



2023-2024 UPDATE

TIMEBOUND ACTION PLAN





OUR PROGRESS

At Wilmar, sustainability is embedded in the way we run our business, from strategic decision-making at the Board level, to the way we operate and source responsibly from our supply chain.

Guided by the philosophy that our business must enhance stakeholder value while minimising our environmental footprint, our business practices are aligned with universally acceptable social and environmental standards. Our No Deforestation, No Peat, No Exploitation (NDPE) policy guides our global operations and supply chain. By collaborating with other industry players, consumer goods companies, and non-governmental organisations (NGOs), we ensure our supply chain is geared towards making a positive impact on the world.

Despite a challenging year, we made significant progress in 2022 on our commitment to mitigate climate change, extend our efforts on environmental preservation, foster a culture of caring for our people, and operate responsibly.

The year ahead remains challenging amid the current global context. We are committed to staying ahead of the curve and are proactively adapting to the continuously evolving sustainability landscape, including complying with the European Union deforestation-free regulation (EUDR) requiring companies to promote the consumption of deforestation-free products and to conduct due diligence to ensure that their supply chains are free from forced labour and other forms of modern slavery.



INTRODUCTION

Our 2023-2024 timebound plan is aligned with the 'Transforming Our Supply Chain' chapter in Wilmar's **Sustainability Report 2022** along with the **Palm NDPE Implementation Annual Report 2022**. This plan should be read in conjunction with the two reports.

WILMAR'S TIMEBOUND PLAN IS CENTRED ON THREE KEY PRINCIPLES:

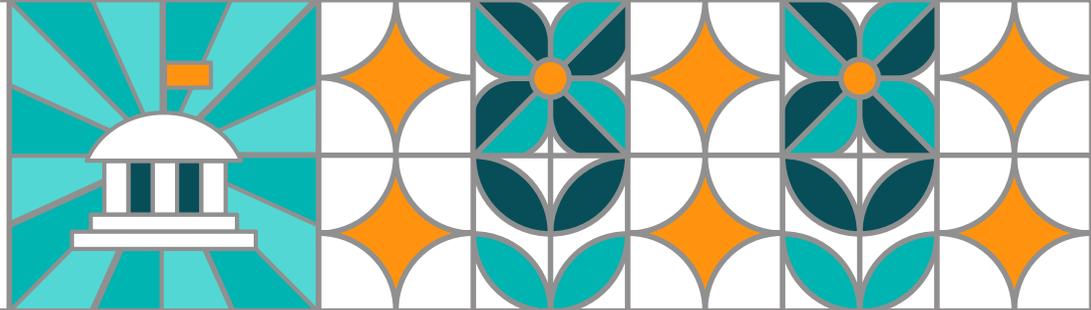
<p>GOVERNANCE</p> <p>Establishing an appropriate governance structure, controls and oversight of our business is essential to safeguarding the interest of all our stakeholders.</p>	
<p>RESPONSIBLE SOURCING & SUPPLY CHAIN TRANSFORMATION</p> <p>Ensuring responsible sourcing activities by creating a traceable and transparent supply chain is vital to promoting inclusiveness. We do this by monitoring and engaging with suppliers to empower them to meet high sustainability standards through capacity building.</p>	
<p>TRANSPARENCY & ACCOUNTABILITY</p> <p>Monitoring and reporting our progress transparently and regularly demonstrate our commitment to operating a responsible and sustainable business.</p>	

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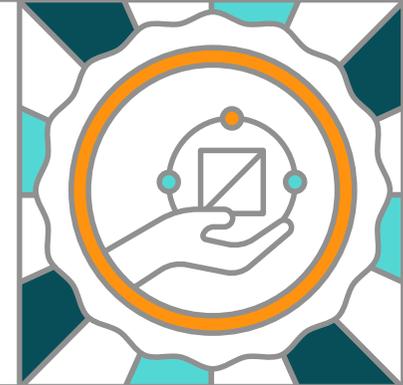
GOVERNANCE



SUSTAINABILITY GOVERNANCE

MATERIAL TOPIC	APPROACH	KEY ACTIONS 2023/2024
<p>Approach to sustainability is overseen by the Chairman and Chief Executive Officer (CEO), and the Board of Directors.</p>	<p>The Board Sustainability Committee (BSC) is responsible for formulating Environmental, Social and Governance (ESG) strategies, identifying ESG-related risks, evaluating ESG performance and targets, and monitoring the implementation of ESG-related policies and practices.</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. • BSC receives periodic reporting and advisories from the Sustainability Management Team with support from the Independent Sustainability Advisory Panel. • Key ESG targets were incorporated in the performance review of Executive Directors and key management personnel for FY2022. These include Climate Change, Responsible Sourcing and Supply Chain Transformation, Employee Health, Safety and Well-being, Business Ethics and Compliance as well as Talent Retention. These ESG targets form part of a larger set of ESG topics that have been identified as being material to the Group.

