



2021-2022 UPDATE

# Timebound Action Plan



# Our progress

At Wilmar, we are committed to putting sustainable practices at the heart of our business. In collaboration with other industry players, consumer goods companies and non- governmental organisations (NGOs), we are working to ensure our supply chain is geared towards the sustainable production and sourcing of palm oil, in line with our No Deforestation, No Peat, No Exploitation (**NDPE**<sup>1</sup>) policy.

2020 was an important year for review and reflection, particularly regarding our NDPE commitments. Since we first introduced our NDPE policy in 2013, we have channeled substantial resources into delivering on our sustainability commitments and are proud of the key milestones we have reached.

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.

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



# Introduction

Our 2021-2022 timebound plan is in alignment with the Transforming our supply chain chapter within Wilmar's [Sustainability Report 2020<sup>2</sup>](#) and should be read in conjunction with the report.

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



## Transparency

Monitoring and reporting our progress transparently and regularly are essential in demonstrating our commitment to operating a responsible and sustainable business.



## Engagement

Sustainability issues often require a multi-stakeholder approach to be addressed properly and practically. We believe that engagement with our stakeholders is a two-way process.



## Verification

We monitor our supply chain proactively through technology to detect breaches of policy compliance and ensure material topics are subjected to and annual third-party external assurance.

<sup>2</sup> <https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/resource/wilmar-sustainability-reports/wilmar-sr2020.pdf>

” Our goal is to delink our supply chain from deforestation, peatland conversion and social conflicts.



# Transparency



MATERIAL TOPIC	APPROACH	KEY ACTIONS (2021/2022)
<b>TRACEABILITY</b>	<p>Transparency is becoming an increasing requirement for responsible oil palm companies.</p> <p>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.</p>	<ul style="list-style-type: none"><li>• Roll-out self-declaration document to gather information up to mill level for volumes received from our third-party refiners/traders/bulkers.</li><li>• Continue to request for traceability to plantation information from mills through self-assessment tools where we buy directly.</li><li>• Encourage the disclosure of concession maps by our suppliers.</li></ul>

MATERIAL TOPIC	APPROACH	KEY ACTIONS (2021/2022)
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**GRIEVANCES**

<p>Achieve a 100% response rate for all grievances.</p>	<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 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>	<p>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.</p>
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**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>	<ul style="list-style-type: none"> <li>• Expand the scope of the NDPE Implementation Reporting Framework (NDPE IRF) reporting to cover our global palm oil supply chain by 2022.</li> <li>• Encourage third-party suppliers (refiners/traders/bulkers) to report on progress for indirect mills that are part of Wilmar’s supply chain using the NDPE IRF.</li> </ul>
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# Engagement

MATERIAL TOPIC	APPROACH	KEY ACTIONS (2021/2022)
<p><b>SUPPLIER ENGAGEMENT</b></p> <p>Ensure compliance of all direct and indirect suppliers to our NDPE policy commitments. Similar and prevalent environmental, land, and labor 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 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 risk assessment procedure that allow us to prioritize engagement efforts with suppliers.</p>	<ul style="list-style-type: none"> <li>• Continue to roll-out SRT and supplier engagement programs across global operations where relevant.</li> <li>• Continue roll-out supplier training sessions.</li> <li>• Thorough due diligence process undertaken for potential supplying mills before it is eligible to enter Wilmar’s supply chain.</li> <li>• Group-level approach towards supply chain transformation including managing non-compliant suppliers.</li> </ul>

MATERIAL TOPIC	APPROACH	KEY ACTIONS (2021/2022)
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**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"> <li>• 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 under RSPO certification by 2025.</li> <li>• 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.</li> <li>• We are part Tropical Forest Alliance (TFA) working group on jurisdictional approach.</li> </ul>
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**SMALLHOLDERS**

<p>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.</p>	<p>Promote the inclusion of smallholders in our supply chain and improvement of their livelihoods. 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>	<p>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.</p>
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**MATERIAL TOPIC**

**APPROACH**

**KEY ACTIONS (2021/2022)**

**LABOUR AND HUMAN RIGHTS**

Remain committed to respecting human rights and labour rights.

Actively participate and contribute to various relevant multi-stakeholder initiatives that includes government organisations, technical partner and experts, growers and NGOs to address potential labor and human rights issues.

- Pilot tools on ethical recruitment practices.
- Implement and scale pilot projects under Decent Rural Living Initiative.
- Continually manage and improve global program for the monitoring of human right and labour practices in our supply chain via the SRT.





# Verification



MATERIAL TOPIC	APPROACH	KEY ACTIONS (2021/2022)
<p>Compliance to NDPE policy.</p>	<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 a Technical Advisory Group comprising external sustainability partners (e.g., sustainability consultants, collaborators, and civil society organisations) to 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"> <li>• Wilmar shall proactively and continually monitor its supply chain to ensure compliance to its NDPE policy.</li> <li>• In line with our deforestation-free commitment, Wilmar proactively monitors all suppliers through multiple third-party satellite monitoring systems.</li> <li>• With the ongoing pandemic, Wilmar has developed a “Remote Assessment Protocol” to assess NDPE progress of our direct suppliers.</li> <li>• Wilmar will engage with an independent third-party assessor to undergo limited assurance on key material disclosures as part of its annual sustainability reporting process.</li> </ul>

# Way forward

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 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.

As the world recovers from the global pandemic, we are doubling down on our sustainability goals and efforts. 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.

Sustainability has always been an important part of our ethos at Wilmar, and it is at the heart of our business strategy.





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