

# Welcome to your CDP Forests Questionnaire 2023

## F0. Introduction

### F0.1

**(F0.1) Give a general description of and introduction to your organization.**

Wilmar International Limited, founded in 1991 and headquartered in Singapore, is today Asia's leading agribusiness group. Wilmar is ranked amongst the largest listed companies by market capitalisation on the Singapore Exchange.

At the core of Wilmar's strategy is an integrated agribusiness model that encompasses the entire value chain of the agricultural commodity business, from cultivation and milling of palm oil and sugarcane, to processing, branding and distribution of a wide range of edible food products in consumer, medium and bulk packaging, animal feeds and industrial agri-products such as oleochemicals and biodiesel. It has over 500 manufacturing plants and an extensive distribution network covering China, India, Indonesia and some 50 other countries and regions. Through scale, integration and the logistical advantages of its business model, Wilmar is able to extract margins at every step of the value chain, thereby reaping operational synergies and cost efficiencies.

Supported by a multinational workforce of about 100,000 people, Wilmar embraces sustainability in its global operations, supply chain and communities.

### F0.2

**(F0.2) State the start and end date of the year for which you are reporting data.**

	Start Date	End Date
Reporting year	January 1, 2022	December 31, 2022

### F0.3

**(F0.3) Select the currency used for all financial information disclosed throughout your response.**

USD

## F0.4

**(F0.4) Select the forest risk commodity(ies) that you are, or are not, disclosing on (including any that are sources for your processed ingredients or manufactured goods); and for each select the stages of the supply chain that best represents your organization's area of operation.**

### Timber products

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#### Commodity disclosure

This commodity is not produced, sourced or used by our organization

### Palm oil

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#### Commodity disclosure

Disclosing

#### Stage of the value chain

Production

Processing

Trading

Manufacturing

Retailing

#### Are you disclosing information on embedded commodities?

Yes

### Cattle products

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#### Commodity disclosure

This commodity is not produced, sourced or used by our organization

### Soy

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#### Commodity disclosure

Not disclosing

#### Stage of the value chain

Trading

Retailing

#### Explanation if not disclosing

We do not operate soy plantations, nor is it produced in any of our plantation areas. As such, we focus our initiatives on areas where we have control on deforestation potential.

### Other - Rubber

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#### Commodity disclosure

This commodity is not produced, sourced or used by our organization

## Other - Cocoa

### Commodity disclosure

This commodity is not produced, sourced or used by our organization

## Other - Coffee

### Commodity disclosure

This commodity is not produced, sourced or used by our organization

## F0.5

**(F0.5) Select the option that describes the reporting boundary for which forests-related impacts on your business are being reported**

Operational control

## F0.6

**(F0.6) Select the countries/areas in which you operate.**

Ghana  
Indonesia  
Malaysia  
Nigeria

## F0.7

**(F0.7) Are there any parts of your direct operations or supply chain that are not included in your disclosure?**

No

## F0.8

**(F0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.?)**

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, an ISIN code	SG1T56930848

## F1. Current state

### F1.1

**(F1.1) How does your organization produce, use or sell your disclosed commodity(ies)?**

Palm oil

**Activity**

Growing/production of raw materials  
Harvesting  
Milling  
Crushing  
Refining & processing  
Refining & fractionation  
Exporting/trading  
Using as input into manufacturing process for power generation

**Form of commodity**

Fresh fruit bunches (FFB)  
Crude palm oil (CPO)  
Crude palm kernel oil (CPKO)  
Palm kernel meal (PKM)  
Refined palm oil  
Palm oil derivatives  
Palm kernel oil derivatives  
Palm biodiesel

**Source**

Owned/managed land  
Smallholders  
Trader/broker/commodity market  
Contracted suppliers (processors)  
Contracted suppliers (manufacturers)

**Country/Area of origin**

Ghana  
Indonesia  
Malaysia  
Nigeria

**% of procurement spend**

41-50%

**Comment**

Palm oil is transacted as feed stock and ingredient across our business. This is an estimation on palm products procured across our company.

By tracing supply flows, we can map our supply base, evaluate supplier performance against our NDPE policy, and engage with suppliers to drive continuous improvement. We make our supply chain as transparent as possible to all stakeholders on our sustainability dashboard. While we previously updated this quarterly, we will now do so bi-annually because fluctuation between reporting periods is minimal.

Since 2015, all Wilmar – owned palm oil mills are 100% traceable to plantation. Further, Wilmar is targeting to reach 90% traceability to palm oil plantation across our global operations by 2023 and 100% by end 2025. As of end December 2022 (basis FY 2022 volumes), 83.4% of our global supply chain is traceable to plantation level. As of

December 2022, we achieved 98.7% traceability to mill for our global operations.

## F1.2

(F1.2) Indicate the percentage of your organization's revenue that was dependent on your disclosed forest risk commodity(ies) in the reporting year.

