. We consider HRDD to be an ongoing process that regularly prompts us to evaluate our strategies and programmes. We also keep a close eye on legal changes and stakeholder demands to uphold our commitment to HRDD.

Our HRDD approach is aligned with the UNGPs on Business and Human Rights, which includes the following elements:

- policy commitment
- assessment of human rights impacts (actual and potential)
- integration of findings
- tracking performance
- communication about how we address impacts
- implementing processes for remediation

Outlined in the diagram<sup>9</sup> below are the key components of this framework, which include but are not limited to the following activities:

## HRDD Key Components



<sup>9</sup> HRDD diagram sourced from <https://www.oecdguidelines.nl/oecd-guidelines/due-diligence>

# LIVING WAGE

We continue to assess our suppliers to determine if they pay their employees and contractors a living wage via our SRT. In countries and regions where universal benchmarks on living wages are unavailable, we strive

to ensure suppliers pay their workers the minimum wage and focus our assessment on understanding the additional compensation and benefits that suppliers provide their workers, which constitutes living wages.

### SUPPLIERS' ADDITIONAL COMPENSATION AND BENEFITS FOR WORKERS

EDUCATION FOR CHILDREN

DAY CARE FACILITIES FOR CHILDREN

HEALTHCARE THROUGH EITHER INSURANCE OR FREE ON-SITE SERVICE

FOOD ALLOWANCE OR FREE FOOD

TRANSPORT ALLOWANCE OR FREE TRANSPORT

ACCOMMODATION/ HOUSING WITH UTILITIES

A plasma smallholder family outside their home, near Wilmar's plantation operations in South Sumatra, Indonesia



# PARTNERSHIPS AND PLATFORMS

Wilmar participates in partnerships and multi-stakeholder platforms that promote and support the protection of human rights.

Wilmar participates and contributes financially to the POCG, including the Social Issues Working Group (SIWG). The working group brings together over 30 companies to address human rights issues in the sector through knowledge sharing and collaborative action. The SIWG currently has three thematic subgroups focusing on HRDD in Management Systems, Responsible Recruitment in Malaysia and Indigenous Peoples and Local Communities' Rights.

We have co-chaired the RSPO Living Wage Task Force<sup>10</sup> (LW TF) since 2021 and are working with stakeholders to develop LW benchmarks for each of the different regions in which RSPO operates. Both initiatives strive to ensure the payment of a LW for workers and their families to enjoy a decent standard of living. This work builds on the **RSPO Guidance for Implementing a Living Wage** to which Wilmar has provided significant input. The LW TF submitted recommendations for consideration to the RSPO P&C standards review for 2023.

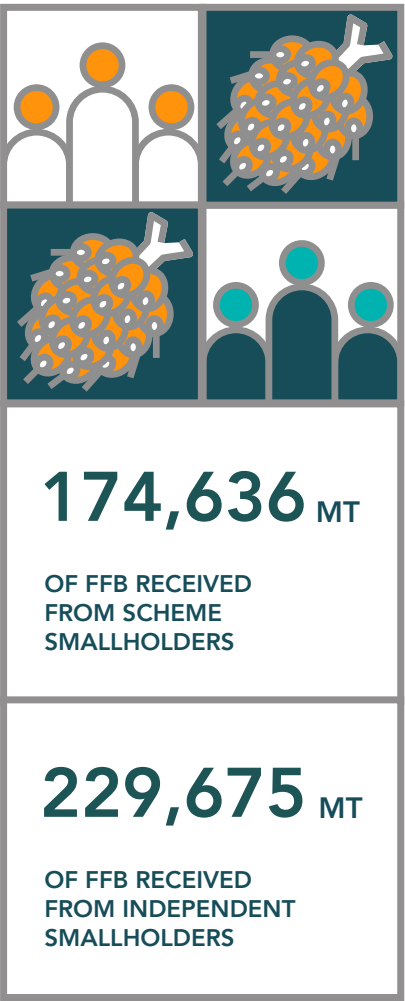
# SMALLHOLDERS

Smallholders play an important role in palm oil sustainability. In Indonesia, where most of the world's palm oil is produced, smallholders are expected to manage **60%** of the country's plantations by 2030<sup>11</sup>. In 2022, we received **174,636 MT** of FFB from more than **27,000** scheme smallholders and **229,675 MT** of FFB from over **13,000** independent smallholders. These amounts represent **1.8%** and **2.3%** of our total supply, respectively. Smallholders have a critical role in helping Wilmar achieve our business and sustainability goals, including meeting our NDPE commitments. We therefore strive to promote an inclusive model that integrates smallholders into the global sustainable supply chain.

