



2022–2023 UPDATE

Timebound Action Plan





Our Progress

At Wilmar, we are committed to doing everything we can to make a positive impact. As a globally integrated agriculture and food company with a presence across the value chain, we are conscious of our ability and responsibility to shape the world that we live in. Our No Deforestation, No Peat, No Exploitation (NDPE¹) policy is the blueprint for our global operations and our supply chain. We collaborate with other industry players, consumer goods companies and non-governmental organisations (NGOs), to ensure our supply chain is geared towards driving positive impact for a better tomorrow.

2021 marked a critical year as we reflected upon our progress thus far and further adapt to develop initiatives and targets in response to volatile and uncertain times. Despite the challenges we faced, we are proud to have remained the same company committed to what we believe in: protecting the environment, caring for our people, and operating a responsible business.

Since the start of 2022, our internal sustainability leadership is taking on a more direct role in how we manoeuvre our business strategically in a sustainable manner. Our priority for 2022 is to maintain our trajectory of sustainable business centred around climate change and managing smallholders.

¹. <https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/policies/wilmar-ndpe-policy---2019.pdf>

Introduction

Our 2022-2023 timebound plan is aligned with the [Palm NDPE Implementation Annual Report 2021](#), and should be read as an extension of the aforementioned report.

Wilmar's timebound plan is centred along three key principles:

Wilmar recognises that palm oil has the greatest potential to meet the growing demand for vegetable oil when produced sustainably



GOVERNANCE

Establishing an appropriate governance structure, controls and oversight of our business is essential to safeguard the interest of all our stakeholders.



RESPONSIBLE SOURCING AND SUPPLY CHAIN TRANSFORMATION

Ensuring responsible sourcing activities by creating a traceable and transparent supply chain is vital to promote inclusiveness. We do this by monitoring and engaging with suppliers to empower them to meet high sustainability standards through capacity building.



TRANSPARENCY & ACCOUNTABILITY

Monitoring and reporting our progress transparently and regularly demonstrates our commitment to operating a responsible and sustainable business.

Governance



MATERIAL TOPIC	APPROACH	KEY ACTIONS (2022/2023)
SUSTAINABILITY GOVERNANCE		
<p>Establishment of Board Sustainability Committee (BSC).</p>	<p>The BSC is tasked to assist the Board of Directors in fulfilling oversight responsibility in relation to Wilmar's objectives, policies and practices pertaining to sustainability or Environmental, Social, and Governance (ESG) matters.</p>	<ul style="list-style-type: none"> Quarterly review meetings are held to evaluate ESG performance, identify and mitigate ESG-related risks, and monitor the implementation of related policies and practices.

Responsible Sourcing & Supply Chain Transformation



MATERIAL TOPIC	APPROACH	KEY ACTIONS (2022/2023)
TRACEABILITY		
100% traceability to palm oil mills by 2022.	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 logistics and trading complexities in certain markets, we have revised our target to 2022. As of December 2021, 98.2%* ² of CPO and PKO equivalent is traceable to mill level. This translates to about 23.6* million tonnes of palm products traceable to mills across our global operations.	<ul style="list-style-type: none">• Roll-out self-declaration document to gather information up to mill level for volumes received from our third-party refiners, traders, and bulkers.


². * Control Union (CU) has conducted limited assurance procedures on these figures

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TRACEABILITY		
90% traceability to oil palm plantations by 2023.	Definition of “traceable to plantation” is highly debated. Wilmar’s current approach on traceability to plantation (TtP) requires considerable details about growers. Our calculations of traceable volumes of oil includes gathering all information, according to our TtP criteria from each mill. As of end June 2022, approximately 70% of our global supply chain is traceable to plantation level based on our traceability criteria.	<ul style="list-style-type: none"> • Continue to request for traceability to plantation information from direct third-party mills, refiners, traders, and bulkers through self-assessment tools where we buy directly. • Encourage voluntary disclosure of concession maps by our direct third-party suppliers. • Engage relevant stakeholders to identify deforestation risks for smallholders’ Fresh Fruit Bunches (FFB) supplies.
GRIEVANCES		
Achieve a 100% response rate for all grievances.	<p>Grievance Procedure promotes transparency and accountability, through disclosure of our full list of grievances, with updates on our actions to address them.</p> <p>Wilmar implements a ‘suspend first’ approach for suppliers. Effective 1 January</p>	<ul style="list-style-type: none"> • Wilmar continuously aims to achieve a 100% response rate for all grievances raised via Wilmar’s grievance procedure and works towards resolving all open cases effectively and transparently.