	% of revenue dependent on commodity	Comment
Palm oil	41-50%	<p>Wilmar's revenue breakdown by segments is disclosed in pages 22-23 of our Annual Report for Financial Year 2022 (<a href="https://www.wilmar-international.com/annualreport2022">https://www.wilmar-international.com/annualreport2022</a>).</p> <p>The % revenue dependent on palm oil is calculated based on the revenue of Oil Palm Plantation from the "Plantation and Sugar Millings" segment and Tropical Oils and Oil Seeds &amp; Grains from the "Feed and Industrial Product" segment.</p>

## F1.3

(F1.3) Provide details on the land area you control and/or manage that is used for the production of your disclosed commodity(ies).

### Forest risk commodity

Palm oil

### Type of control

Own land

### Country/Area

Malaysia

### Land type

### Area (Hectares)

77,963

### % Area certified

97

### Certification scheme

RSPO producer/grower certification

International Sustainability and Carbon Certification (ISCC)

Other, please specify

Malaysian Sustainable Palm Oil (MSPO) certification

**Conversion of natural ecosystems monitored during the reporting year, the last 5 years and/or since specified cutoff date**

We have monitored conversion of natural ecosystems during the reporting year

**Area of natural ecosystems converted during the reporting year (hectares)**

0

**Area of natural ecosystems converted since specified cutoff date (hectares)**

**Area of natural ecosystems converted during the last 5 years (hectares)**

**Please explain**

RSPO & ISCC are market driven voluntary certification, whereas MSPO is country based mandatory certification

Conversion of land is covered by the New Planting Procedure (NPP) process under RSPO certification

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**Forest risk commodity**

Palm oil

**Type of control**

Own land

**Country/Area**

Indonesia

**Land type**

**Area (Hectares)**

201,200

**% Area certified**

79

**Certification scheme**

RSPO producer/grower certification

International Sustainability and Carbon Certification (ISCC)

Other, please specify

Indonesia Sustainable Palm Oil (ISPO) certification

**Conversion of natural ecosystems monitored during the reporting year, the last 5 years and/or since specified cutoff date**

We have monitored conversion of natural ecosystems during the reporting year

**Area of natural ecosystems converted during the reporting year (hectares)**

0

**Area of natural ecosystems converted since specified cutoff date (hectares)**

**Area of natural ecosystems converted during the last 5 years (hectares)**

**Please explain**

RSPO & ISCC are market driven voluntary certification, whereas ISPO is country based mandatory certification

Conversion of land is covered by the New Planting Procedure (NPP) process under RSPO certification

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**Forest risk commodity**

Palm oil

**Type of control**

Scheme/Plasma smallholders

**Country/Area**

Indonesia

**Land type**

**Area (Hectares)**

42,049

**% Area certified**

8

**Certification scheme**

RSPO producer/grower certification

**Conversion of natural ecosystems monitored during the reporting year, the last 5 years and/or since specified cutoff date**

We have monitored conversion of natural ecosystems during the reporting year

**Area of natural ecosystems converted during the reporting year (hectares)**

0

**Area of natural ecosystems converted since specified cutoff date (hectares)**

**Area of natural ecosystems converted during the last 5 years (hectares)**

**Please explain**

RSPO is a market driven voluntary certification, and only plasma within the supply base has a time bound plan for RSPO certification

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**Forest risk commodity**

Palm oil

**Type of control**

Own land

**Country/Area**

Ghana

**Land type**

**Area (Hectares)**

5,149

**% Area certified**

100

**Certification scheme**

RSPO producer/grower certification

**Conversion of natural ecosystems monitored during the reporting year, the last 5 years and/or since specified cutoff date**

We have monitored conversion of natural ecosystems during the reporting year

**Area of natural ecosystems converted during the reporting year (hectares)**

0

**Area of natural ecosystems converted since specified cutoff date (hectares)**

**Area of natural ecosystems converted during the last 5 years (hectares)**

**Please explain**

RSPO is a market driven voluntary certification, and conversion of land is covered by the New Planting Procedure (NPP) process

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**Forest risk commodity**

Palm oil

**Type of control**

Scheme/Plasma smallholders



**Country/Area**

Ghana

**Land type**

**Area (Hectares)**

1,650

**% Area certified**

100

**Certification scheme**

RSPO producer/grower certification

**Conversion of natural ecosystems monitored during the reporting year, the last 5 years and/or since specified cutoff date**

We have monitored conversion of natural ecosystems during the reporting year

**Area of natural ecosystems converted during the reporting year (hectares)**

0

**Area of natural ecosystems converted since specified cutoff date (hectares)**

**Area of natural ecosystems converted during the last 5 years (hectares)**

**Please explain**

RSPO is a market driven voluntary certification, and conversion of land is covered by the New Planting Procedure (NPP) process

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**Forest risk commodity**

Palm oil

**Type of control**

Own land

**Country/Area**

Nigeria

**Land type**

**Area (Hectares)**

26,319

**% Area certified**

42

**Certification scheme**

RSPO producer/grower certification

**Conversion of natural ecosystems monitored during the reporting year, the last 5 years and/or since specified cutoff date**

We have monitored conversion of natural ecosystems during the reporting year

**Area of natural ecosystems converted during the reporting year (hectares)**

0

**Area of natural ecosystems converted since specified cutoff date (hectares)**

**Area of natural ecosystems converted during the last 5 years (hectares)**

**Please explain**

RSPO is a market driven voluntary certification, and conversion of land is covered by the New Planting Procedure (NPP) process