# MINIMISING RISK OF FIRES IN SMALLHOLDERS' PLANTATIONS

Many local communities, including smallholders, continue to practise slash-and-burn methods which occasionally become uncontrollable and spread to neighbouring lands and plantations. Slash-and-burn is perceived to be more cost-effective, less labour-

intensive and beneficial for enriching soil fertility. Such practices are also legal in certain regions of Indonesia, within certain limits and conditions, for local community farmers operating on less than two ha of land<sup>12</sup>.



<sup>10</sup> RSPO LW TF has replaced the term 'Decent Living Wage' with 'Living Wage' without any change or lowering of the RSPO's Standard or definition of the term and has renamed the taskforce the 'Living Wage Task Force (LW TF)' to align with the new terminology; for more information please visit the [RSPO website](#)

<sup>11</sup> <https://www.wri.org/insights/smallholder-farmers-are-key-making-palm-oil-industry-sustainable>

<sup>12</sup> <https://uu-ciptakerja.go.id/wp-content/uploads/2020/11/Salinan-UU-Nomor-11-Tahun-2020-tentang-Cipta-Kerja.pdf>

Our process of identifying fire hotspots through satellites covers all our plantation operations and is based on the guidelines provided by the Fire Free Alliance (FFA). The FFA is a multi-stakeholder initiative that aims to prevent, detect, suppress and report fires, with a focus on engaging local communities and increasing awareness. Wilmar joined the initiative in 2016 and has since launched the "Fire Free Community" programme in 145 villages across Sumatra and Kalimantan.



For more information on our fire prevention and management initiatives, please refer to the **Biodiversity and Conservation** section in our

**SUSTAINABILITY REPORT 2022**



*Smallholders have a critical role in helping Wilmar achieve our business and sustainability goals, including meeting our NDPE commitments. We therefore strive to promote an inclusive model that integrates smallholders into the global sustainable supply chain.*



# SMALLHOLDER PROGRAMMES

We have a number of smallholder programmes to promote the inclusion of smallholders in our supply chain. Our programmes are in line with global sustainability standards. These programmes focus on improving agricultural practices and increasing yield. We also work with partner organisations to develop programmes aimed at facilitating the inclusion of independent smallholders into sustainable supply chains.

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

Our independent smallholder programmes aim to address the unique challenges faced by farmers in each location. Our programmes also help farmers achieve certifications, but this is not the primary objective.

We are committed to ensuring 100% of our scheme and independent smallholders covered by our programmes have access to expertise and best practices to help them achieve NDPE compliance and enhance their livelihoods. In 2022, **100%** of our scheme smallholders and **31%** of our independent smallholders were supported by our capacity building programmes.



For more information on our smallholder programmes, please refer to the **Economic and Community Contribution** section in our

**SUSTAINABILITY REPORT 2022**



# EXTERNAL ASSURANCE FROM CONTROL UNION CERTIFICATIONS

Control Union Certifications (CU) was commissioned by Wilmar to conduct an independent assurance of the following disclosures: Traceability to Mill (TtM), Traceability to Plantation (TtP), NDPE Implementation Reporting Framework (NDPE IRF), Satellite Monitoring, Grievance Procedure, Supplier Engagement and Certifications. The scope of this assurance covers palm oil and lauric.

The information provided for verification in both the Sustainability Report 2022 and the Palm NDPE Implementation Annual Report 2022 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 & Traceability to Plantation data; NDPE Implementation Reporting Framework; Grievance Procedure; Satellite Monitoring, Supplier Engagement and Certifications 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 organizational decision making

Wilmar employs various ways of engaging their stakeholders depending on stakeholder category and stakeholder location. The ways in which the different categories of stakeholders are engaged includes regular meetings, memberships and partnerships with associations, whistleblowing mechanism and grievance processes.