RESPONSIBLE SOURCING AND SUPPLY CHAIN TRANSFORMATION



TRACEABILITY

MATERIAL TOPIC	APPROACH	KEY ACTIONS 2023/2024
<p>Committed to achieving:</p> <ul style="list-style-type: none"> • 100% TRACEABILITY TO PALM OIL MILLS (TtM) BY 2024. • 90% TRACEABILITY TO PLANTATIONS (TtP) BY 2023 AND 100% BY 2025. 	<p>We acknowledge the challenges of achieving 100% TtM due to commodity transportation and trading structures, particularly in countries like China and India. We continue to work diligently with our suppliers to overcome these obstacles by implementing robust processes. As of December 2022, we have achieved 98.7% TtM for crude palm oil and palm kernel oil. This translates to about 26.5 million MT of palm and lauric products traceable to mills across our global operations.</p> <p>Unlike TtM, there is no agreed industry definition of "Traceability to Plantations". Our approach to TtP is based on a set of traceability criteria specific to each type of supplier. As of December 2022, we have achieved 83.4% TtP which means 22.4 million MT of palm and lauric products across our global operations traceable to plantation level based on our traceability criteria.</p>	<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. • Continue to request for TtP information from direct third-party mills, refiners, traders and bulkers through self-assessment tools. • Encourage voluntary disclosure of concession maps by our direct third-party suppliers. • Engage relevant stakeholders to identify deforestation risks for smallholders' fresh fruit bunches supplies.

GRIEVANCES

MATERIAL TOPIC	APPROACH	KEY ACTIONS 2023/2024
<p>Achieve a 100% response rate for all grievances.</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. As at December 2022, there were 85 reported grievances of which 78 cases have been closed and seven are ongoing.</p> <p>A 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.</p> <p>A first of its kind in the palm sector, Wilmar published a standalone policy on Human Rights Defender (HRD) in 2021, as part of Wilmar's Human Rights Framework. This policy 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>	<p>Wilmar continuously aims to achieve a 100% response rate for all grievances raised, and to resolve open cases promptly and transparently. We publish investigations and findings of all valid cases on our Sustainability Dashboard, which is updated on an ongoing basis. We also conduct regular reviews of case studies to identify lessons learned and enhance the robustness of our mechanism.</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 programmes 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), conducting field assessments on high priority mills and developing 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> <p>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 is escalated to Wilmar's Grievance team for further action.</p>	<ul style="list-style-type: none"> • Continue to roll out SRT to all direct supplying mills across Malaysia, Indonesia, Africa and Latin America. • Continue to roll out supplier training sessions and supplier engagement programmes across global operations where relevant. • Continuously ensure a thorough due diligence process is undertaken for potential supplying mills before they are eligible to enter Wilmar's supply chain. • Adopt a group-level approach towards supply chain transformation, including managing non-compliant suppliers.
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LANDSCAPE PROJECTS

MATERIAL TOPIC	APPROACH	KEY ACTIONS 2023/2024
<p>Continuously looking for new partnerships and opportunities to collaborate with others who can help us to deliver on our commitments.</p>	<p>Wilmar actively participates in several multi-stakeholder collaborations to promote transformation at the landscape level. This is part of Wilmar's ongoing commitments to enable sector-wide change and transformation involving industry partners, local governments, NGOs, producers and smallholders. This will also allow all participants to keep abreast of emerging trends and best practices.</p>	<ul style="list-style-type: none"> • Wilmar is a member of the Sabah Jurisdictional Certification Steering Committee which supports the Sabah state government in its goal to achieve 100% certified palm oil production by 2025, aligning with both Malaysian Sustainable Palm Oil (MSPO) and Roundtable on Sustainable Palm Oil (RSPO) certification standards. • Active participant in various RSPO and MSPO working groups that strive to improve standards and practices and develop solutions to complex issues through a multi-stakeholder and participatory process. • Wilmar is also a member of other initiatives such as European Palm Oil Alliance, Tropical Forest Alliance, Pongo Alliance, United Nations Global Compact and Business for Social Responsibility. • Recognising that a large proportion of deforestation in the oil palm landscape occurs outside oil palm production concessions, Wilmar is part of the Production and Protection Beyond Concessions action group, a joint effort by 12 companies and several technical support organisations coordinated by Proforest.