## F1.4

**(F1.4) Provide details on the land you control and/or manage that was not used for the production of your disclosed commodity(ies) in the reporting year.**

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**Forest risk commodity**

Palm oil

**Country/Area**

Malaysia

**Type of control**

Own land

**Land type**

Set-aside land

**Area (hectares)**

8,500

**% covered by natural forests**

100

**Please explain**

We are committed to biodiversity conservation in Wilmar operations and our supply chain. HCV and conservation areas play an important role in biodiversity conservation, maintaining and sustaining its ecological functions. We ensure biodiversity conservation through identification and management of HCV-HCSA and conservation areas for

Wilmar operations and our suppliers. To further support the Convention of Biological Diversity and SDG, we supported biodiversity conservation through various conservation programmes and partnerships such as Pongo Alliance.

Wilmar has 82 sites that account for 310,631 ha in total area for operational activities and 100% of the sites managing the aforesaid area have been subjected to biodiversity assessments in the last five years. Of the sites assessed in the past five years, 74 sites covering 32,544 ha are near critical biodiversity and 100% of these sites have biodiversity management plans in place.

About 10% of Wilmar's total oil palm landbank has been set aside for conservation areas. Over the years, our conservation areas have become sanctuaries for many rare, threatened, and endangered (RTE) species, as regular patrols and monitoring are incorporated as part of the management plans for these areas.

Identified through HCV assessments and regular monitoring of our concessions and surrounding landscape, these species, and their habitats are classified as HCV to be conserved and protected.

For details on our conservation efforts, please visit <https://www.wilmar-international.com/sustainability/conservation>

Please also refer to our Sustainability Report 2022 pages 12 and 30 for summary & details on our conservation projects and area: 32,544 ha

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**Forest risk commodity**

Palm oil

**Country/Area**

Indonesia

**Type of control**

Own land

**Land type**

Set-aside land

**Area (hectares)**

20,008

**% covered by natural forests**

100

**Please explain**

We are committed to biodiversity conservation in Wilmar operations and our supply chain. HCV and conservation areas play an important role in biodiversity conservation, maintaining and sustaining its ecological functions. We ensure biodiversity conservation through identification and management of HCV-HCSA and conservation areas for Wilmar operations and our suppliers. To further support the Convention of Biological Diversity and SDG, we supported biodiversity conservation through various conservation programmes and partnerships such as Pongo Alliance.

Wilmar has 82 sites that account for 310,631 ha in total area for operational activities

and 100% of the sites managing the aforesaid area have been subjected to biodiversity assessments in the last five years. Of the sites assessed in the past five years, 74 sites covering 32,544 ha are near critical biodiversity and 100% of these sites have biodiversity management plans in place.

About ten percent of Wilmar's total oil palm landbank has been set aside for conservation areas. Over the years, our conservation areas have become sanctuaries for many rare, threatened, and endangered (RTE) species, as regular patrols and monitoring are incorporated as part of the management plans for these areas. Identified through HCV assessments and regular monitoring of our concessions and surrounding landscape, these species, and their habitats are classified as HCV to be conserved and protected.

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**Forest risk commodity**

Palm oil

**Country/Area**

Nigeria

**Type of control**

Own land

**Land type**

Set-aside land

**Area (hectares)**

3,953

**% covered by natural forests**

100

**Please explain**

We are committed to biodiversity conservation in Wilmar operations and our supply chain. HCV and conservation areas play an important role in biodiversity conservation, maintaining and sustaining its ecological functions. We ensure biodiversity conservation through identification and management of HCV-HCSA and conservation areas for Wilmar operations and our suppliers. To further support the Convention of Biological Diversity and SDG, we supported biodiversity conservation through various conservation programmes and partnerships such as Pongo Alliance.

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About ten percent of Wilmar's total oil palm landbank has been set aside for conservation areas. Over the years, our conservation areas have become sanctuaries for many rare, threatened, and endangered (RTE) species, as regular patrols and monitoring are incorporated as part of the management plans for these areas. Identified through HCV assessments and regular monitoring of our concessions and surrounding landscape, these species, and their habitats are classified as HCV to be conserved and protected.

For details on our conservation efforts, please visit <https://www.wilmar-international.com/sustainability/conservation>

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**Forest risk commodity**

Palm oil

**Country/Area**

Ghana

**Type of control**

Own land

**Land type**

Set-aside land

**Area (hectares)**

83

**% covered by natural forests**

100

**Please explain**

We are committed to biodiversity conservation in Wilmar operations and our supply chain. HCV and conservation areas play an important role in biodiversity conservation, maintaining and sustaining its ecological functions. We ensure biodiversity conservation through identification and management of HCV-HCSA and conservation areas for Wilmar operations and our suppliers. To further support the Convention of Biological Diversity and SDG, we supported biodiversity conservation through various conservation programmes and partnerships such as Pongo Alliance.