MATERIAL TOPIC	APPROACH	KEY ACTIONS (2022/2023)
GRIEVANCES		
	<p>2019, suppliers involved in verified cases of deforestation and/or new development on peatland face immediate suspension at group-level.</p> <p>In 2020, we published the No Exploitation Protocol for third-party suppliers, that supports our Grievance Procedure in addressing breaches related to the 'no exploitation' component of our NDPE policy.</p>	
SUPPLIER ENGAGEMENT		
<p>Ensure compliance of all direct and indirect suppliers to our NDPE policy commitments. Similar and prevalent environmental, land, and labour issues are addressed through landscape programs and case studies relevant to our supply chain.</p>	<p>Wilmar's supplier engagement process involves how we engage and hold our suppliers accountable to consistently deliver on expected milestones in line with our NDPE commitments at both operational and landscape levels. We will continue to engage directly with mills by rolling out our annual self-assessment</p>	<ul style="list-style-type: none"> • Continue to roll-out SRT to all direct supplying mills across Malaysia, Indonesia, and Latin America. • Continue to roll-out supplier training sessions and supplier engagement programs across global operations where relevant.

MATERIAL TOPIC	APPROACH	KEY ACTIONS (2022/2023)
SUPPLIER ENGAGEMENT		
	<p>questionnaire via the Supplier Reporting Tool (SRT), conduct field assessments on high priority mills and develop continuous improvement plans.</p> <p>Through baseline assessment, we have developed a risk assessment procedure that allows us to prioritise engagement efforts with suppliers.</p>	<ul style="list-style-type: none"> • Extend coverage of SRT roll-out across operations in Africa. • Continually ensure a thorough due diligence process undertaken for potential supplying mills before it is eligible to enter Wilmar's supply chain. • Adopt a group-level approach towards supply chain transformation, including managing non-compliant suppliers.
LANDSCAPE PROJECTS		
<p>Wilmar continuously is looking for new partnerships and opportunities to collaborate with others who can help us to deliver on our commitments.</p>	<p>Actively participate in multi-stakeholder landscape programs involving industry partners, local governments, NGOs, producers, and smallholders to keep abreast of emerging trends and best practices.</p>	<ul style="list-style-type: none"> • Wilmar is part of the Sabah Jurisdictional Certification Steering Committee (JCSC), which functions to help the Sabah government to achieve its vision of producing 100% certified sustainable palm oil by 2025.

MATERIAL TOPIC	APPROACH	KEY ACTIONS (2022/2023)
LANDSCAPE PROJECTS		
		<ul style="list-style-type: none"> • Active participant in various RSPO working groups that strive to improve standards and practices and develop solutions to complex issues through a multi-stakeholder and participatory process. • We are part of the Tropical Forest Alliance (TFA) working group on jurisdictional approach. • Recognising that a large proportion of deforestation in the oil palm landscape actually occurs outside oil palm production concessions, Wilmar is part of the Production and Protection Beyond Concessions (PPBC) action group, a joint effort by 13 companies and technical support organisations which is coordinated by Proforest, a global non-profit organisation.

MATERIAL TOPIC	APPROACH	KEY ACTIONS (2022/2023)
LANDSCAPE PROJECTS		
		<ul style="list-style-type: none"> • Partnership with IDH, L’Oreal, Jacobs Douwe Egberts and Wild Asia to develop models for sustainable oil palm production by small producers (including smallholders) to support jurisdictional approaches in Sabah, whereby we will be expanding or setting up schools to include the children of our small producers or smallholders’ workers. • Partnership with L’Oreal supporting independent smallholders in three provinces in Indonesia (Riau, Jambi and North Sumatera) with the aim to strengthen good agricultural and environmental practices for oil palm cultivation, empowering and improving livelihoods. As of end 2021, this programme has reached over 2800 smallholders representing about 7500 hectares.