SMALLHOLDERS

<p>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 play 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 in sustainable supply chains.</p>	<ul style="list-style-type: none"> • For our scheme smallholder programmes, we will 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. • Scheme smallholder requirements in Indonesia are set by the government. Wilmar has a total planted area of 34,740 ha under government originated plasma schemes. We support these smallholders by helping them obtain legal land titles, financing, planting materials and training on good agricultural practices to enable them to eventually manage their own plantations and achieve ISPO and RSPO certifications.
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LABOUR AND HUMAN RIGHTS

MATERIAL TOPIC	APPROACH	KEY ACTIONS 2023/2024
<p>Upholding the commitment of protecting human rights, labour standards of our workers, communities, and believing in the universal recognition of the inherent dignity of every individual.</p>	<p>As a multinational company operating across borders, we employ people of different nationalities and interact with a wide range of cultures. We therefore place significant importance on protecting human rights.</p> <p>As part of our commitment to human rights, we actively participate in partnerships and various multi-stakeholder platforms that promote and support the protection of human rights. These include 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 develop supporting tools and guidelines to assist our suppliers in better understanding and protecting human rights.</p>	<ul style="list-style-type: none"> • Active member of the RSPO Labour Task Force and a key contributor to the RSPO Guidance for Implementing a Decent Living Wage. • Participate and contribute financially to the Palm Oil Collaboration Group, including the Social Issues Working Group. The working group brings together over 30 companies to address human rights issues in the sector through knowledge sharing and collaborative action. • Pilot tools on ethical recruitment practices and conduct regular internal audits including evaluations of human rights and labour practices throughout our upstream and downstream operations. • Continuously manage and improve monitoring of human rights and labour practices across our global supply chain via the SRT. • 100% of our palm oil plantations in Ghana, Indonesia, Malaysia and Nigeria have Women’s Working Groups or Gender Committees.

CLIMATE CHANGE

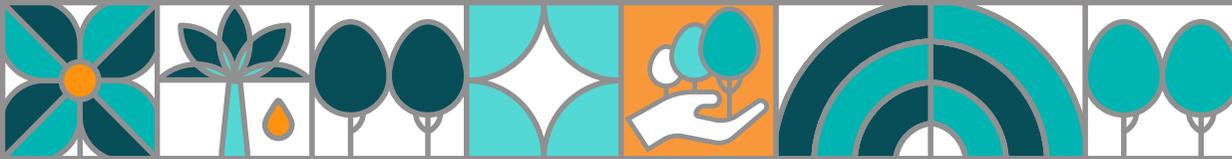
<p>Taking actions to mitigate the impacts of climate change by reducing Greenhouse Gas (GHG) emissions and adapting to regulatory and physical climate risks.</p> <p>Publishing our climate roadmap with both near-term and net-zero emission targets in 2024.</p>	<p>As the world transitions to a low-carbon economy, we are now expanding our mitigation efforts throughout our global business.</p> <p>Aligned with our commitments made alongside COP27, Wilmar signed up to the Science Based Targets initiative (SBTi) in October 2022 with the aim of cementing our emission reduction targets while demonstrating progress that reflects the significance of our commitments. As at December 2022, 53% 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.</p> <p>We have completed the mapping out of Wilmar’s Scope 3 emissions for FY2020 (target baseline year) and completed the verification of our FY2020 Scope 1 & 2 GHG emissions with a third-party auditor.</p>	<ul style="list-style-type: none"> • Develop comprehensive short-term, mid-term, and long-term targets consistent with a 1.5°C pathway and aligned with the SBTi. • Our data and disclosure frameworks are aligned with GHG Protocol and Taskforce on Climate-Related Financial Disclosures. • In line with the palm oil sector’s ambitious timeline of reducing GHG emissions from land use change by ending deforestation as noted in the Agriculture Sector Roadmap to 1.5°C published at COP27, Wilmar’s action plan to achieve 100% of palm oil volumes in the “Delivering” category using the NDPE Implementation Reporting Framework by 2025 can be found here.
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TRANSPARENCY AND ACCOUNTABILITY



REPORTING

MATERIAL TOPIC	APPROACH	KEY ACTIONS 2023/2024
<p>Monitoring and reporting progress transparently and regularly is essential in demonstrating our commitment to operate 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"> • Provide full accountability on our approach and progress towards delivering our NDPE commitments across our palm supply chain in our standalone publication - Palm NDPE Implementation Annual Report 2022. • 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. Additionally, Ernst and Young has provided external assurance for other material ESG disclosures.
<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 Independent Sustainability Advisory Panel 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"> • Proactively and continuously monitor our supply chain to ensure compliance to our NDPE policy. • In line with our No Deforestation commitment, Wilmar proactively monitors all suppliers through multiple third-party satellite monitoring systems.