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About ten percent of Wilmar's total oil palm landbank has been set aside for conservation areas. Over the years, our conservation areas have become sanctuaries for many rare, threatened, and endangered (RTE) species, as regular patrols and monitoring are incorporated as part of the management plans for these areas.

Identified through HCV assessments and regular monitoring of our concessions and surrounding landscape, these species, and their habitats are classified as HCV to be conserved and protected.

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## F1.5

**(F1.5) Does your organization collect production and/or consumption data for your disclosed commodity(ies)?**

	Data availability/Disclosure
Palm oil	Consumption and production data available, disclosing

## F1.5a

**(F1.5a) Disclose your production and/or consumption figure, and the percentage of commodity volumes verified as deforestation- and/or conversion-free.**

### Forest risk commodity

Palm oil

### Data type

Production data

### Commodity production/ consumption volume

4,430,583.8

### Metric for commodity production/ consumption volume

Metric tons

### Data coverage

Full commodity production/consumption

### Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?

Yes

### % of reported volume verified as deforestation- and/or conversion-free

100

### Please explain

As part of Wilmar's No Deforestation, No Peat and No Exploitation (NDPE) Policy, Wilmar is committed to zero deforestation in all (100%) of our operations as well as our supply chain for oil palm. As stated in the policy updated in 2019, Wilmar recognises 31

December 2015 as the cut-off date for supplier compliance with all provisions of the NDPE Policy, including no deforestation.

Wilmar takes a three-pronged approach to the monitoring and verification of our entire supply chain for NDPE commitments.

Wilmar's Supplier Group Compliance Programme (SGCP), delivered by Earthqualizer (formerly Aidenvironment Asia): Since its launch in December 2013, SGCP helps us to identify deforestation through proactive monitoring of all concession areas within a supplier group. As part of the programme, we use satellite imagery from satellite and drone technology to proactively monitor our own conservation areas as well as our suppliers'. It provides deforestation and fire alerts linked directly to the concessions and companies responsible for them, enabling us to confirm and act upon non-compliances occurring within our supply chain. As at end 2022, SGCP monitors over 23.27 million ha, which covers over 900 supplier groups, representing over 8,285 plantation units in Malaysia, Indonesia and other palm-producing countries. SGCP forms part of our supplier compliance verification framework and is complemented by our Supplier Reporting Tool, proactive monitoring of deforestation by Satelligence, and Wilmar's Grievance Mechanism.

Wilmar's in-house Supplier Reporting Tool (SRT) is an annual online self-reporting programme used to assess 100% of Wilmar's direct supplying mills (including our own mills) and their associated estates (i.e. Malaysia, Indonesia, Ghana, Nigeria, and Latin America) for environmental and social risks. Core NDPE elements covered include environmental and biodiversity impact management (HCV, HCS, fire and peat management, no burning) and traceability. Data from the SRT is also used to identify gaps/risk areas, generate action plans (which are followed through by Wilmar's Supplier Compliance Team), and prioritise high-risk supplier mills for closer on-ground assessment, verification and engagement.

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**Forest risk commodity**

Palm oil

**Data type**

Consumption data

**Commodity production/ consumption volume**

5,397,386.79

**Metric for commodity production/ consumption volume**

Metric tons

**Data coverage**

Full commodity production/consumption

**Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?**

Yes

**% of reported volume verified as deforestation- and/or conversion-free**

100

**Please explain**

Externally sourced palm FFB from our suppliers.

As part of Wilmar's No Deforestation, No Peat and No Exploitation (NDPE) Policy, Wilmar is committed to zero deforestation in all (100%) our operations as well as our supply chain for oil palm. As stated in the policy updated in 2019, Wilmar recognises 31 December 2015 as the cut-off date for supplier compliance with all provisions of the NDPE Policy, including no deforestation.

Wilmar takes a three-pronged approach to the monitoring and verification of our entire supply chain for NDPE commitments.

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Wilmar's in-house Supplier Reporting Tool (SRT) is an annual online self-reporting programme used to assess all of our suppliers for our global operations (i.e. Malaysia, Indonesia, Ghana, Nigeria, and Latin America) for environmental and social risks. Core NDPE elements covered include environmental and biodiversity impact management (HCV, HCS, fire and peat management, no burning) and Traceability. Data from the SRT is also used to identify gaps/risk areas, generate action plans (which are followed through by Wilmar's Supplier Compliance Team), and prioritise high-risk suppliers mills for closer on-ground assessment, verification and engagement.

## **F1.5b**

**(F1.5b) Provide a breakdown of your DCF and non-DCF volumes relevant to your stage in the supply chain according to how verification is achieved and the highest level of traceability, respectively.**



### **Palm oil – DCF**

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**% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion**

0

**% of DCF production/consumption volume verified through monitoring systems**

100

**% of DCF production/consumption volume physically certified**

0

**Total percentage of production/consumption volume reported (DCF) [auto-calculated]**

100

### **Palm oil – Non DCF**

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**% of non-DCF production/consumption volume from unknown origin**

0

**% of non-DCF production/consumption volume traceable only as far as country level**

0

**% of non-DCF production/consumption volume traceable only as far as sub-national area**

0

**% of non-DCF production/consumption volume traceable only as far as processing facility level**

0

**% of non-DCF production/consumption volume traceable to production unit level**

0

**Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]**

0

## **F1.5c**

**(F1.5c) For your disclosed commodity(ies), indicate the percentage of the production/consumption volume sourced by national and/or sub-national jurisdiction of origin.**

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Malaysia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction  
Sabah

**% of total production/consumption volume**

12

**Please explain**

Percentage of total volume in metric tons disclosed is based on % volume of both internally cultivated and externally sourced oil palm fresh fruit bunches (FFB) in metric tons, from Sabah, Malaysia over the total volume (metric tons) for Wilmar Group.