MATERIAL TOPIC	APPROACH	KEY ACTIONS (2022/2023)
SMALLHOLDERS		
<p>We are committed to ensuring that 100% of our independent smallholders covered by our programmes have access to best practices and expertise to help them achieve NDPE compliance and enhance their livelihoods.</p>	<p>Smallholders have a critical role in helping Wilmar achieve our business and sustainability goals, including meeting our NDPE commitments. We therefore seek to promote an inclusive model that integrates these players into the global sustainable supply chain. This involves improving their agricultural practices towards global sustainability standards and higher production yields. We also work with partner organisations to develop programmes aimed at facilitating the inclusion of independent smallholders into sustainable supply chains.</p>	<ul style="list-style-type: none"> • 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. Wilmar directly manages 35,682 hectares of planted area under smallholder schemes in Indonesia and Africa. Smallholders account for 670,000 metric tonnes of Wilmar's FFB supply base. • In 2021, 100% of our scheme smallholders and 28% of our independent smallholders (3,466 farmers) were supported by our capacity building programmes. In Africa, we aim to reach 100% of our independent smallholders through our programmes by 2023 for Ghana and Nigeria.

MATERIAL TOPIC	APPROACH	KEY ACTIONS (2022/2023)
SMALLHOLDERS		



- The Indonesian Central Government issued regulation on plasma in 2007, updated in 2013. This regulation requires companies to provide community plantations or plasma up to an area of at least 20 percent of the total concession area which was licensed to the company. Wilmar has a total planted area of over 34,032 hectares under government-originated plasma schemes – and currently has fully met the regulation requirements. We recognise that plasma issues are very apparent in the palm oil industry, and we aim to strike a balance between community development, conservation commitments and continued compliance to national laws.





MATERIAL TOPIC	APPROACH	KEY ACTIONS (2022/2023)
LABOUR AND HUMAN RIGHTS		
<p>We uphold the commitment of protecting human rights and labour standards of our workers and our communities, believing in the universal recognition of the inherent dignity of every individual.</p>	<p>As a multinational company operating across borders, employing people from different nationalities and interacting with a wide range of cultures, Wilmar takes our responsibility to protect human rights seriously.</p> <p>To implement our commitment to 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.</p>	<ul style="list-style-type: none"> • Wilmar has been an active member of the RSPO Labour Task Force and a key contributor to the RSPO Guidance for Implementing a Decent Living Wage. Furthermore, we are also co-chair for the RSPO's Free, Prior and Informed Consent Sub-Group, whose aim is to explore challenges and practical solutions related to the application of FPIC in the sector, and to ensure that local and community rights are upheld. • We are a part of the Palm Oil Collaboration Group (POCG) that was launched in early 2020. This working group brings together various companies from the palm oil supply chain to accelerate effective implementation of the industry's NDPE commitments. • Pilot tools on ethical recruitment practices.

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LABOUR AND HUMAN RIGHTS		
	<p>In championing social issues, we announced our Human Rights Defender (HRD) policy in 2021, as part of Wilmar's Human Rights Framework. This policy, which is the first of its kind in the palm sector, was initiated following stakeholder consultations with human rights civil society organisation's (CSOs) and experts. The HRD policy puts the protection of human rights and their defenders at the forefront of what we do.</p>	<ul style="list-style-type: none"> • Implement and scale pilot projects under Decent Rural Living Initiative (DRLI). • Continually manage and improve global program for the monitoring of human right and labour practices in our supply chain via the SRT. • 100% of our palm oil plantations in Ghana, Indonesia, Malaysia and Nigeria have Women's Working Groups (WoW) or Gender Committees. • Wilmar does not tolerate child labour, exploitation and abuse of any form. We are committed to protecting and safeguarding the rights of children throughout our operations, paying close attention to our upstream oil palm plantations where the risk of child labour is highest.

MATERIAL TOPIC	APPROACH	KEY ACTIONS (2022/2023)
LABOUR AND HUMAN RIGHTS		


- Together with Business for Social Responsibility (BSR) and consumer goods companies, we developed and published the Child Protection and Safeguarding Implementation Manual. In 2020, a series of workshops were held to help Wilmar's suppliers better understand child protection within their operations. As part of our collaboration with The Centre for Child Rights and Business in Indonesia, as well as Earthworm Foundation in Malaysia, Wilmar is conducting two pilot projects as part of the next phase. The baseline assessment, on-site assessments, and reporting of findings are expected to be completed by end of 2022.