### MATERIALITY

Identification of issues in the report that are relevant and significant to the organization's stakeholders, the presence of and the extent to which these material issues are disclosed in the report

The disclosures stated in this document are a prerequisite to implement sustainability programs within the supply chain. Thus, within the scope of this review they have been identified as relevant material topics. As a result, Wilmar has a policy in place that addresses traceability; NDPE compliance such as satellite monitoring and supplier engagements; grievance mechanisms; and obtaining relevant sector related certifications.

### RESPONSIVENESS

Acting on stakeholder issues and provision of feedback through decisions, actions, performance and communication

Wilmar runs an annual supplier program to assess supplier's progress and their implementation of No Deforestation, No Peat, No Exploitation Policy (NDPE). Based on the outcome of this program, action plans are generated to assist suppliers in resolving NDPE related issues at their mills and associated estates. Additionally, Wilmar also has a grievance process and whistleblowing channel through which stakeholders can provide feedback.

### IMPACT

Monitoring, measurement and providing accountability for how the actions of the organization affect the economy, the environment, society, stakeholders or the organization itself

For 2022, Wilmar's progress against their commitments and targets are categorized below according to the disclosures within the scope of this assurance statement.can provide feedback.

01

#### TRACEABILITY TO MILL (TtM) AND TRACEABILITY TO PLANTATION (TtP)

98.7% which translates to about 26.5 million MT of palm and lauric products is traceable to mill level

83.4% which translates to about 22.4 million MT of palm and lauric products is traceable to plantation level

02

#### NDPE IMPLEMENTATION REPORTING FRAMEWORK (NDPE IRF)

NDPE IRF profiles are published for 70 facilities globally

91.8% of palm oil and lauric products volumes to Wilmar's Origin Refineries in Malaysia and Indonesia and 89.9% across Wilmar's global supply chain are from suppliers that have at least company group-level commitments and/or action plans in place to address the No Deforestation requirements

03

#### GRIEVANCE PROCEDURE

As at end December 2022, 85 reported grievances of which 78 cases have been closed and 7 cases are in progress



04	<b>SUPPLIER ENGAGEMENT</b>
	920 (100%) suppliers assessed
	823 (89%) suppliers assessed at low priority mills
	97 (11%) suppliers assessed as high priority mills
	51 (53%) high priority mills engaged (e.g., field visit, received action plans, etc.)
05	<b>CERTIFICATIONS</b>
	For operations in Malaysia, Indonesia, Ghana and Nigeria: <ul style="list-style-type: none"> <li>29 mills are RSPO certified (80.6%)</li> <li>251,905.65 ha of oil palm plantations are RSPO certified (81.1%)</li> </ul>
	For operations in Indonesia <ul style="list-style-type: none"> <li>15 mills are ISPO certified (44%)</li> <li>5 independent palm oil mills completed ISPO certification audits (50%)</li> </ul>
	For operations in Malaysia <ul style="list-style-type: none"> <li>9 mills are MSPO certified (100%)</li> <li>20 oil palm plantation are MSPO certified (100%)</li> </ul>
06	<b>SATELLITE MONITORING</b>
	>23.27 million ha of land covered by satellite monitoring in Indonesia, Malaysia and other palm producing countries. <sup>13</sup>
	>900 supplier groups and 8,285 plantation units are being monitored

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.
- VERIFICATION of data presented in the Report including a detailed review of a sample of data.
- INTERVIEWS of personnel within relevant divisions responsible for management of the programs presented within the scope of this statement i.e., Traceability to Mill (TtM), Traceability to Plantation (TtP), NDPE Implementation Reporting Framework (NDPE IRF), Grievance Procedure, Satellite Monitoring, Supplier Engagement and Certifications.

<sup>13</sup> Other palm producing countries include Papua New Guinea, Colombia, Honduras, Guatemala, Thailand, Cameroon, Congo, Ghana, Nigeria, Costa Rica, Liberia, Mexico, Ivory Coast, Sierra Leone, Solomon Islands, São Tomé and Príncipe

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 were selected appropriately based on our internal qualifications, training, and experience. It is also reviewed by management to ensure that the applied approach and assurance are strictly followed and operated transparently.