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Malaysia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction  
Sarawak

**% of total production/consumption volume**

5

**Please explain**

Percentage of total volume in metric tons disclosed is based on % volume of both internally cultivated and externally sourced oil palm fresh fruit bunches (FFB) in metric tons, from Sarawak, Malaysia over the total volume (metric tons) for Wilmar Group.

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Nigeria

**State or equivalent jurisdiction**

**% of total production/consumption volume**

1

**Please explain**

Percentage of total volume in metric tons disclosed is based on % volume of both internally cultivated and externally sourced oil palm fresh fruit bunches (FFB) in metric tons, from Nigeria over the total volume (metric tons) for Wilmar Group.

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Ghana

**State or equivalent jurisdiction**

**% of total production/consumption volume**

1

**Please explain**

Percentage of total volume in metric tons disclosed is based on % volume of both internally cultivated and externally sourced oil palm fresh fruit bunches (FFB) in metric tons, from Ghana over the total volume (metric tons) for Wilmar Group.

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Indonesia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction  
Kalimantan

**% of total production/consumption volume**

29

**Please explain**

Percentage of total volume in metric tons disclosed is based on % volume of both internally cultivated and externally sourced oil palm fresh fruit bunches (FFB) in metric tons, from Kalimantan, Indonesia over the total volume (metric tons) for Wilmar Group.

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Indonesia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction  
Sumatra

**% of total production/consumption volume**

52

**Please explain**

Percentage of total volume in metric tons disclosed is based on % volume of both internally cultivated and externally sourced oil palm fresh fruit bunches (FFB) in metric tons, from Sumatra, Indonesia over the total volume (metric tons) for Wilmar Group

**F1.5f**

**(F1.5f) How does your organization produce or consume biofuel derived from palm oil?**

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**Does your organization produce or consume biofuel derived from palm oil?**

Yes

**Data type**

Production

**Volume produced/consumed**

49,161

**Metric**

Other, please specify  
metric tonnes

**Country/Area of origin**

Malaysia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction  
Johor

**% of total production/consumption volume**

1-5%

**Does the source of your organization's biofuel material come from smallholders?**

Yes

**Comment**

Percentage of total production volume disclosed is based on % of volume from Johor, Malaysia over the Wilmar Group total volume

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**Does your organization produce or consume biofuel derived from palm oil?**

Yes

**Data type**

Production

**Volume produced/consumed**

1,191,931

**Metric**

Other, please specify  
metric tonnes

**Country/Area of origin**

Indonesia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction  
Sumatra

**% of total production/consumption volume**

31-40%

**Does the source of your organization's biofuel material come from smallholders?**

Yes

**Comment**

Percentage of total production volume disclosed is based on % of volume from Sumatra, Indonesia over the Wilmar Group total volume

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**Does your organization produce or consume biofuel derived from palm oil?**

Yes

**Data type**

Production

**Volume produced/consumed**

1,972,247

**Metric**

Other, please specify  
metric tones

**Country/Area of origin**

Indonesia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction  
Java

**% of total production/consumption volume**

51-60%

**Does the source of your organization's biofuel material come from smallholders?**

Yes

**Comment**

Percentage of total production volume disclosed is based on % of volume from Java, Indonesia over the Wilmar Group total volume

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**Does your organization produce or consume biofuel derived from palm oil?**

Yes

**Data type**

Production

**Volume produced/consumed**

292,314

**Metric**

Other, please specify  
metric ton

**Country/Area of origin**

Indonesia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction  
Sulawesi

**% of total production/consumption volume**

6-10%

**Does the source of your organization's biofuel material come from smallholders?**

Yes

**Comment**

Percentage of total production volume disclosed is based on % of volume from Sulawesi, Indonesia over the Wilmar Group total volume

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**Does your organization produce or consume biofuel derived from palm oil?**

Yes

**Data type**

Consumption

**Volume produced/consumed**

294,379

**Metric**

Liters

**Country/Area of origin**

Indonesia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction

Java

**% of total production/consumption volume**

81-90%

**Does the source of your organization's biofuel material come from smallholders?**

Yes

**Comment**

Percentage of total consumption volume disclosed is based on % of volume from Java, Indonesia over the Wilmar Group total volume

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**Does your organization produce or consume biofuel derived from palm oil?**

Yes

**Data type**

Consumption

**Volume produced/consumed**

40,000

**Metric**

Liters

**Country/Area of origin**

Indonesia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction

Riau

**% of total production/consumption volume**

11-20%

**Does the source of your organization's biofuel material come from smallholders?**

Yes

**Comment**

Percentage of total consumption volume disclosed is based on % of volume from Riau, Indonesia over the Wilmar Group total volume