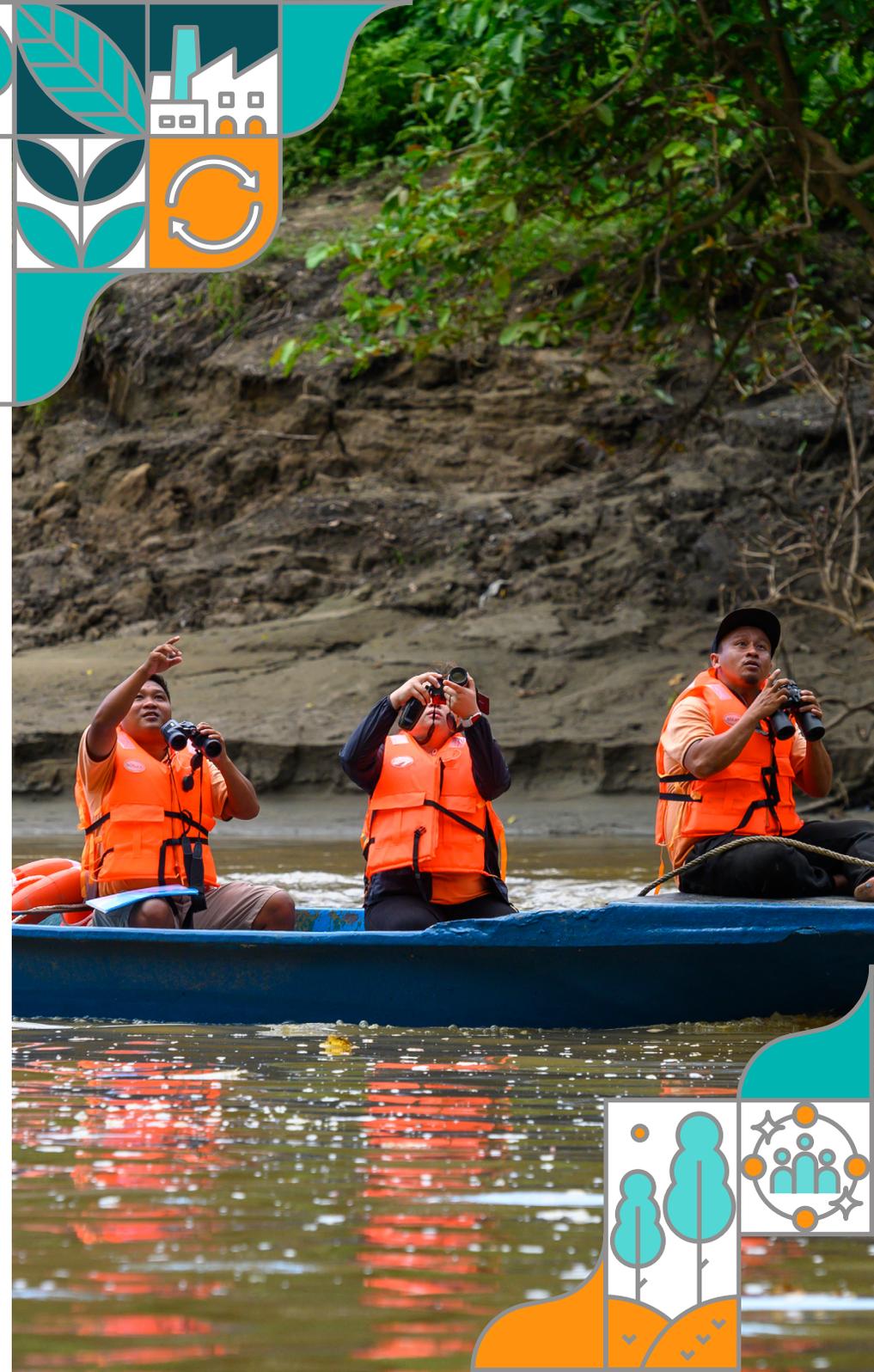
WAY FORWARD

The world has faced several challenges in the past year, presenting both risks and opportunities for our businesses.

The ongoing economic crisis, geopolitical instability and increasing threat of climate change remain some of the key issues impacting our stakeholders and operating environment. Confronted with these challenges, it is even more important that Wilmar remains committed to driving sustainability across our value chain as a strategic priority as we believe this is imperative to building a resilient business that will continue to create value for our stakeholders over the short, medium, and long-term.

As a leading palm processor and merchandiser, we recognise our responsibility to advocate 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. However, more can and needs be done.

In 2023, our focus will be on accelerating action to achieve the commitments and targets we have set. We will continue to partner and collaborate with industry players and across sectors to make this happen. Wilmar remains committed to upholding accountability, transparency and engagement with our stakeholders as the fundamental principles that guide our endeavours to foster sustainability across our businesses.





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