CONCLUSIONS

Based on our moderate process, nothing has come to our attention that causes us to believe that the scope (subject matter) as detailed above and presented in the report is not presented fairly in accordance with the criteria.

Hence, our work confirms that the information included in the sustainability report is reliable and objective and is presented clearly and understandably.



ZULKARNAIN ISHAK  
MANAGER SUSTAINABILITY ASSURANCE  
17 APRIL, 2023



CONTROLUNION



AA1000  
Licensed Report  
000-779/V3-4KB10





# PALM OIL SECTORAL ROADMAP COMMITMENT INDEX

## PILLAR 1

### ACCELERATE SUPPLY CHAIN ACTION TO REDUCE EMISSIONS FROM LAND USE CHANGE

OBJECTIVES	IMPLEMENTATION PLAN	2022 UPDATES	SOURCES
<p>Focuses on sectoral and individual company action to reduce emissions from land use change:</p> <ul style="list-style-type: none"> <li>Companies are accountable for the <b>development and publication</b> of commodity-specific, <b>time-bound implementation plans</b> to provide transparency on <b>actions to remove forest loss and conversion from supply chains</b>, and <b>report annually and publicly on progress</b></li> <li>Companies will <b>measure and publicly disclose</b> emissions from land use change as part of a corporate-level GHG emissions inventory and will <b>set emissions reductions targets based on science</b></li> </ul>	<p><b>COMMODITY IMPLEMENTATION PLANS:</b></p> <p>Develop and publish commodity-specific, time-bound implementation plans to provide transparency on actions to remove forest loss from supply chains</p>	<ul style="list-style-type: none"> <li>Wilmar's NDPE Policy reflects our continuous commitment towards a supply chain free of deforestation and conflict, with a clear cut-off date for supplier compliance with all provisions of the policy</li> <li>Wilmar takes a three-pronged approach to monitor our entire supply chain through satellite monitoring supplier compliance &amp; due diligence and grievance procedure</li> </ul>	<p><b>WILMAR WEBSITE:</b></p> <ul style="list-style-type: none"> <li><a href="#">NDPE Policy</a></li> </ul> <p><b>PALM NDPE IMPLEMENTATION REPORT 2022:</b></p> <ul style="list-style-type: none"> <li>Wilmar Commitment to NDPE, <a href="#">Pg. 5-6</a></li> <li>Our Key Programmes in Ensuring Supplier Compliance, <a href="#">Pg. 11</a></li> </ul>
	<p><b>PROGRESS REPORTING:</b></p> <p>Report annually and publicly on progress against final and interim targets</p>	<ul style="list-style-type: none"> <li>We publicly report progress on our supply chain to meet the Palm Oil Sectoral Roadmap Commitments related to the removal of forest loss through the NDPE Implementation Reporting Framework (NDPE IRF)</li> </ul>	<p><b>SUSTAINABILITY REPORT 2022:</b></p> <ul style="list-style-type: none"> <li>Reporting and Transparency, Pg. 180-187</li> <li>Summary of Progress, Pg.12 - 21</li> <li>TCFD Disclosure Index, Pg. 214-217</li> </ul>