## F1.6

**(F1.6) Has your organization experienced any detrimental forests-related impacts?**

No

## F1.7

**(F1.7) Indicate whether you have assessed the deforestation or conversion footprint for your disclosed commodities over the past 5 years, or since a specified cutoff date, and provide details.**

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**Forest risk commodity**

Palm oil

**Have you monitored or estimated your deforestation/conversion footprint?**

Yes, we monitor deforestation/conversion footprint in our supply chain

**Coverage**

Full consumption volume

**Reporting deforestation/conversion since a specified cutoff date or during the last five years?**

Since a specified cutoff date, please specify year

2004

**Known or estimated deforestation/ conversion footprint (hectares)**

0

**Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint**

All areas that are identified as HCV, HCS or riparian areas, are categorized by Wilmar as conservation areas and are actively managed and monitored under Wilmar's conservation management programme based on the principles of our biodiversity conservation commitments. This categorization may differ from the reporting definitions set by RSPO ACOP.

Comprehensive and robust HCV assessments are conducted by independent experts



and peer-reviewed by the HCV Resource Network before any land clearing or new plantation development commences. We had been using RSPO Approved Assessors in all our assessments, and subsequently HCV Licensed Assessors when the Assessor Licensing Scheme was launched in Jan 2015. Since the convergence of the HCV-HCS integrated methodology in 2016, assessments covering both HCV and HCS are carried out jointly and quality assured under the ALS.

If HCV-HCS are present in our sites, we implement the following measures:

- Formulate management plans to manage and protect the HCV-HCS areas that have been identified;
- The management plans will include the schedule for monitoring the HCV-HCS areas to ensure that no illegal activities i.e. logging, mining and poaching occur. In the HCV-HCS areas identified for its cultural values, our monitoring plan is to ensure that the boundaries are respected and that there are no illegal activities such as encroachment by external parties into the area. For HCV-HCS areas identified to harbour endangered, rare or threatened species, our monitoring will include periodical biological monitoring and inventory of species and ensure that the records are sent to the local government office for their records.
- In areas where there has been historical degradation on HCV-HCS or any non-compliant land clearing within our concession as per our NDPE cutoff date, restoration and reforestation activities are undertaken to enhance the conservation values identified and to improve landscape connectivity.

Our monitoring programme has been put in place since 2004 and we have recorded no illegal and/or deforestation cases in our own operations as at end of 2022.

## F2. Procedures

### F2.1

#### (F2.1) Does your organization undertake a forests-related risk assessment?

Yes, forests-related risks are assessed

#### F2.1a

#### (F2.1a) Select the options that best describe your procedures for identifying and assessing forests-related risks.

##### Palm oil

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##### Value chain stage

Direct operations

Supply chain

Other parts of the value chain

##### Coverage

Full

**Risk assessment procedure**

Assessed as part of an established enterprise risk management framework

**Frequency of assessment**

More than once a year

**How far into the future are risks considered?**

> 6 years

**Tools and methods used**

Internal company methods

External consultants

Global Forest Watch Pro

Sustainability Policy Transparency Toolkit (SPOTT)

National specific tools and databases

Jurisdictional/landscape assessment

Other, please specify

Supplier Reporting Tool (SRT) & Supplier Group Compliance Programme (SGCP)

**Issues considered**

Availability of forest risk commodities

Quality of forests risk commodities

Impact of activity on the status of ecosystems and habitats

Regulation

Climate change

Impact on water security

Tariffs or price increases

Loss of markets

Social impacts

**Stakeholders considered**

Customers

Employees

Investors

Local communities

NGOs

Other forest risk commodity users/producers at a local level

Regulators

Suppliers

Other, please specify

Stakeholder group: Sustainability collaborators, Certification bodies: RSPO, ISCC, MSPO, ISPO

**Please explain**

- Annual assessment of mills in our supply chain via Supplier Reporting Tool (SRT) to screen for socioenvironmental risks (legality, High Conservation Value (HCV), High

Carbon Stock (HCS) & peat protection, environmental impact management, commitment to protect and respect human rights defenders, child protection, occupational health and safety, labour rights and standards, recruitment fees, access to grievance mechanisms, Free, Prior & Informed Consent, legal and customary land rights, and traceability). This includes both direct suppliers and our-owned mills, identified based on previous year's procurement data. Suppliers receive report with an individualized action plan, followed through with support from our Supplier Compliance Team. This ensures greater consistency in providing recommendations and secures clarity on the required follow-up procedures, with the aim of improving sustainability performance of our direct 3rd party suppliers. As end of 2022, we continued to assess all 100% of our supplying mills and identified 11% high-priority mills based on their NDPE risk profile, for closer on-ground assessment and engagement.