MATERIAL TOPIC	APPROACH	KEY ACTIONS (2022/2023)
CLIMATE CHANGE		
<p>Taking actions to mitigate the impacts of climate change by reducing Greenhouse Gas (GHG) emissions and adapting to regulatory and physical climate risks.</p>	<p>As the world transitions to a low-carbon economy, we are now expanding our mitigation efforts throughout our global business. We are in the process of developing comprehensive targets consistent with a 1.5 degree Celsius pathway and aligned with the Science Based Target initiative (SBTi), to be announced by COP27. We continue to identify the risks and opportunities that climate change presents to build resilience for our business and key stakeholders.</p>	<ul style="list-style-type: none"> • Pledged to develop a sectoral roadmap for enhanced supply chain action that is consistent with a 1.5 degree Celsius pathway to be published by COP27. • In the process of verifying our FY2020 Scope 1&2 GHG emissions with a third-party auditor. • In the process of mapping out Wilmar's Scope 3 emissions for FY2020 (target baseline year), and have this process completed by end 2022. • Develop comprehensive short-term, mid-term, and long-term targets consistent with a 1.5 degree Celsius pathway and aligned with the Science Based Targets Initiative (SBTi).

MATERIAL TOPIC	APPROACH	KEY ACTIONS (2022/2023)
CLIMATE CHANGE		
		<ul style="list-style-type: none"> • As at end 2021, 57% of our total energy use at Group level are from renewable energy sources, with several parts of our business setting specific renewable energy and GHG emission reduction target. • Our data and disclosure frameworks are aligned with GHG Protocol and Task force on Climate-Related Financial Disclosures (TCFD).
		 

Transparency and Accountability



MATERIAL TOPIC	APPROACH	KEY ACTIONS (2022/2023)
REPORTING		
<p>Monitoring and reporting progress transparently and regularly is essential in demonstrating our commitment to operating a responsible and sustainable business.</p> 	<p>Aside from our Annual Reports and Sustainability Reports, the Wilmar Sustainability Dashboard is consistently updated with information related to certification, conservation, supply chain monitoring and NDPE compliance, grievances, traceability and more.</p>	<p>This year, we have also produced our first annual Palm NDPE Implementation Annual Report 2021. Wilmar strives to provide a full accountability on our approach and progress towards delivering our NDPE commitments across our palm supply chain. This includes subjecting key material topics to an external assurance by third-party organisations.</p>

MATERIAL TOPIC	APPROACH	KEY ACTIONS (2022/2023)
COMPLIANCE TO NDPE POLICY		
	<p>Our verification framework is intended to increase transparency in the supply chain and demonstrate accountability to stakeholders. We continue to invest in new technologies to identify and track issues across our supply chain in real-time and provide deforestation alerts and impact data.</p> <p>We continue to work with Independent Sustainability Advisory Panel (ISAP) comprising of independent sustainability experts and eminent individuals who provide on-the-ground support to execute and evaluate the implementation of our NDPE and other sustainability-related policies.</p>	<ul style="list-style-type: none"> • Wilmar shall proactively and continually monitor its supply chain to ensure compliance to its NDPE policy. • In line with our deforestation- free commitment, Wilmar proactively monitors all suppliers through multiple third-party satellite monitoring systems.

Way Forward



Over the last few years, significant efforts have made the palm oil sector more sustainable by addressing environmental issues including deforestation and loss of valuable ecosystems in addition to social issues such as land, community rights and labour standards. One of the most important undertakings that has been made by the industry to date is the adoption of NDPE policies and implementation commitments.

Wilmar firmly believes that our adoption of the NDPE policy in 2013 helped contribute to the significant progress that the palm sector has made in addressing deforestation.

Despite a challenging 2021 that was still affected by the global COVID-19 pandemic, our sustainability strategy remains core to our success and future resilience. As we forge ahead, we are committed to delink our supply chain from deforestation, peatland conversion and social conflicts.



WILMAR INTERNATIONAL LIMITED

Co. Reg. No. 199904785Z

28 Biopolis Road
Singapore 138568
T. (65) 6216 0244

www.wilmar-international.com