## PILLAR 1 (continuation)

OBJECTIVES	IMPLEMENTATION PLAN	2022 UPDATES	SOURCES
<p>Focuses on sectoral and individual company action to reduce emissions from land use change (continuation)</p>	<p><b>PROGRESS REPORTING (continuation)</b></p>	<ul style="list-style-type: none"> <li>We have expanded the scope of our disclosure, covering our entire global palm oil supply chain. We follow the verification protocol as specified by the NDPE IRF in verifying volumes from mills and their suppliers. We also encourage third-party suppliers, refiners, traders, and bulkers to report on progress for indirect mills that are part of Wilmar's supply chain using the NDPE IRF.</li> <li>We are committed to disclosing our emissions and climate change initiative progress through our Annual Sustainability Report and the Carbon Disclosure Project (CDP). We also continue to base our climate change disclosures on the TCFD recommendations.</li> </ul>	<p><b>PALM NDPE IMPLEMENTATION REPORT 2022:</b></p> <ul style="list-style-type: none"> <li>Transparency and Accountability, <a href="#">Pg. 8-16</a></li> <li>NDPE Implementation Reporting Framework (IRF), <a href="#">Pg. 18-23</a></li> <li>Reporting on Progress Using the NDPE IRF, <a href="#">Pg. 18-20</a></li> </ul> <p><b>WILMAR WEBSITE:</b></p> <ul style="list-style-type: none"> <li><a href="#">CDP Wilmar 2022</a></li> </ul> <p><b>CDP website</b></p>
	<p><b>EMISSIONS REDUCTION TARGETS:</b></p> <p>Measure and publicly disclose emissions from land use change as part of GHG emissions inventories and set emissions reductions targets based on science</p>	<ul style="list-style-type: none"> <li>Wilmar signed up to the Science Based Target initiative (SBTi) in October 2022, aiming to cement our commitment by setting emission reduction targets, with both near-term and net-zero commitments, in line with a 1.5-degree Celsius pathway.</li> </ul>	<p><b>SUSTAINABILITY REPORT 2022:</b></p> <ul style="list-style-type: none"> <li>Climate Change Mitigation, Pg.48-59</li> </ul> <p><b>PALM NDPE IMPLEMENTATION REPORT 2022:</b></p> <ul style="list-style-type: none"> <li>COP27 Commitment: Agricultural Sector Roadmap to 1.5°C, <a href="#">Pg.6</a></li> </ul> <p><b>WILMAR WEBSITE:</b></p> <ul style="list-style-type: none"> <li><a href="#">Commitment to Corporate Climate Action</a></li> </ul>