- Grievance mechanism for stakeholders to raise issues and risks
- Risk assessment and audits - through our annual sustainability report 3rd-party audits, and sustainable palm oil certification audits, RSPO, ISCC, MSPO, ISPO
- Wilmar's conservation monitoring team works with experts, consultants, research centres and local community members to monitor conservation areas (i.e. HCV and HCS areas) identified in our concessions worldwide, to ensure they continue to support local biodiversity, covering >32,000 ha in Malaysia, Indonesia, Ghana and Nigeria. This team is made up of a number of qualified High Conservation Stock Approach (HCSA) practitioners and licensed HCV-HCSA assessors. Partnerships with community representatives established through formal agreements ensure we continue to uphold their traditions and employ local knowledge on management of the areas
- Supplier monitoring via Supplier Group Compliance Program (SGCP) uses satellite imagery to monitor concession areas associated with our supply chain and includes fire and deforestation alerts. As end 2022, SGCP monitors >23.27 million ha, which covers >900 supplier groups, representing over 8,285 plantation units in Malaysia, Indonesia and other palm-producing countries

## F2.2

**(F2.2) For each of your disclosed commodity(ies), has your organization mapped its value chains?**

	Value chain mapping
Palm oil	Yes, we have mapped the entire value chain

## F2.2a

**(F2.2a) Provide details of your organization's value chain mapping for its disclosed commodity(ies).**

### Forest risk commodity

Palm oil


### **Scope of value chain mapping**

Own operations

**% of total suppliers covered within selected tier(s)**

### **Description of mapping process and coverage**

**Your own production and primary processing sites: attach a list of facility names and locations (optional)**

 Screenshot 2023-06-19 TTP wilmar mills.png

**Your suppliers' production and primary processing sites: attach a list of names and locations (optional)**

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### **Forest risk commodity**

Palm oil

### **Scope of value chain mapping**

Tier 1 suppliers

**% of total suppliers covered within selected tier(s)**

98.7

### **Description of mapping process and coverage**

Wilmar focuses on traceability based on the quantity of oil from traceable sources, but we also identify the number of mills in our supply chain, the names of mills supplying crude palm oil and palm kernels to our downstream facilities, and certification status of our products. We welcome any input from our customers and other stakeholders on our approach. For a mill to be considered traceable, we require parent company name, mill name, address, coordinates and volumes. Where any part of this information is incomplete, volumes from that particular supplier will be treated as "untraceable". "Untraceable" does not mean that we do not know who we procure from but that it does not fully meet the above criteria. We know the names and addresses of 100% of our first-tier suppliers. Our calculations of traceable quantities of oil (known as volumetric calculation) include all of the above requirements from each of the mills. Without any of the above data, we classify a mill as untraceable. For products Wilmar buy from third-party refineries, traders and/or bulking installations if it does not have information of the supplying mills, the source is classified as unknown, and products from it are not traceable. Untraceable mills and unknowns considered are declared on the summary sheet of all Wilmar crusher/refinery facilities in Indonesia and Malaysia. The annual traceability values are calculated on volume supplied during the previous four quarters on a rolling basis for origin and destination refineries. The traceability data for refineries

at origin (Malaysia and Indonesia) is calculated using volumes received from individual mills, our-owned and third-party refinery transfers, traders and bulking installations; the traceability data for the refineries at destination (all other countries), otherwise also known as 2nd refiners, is calculated from shipment volumes received at the respective destinations. The quantity of oil from each origin has been multiplied by its traceability to calculate overall traceability. As of December 2022, we achieved 98.7% traceable to mill 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.

**Your own production and primary processing sites: attach a list of facility names and locations (optional)**

**Your suppliers' production and primary processing sites: attach a list of names and locations (optional)**

---

**Forest risk commodity**

Palm oil

**Scope of value chain mapping**

Tier 2 suppliers

**% of total suppliers covered within selected tier(s)**

83.4

**Description of mapping process and coverage**

The definition of traceable to plantation, or fresh fruit bunch (FFB) traceability, is also the subject of considerable debate. As noted previously, Wilmar has focussed its attention on traceability to mill, because the mill is a good indicator of the approximate location of its suppliers. Wilmar has prepared maps of all its own mills in Malaysia and Indonesia, showing all estate boundaries and the location of each smallholder and dealer, and is pursuing options to help its third-party suppliers to do likewise. Wilmar's current approach to traceability back to plantation is based on having considerable detail on all smallgrowers and estates, that includes : Parents company name, estates/growers/dealers name, GPS coordinates, number of growers, certification status and % (volume) from this source. If any information is missing, that source is considered not traceable. This may result in more conservative results than the other definitions, which may have lower data-qualifying requirements. Wilmar considers each source individually and hence reports the actual percentage (%) of the FFB that is traceable. Since 2015, Wilmar has maintained 100% TtP for all Wilmar-owned mills across our global operations. And we are targeting to reach 90% traceability to oil palm plantations across our global operations by 2023, and 100% by end 2025. As of end December 2022 (basis FY2022 volumes), approximately 83.4% of our global supply

chain is traceable to plantation level. 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. Our concession maps are publicly available on the Roundtable on Sustainable Palm Oil-GeoRSPO and the Global Forest Watch map platforms. 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.