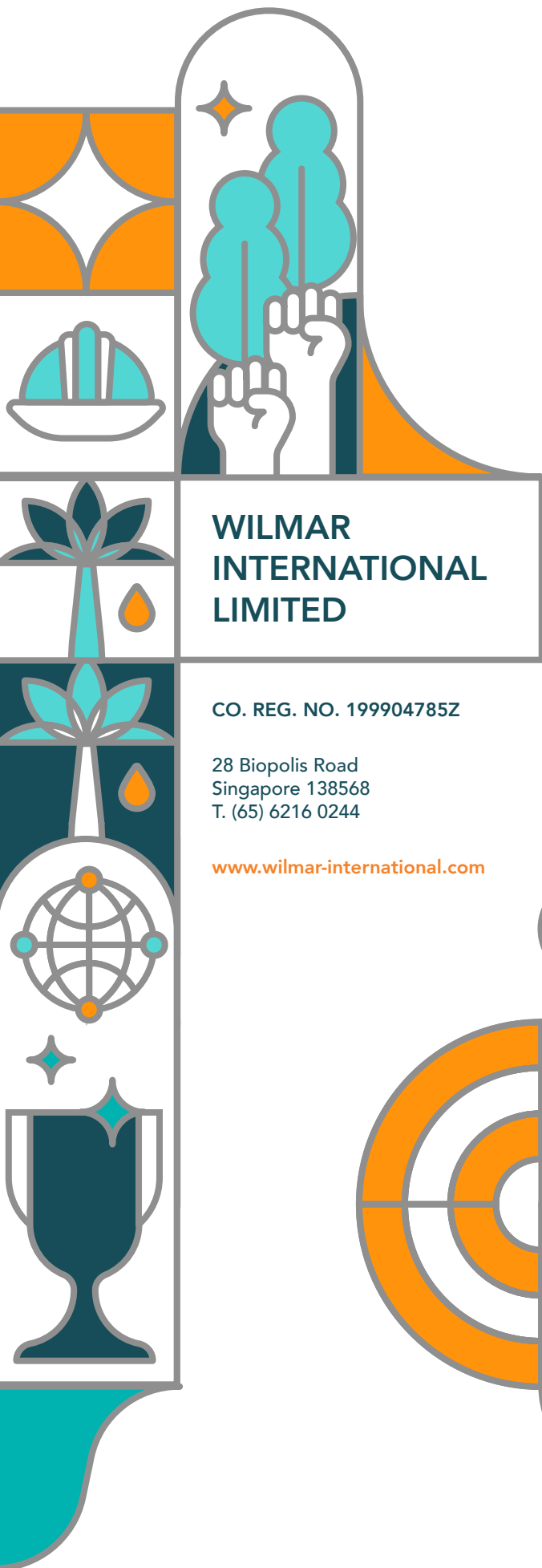


PILLAR 2			
DRIVE TRANSFORMATION OF COMMODITY PRODUCING LANDSCAPES			
OBJECTIVES	IMPLEMENTATION PLAN	2022 UPDATES	SOURCES
Companies will play a key role in supporting the transition to forest positive land use management and commodity production	<ul style="list-style-type: none"> <li>Companies will invest in initiatives that transform land use practices, support producer livelihoods and incentivize sustainable land use</li> <li>In collaboration with other stakeholders, companies will scale-up exemplary initiatives and showcase collective action in key commodity producing landscapes</li> </ul>	<ul style="list-style-type: none"> <li>Wilmar actively participates in a number of partnerships and collaborations to promote transformation at the landscape-level through platforms such as the Production and Protection Beyond Concessions (PPBC) Working Group, government-led jurisdictional approach and members of RSPO and MSPO working groups</li> </ul>	<b>PALM NDPE IMPLEMENTATION REPORT 2022:</b> <ul style="list-style-type: none"> <li>Landscape-level Initiatives, <a href="#">Pg.22-23</a></li> </ul> <b>SUSTAINABILITY REPORT 2022:</b> <ul style="list-style-type: none"> <li>Multi-stakeholder Initiatives, <a href="#">Pg.27</a></li> </ul>
PILLAR 3			
SUPPORT FOREST POSITIVE SECTOR TRANSFORMATION			
OBJECTIVES	IMPLEMENTATION PLAN	2022 UPDATES	SOURCES
<p>Companies will strive to break down barriers and drive sector transformation through dialogue and collaboration with governments, other value chain actors and the finance sector:</p> <ul style="list-style-type: none"> <li>Together with industry peers and other supply chain actors, the agriculture sector will mainstream best practice and align on shared responsibility to deliver forest positive impacts</li> <li>The agriculture sector will engage with key governments and the finance sector to strengthen the enabling environment for forest positive production and trade</li> </ul>	<ul style="list-style-type: none"> <li><b>ENGAGE WITH INDUSTRY PEERS AND OTHER SUPPLY CHAIN ACTORS</b> to mainstream ISPO and MSPO to ensure that supply chain targets are met by the entire sector</li> <li><b>ENGAGE WITH KEY GOVERNMENTS</b> to strengthen the enabling environment for forest positive production by accelerating the uptake and recognition of ISPO and MSPO</li> </ul>	<ul style="list-style-type: none"> <li>We work with partner organisations to develop programmes aimed at facilitating the inclusion of smallholders into sustainable supply chains and ultimately achieve certification under applicable national certifications schemes (ISPO, MSPO and RSPO)</li> <li>Wilmar has been an active member of the NDPE IRF initiative of the Palm Oil Collaboration Group (POCG), supporting discussions to help align thinking on key issues and identifying areas for collaborative action</li> <li>We work with the South East Asia Rainforest Research Partnership (SEARPP) and are an active member of multiple RSPO and MSPO working groups</li> </ul>	<b>SUSTAINABILITY REPORT 2022:</b> <ul style="list-style-type: none"> <li>Partnerships and Multi-Stakeholder Initiatives, <a href="#">Pg.27</a></li> <li>Supporting Smallholders, <a href="#">Pg.139-143</a></li> </ul> <b>PALM NDPE IMPLEMENTATION REPORT 2022:</b> <ul style="list-style-type: none"> <li>NDPE Implementation Reporting Framework, <a href="#">Pg.18-20</a></li> <li>Smallholder Programmes, <a href="#">Pg.29</a></li> <li>Ensuring Better Understanding of HCV-HCS Areas Identification and Protection, <a href="#">Pg.21</a></li> </ul>



Our female worker at the nursery of Saremas Oil Palm plantation





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