**Your own production and primary processing sites: attach a list of facility names and locations (optional)**

**Your suppliers' production and primary processing sites: attach a list of names and locations (optional)**

## F2.3

**(F2.3) Do you use a classification system to determine risk of deforestation and/or conversion of other ecosystems for your sourcing areas, and if yes, what methodology is used, and what is the classification used for?**

	Use of a classification system to determine deforestation and/or conversion risk of sourcing areas	Methodology used for classifying levels of risk	Use of risk classification	Attachment indicating risk classification for each sourcing area (optional)
1	Yes, we use a classification system	Satellite monitoring, supplier compliance & due diligence, grievance mechanism	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.	
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## F3. Risks and opportunities

### F3.1

**(F3.1) Have you identified any inherent forests-related risks with the potential to have a substantive financial or strategic impact on your business?**

	Risk identified?
Palm oil	Yes

### F3.1a

**(F3.1a) How does your organization define substantive financial or strategic impact on your business?**

We define substantive financial or strategic impacts as risks that would:

- affect our current (immediate and day-to-day) operations significantly (e.g. resulting in financial losses compared to BAU),
- affect future performance of our operations and business in the near-term and longer-term with high likelihood.
- affect key business and operational relationships with our key stakeholders, such as our customers, regulators, supply chain, workers, business partners and relevant civil society organisations.

These are hence risks that could lead to substantive business (financial and operational) impacts, such as:

- Threats to our social license for operations leading to loss of business, increased liabilities
- Reduction in quality of palm oil FFB and quantity of yield
- Disruptions to flows in supply chain: production capacity, commodity sourcing, product demand
- Increase in our operational costs
- Reputational damage leading to loss of business

To be considered as having a substantive financial impact on the business, the risk or opportunity would have to have a potential annual impact (costs/benefits) exceeding US\$5 million. Going over this threshold would entail the need for reporting to the Group level so that

the material issues can be reviewed and managed adequately through the Group's Risk Management structure. We have a robust risk management framework to identify, measure, monitor and manage the critical risks we face. Sustainability risks and concerns are raised at each Board Sustainability Committee (BSC) meeting that meets quarterly to review the Group's sustainability and ESG matters to ensure they remain reflective of the dynamic ESG and commodity business landscape and business processes. These risks and concerns can range from standard operational matters to critical concerns – where “critical concerns” are defined as risks that have potential immediate and catastrophic impacts to our business, operations and people. The BSC also review overall risk management guidelines, policies and systems to determine the identified risks' potential financial or strategic impact. Our strategic and operational decision-making process continues to be strengthened through transparent communication and risk awareness across the organization while ongoing compliance with risk management processes is regularly reviewed.

In addition, the substantive impact issues identified undergo a materiality assessment review once every year. During this process, key issues identified are verified in consultation with third-party consultants, internal stakeholders, external stakeholders, our Senior Management and Board of Directors. Importance of these issues are rated on the matrix and placed in 'priority', 'important' or 'emergent' categories. Priority material issues that are especially noteworthy from our annual materiality assessment are 'biodiversity and conservation', 'climate change', 'responsible sourcing and supply chain transformation' and 'human rights and labour standards'. Emergent topics are topics which we do not disclose on/don't appear on the materiality matrix but we continue keeping track of. This Materiality Assessment is publicly available on pages 200-201 of Wilmar Sustainability Report 2022.

**Risks with potential substantive financial or strategic impacts are:**

- Forest and climate-related risks such as climate change, forest fires, extreme changes in weather patterns, loss of biodiversity, and decline in soil health (reduction in quality and yield of our plantation operations)
- Social-related risks such as disputes over land rights and conflicts with local communities, and labour and human rights; threats to our social license for operations
- Governance-related risks such as changes in local, national, and international regulations, fluctuations in commodity prices, foreign exchange risks, interest rate and credit-related risks, disruptions to flows in supply chains

## **F3.1b**

**(F3.1b) For your disclosed forest risk commodity(ies), provide details of risks identified with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.**

---

**Forest risk commodity**

Palm oil



**Type of risk**

Chronic physical

**Geographical scale**

Global

**Where in your value chain does the risk driver occur?**

Direct operation

Supply chain

Other parts of the value chain

**Primary risk driver**

Declining ecosystem services

**Primary potential impact**

Reduction or disruption in production capacity

**Company-specific description**

Wilmar has a total planted area of 246,240 ha as at end 2022, of which about 64.5% are in Indonesia, about 26.7% are in Malaysia, and 8.7% are in Africa (Ghana and Nigeria). All are countries with a wet tropical climate necessary to support the cultivation of oil palm, a crop that has a high water requirement. Therefore, climate-related risks such as changes in precipitation patterns due to climate change in these tropical countries, can have a huge impact on crop growth and oil palm fresh fruit bunches (FFB) yield in all of our planted areas.

In addition, our plantations are exposed to risks related to the decline in ecosystem services that may occur due to deforestation, land use change and loss of biodiversity, which are issues faced in all four countries where our plantation operations are based. These risks can impact crop resilience, thereby reducing our FFB yield.

Moreover, both risks can also impact our suppliers' production of palm in Malaysia, Indonesia and other geographical regions exposed to these risks, thereby disrupting our supply chain of FFB for our mills, along with trickle down effects on the rest of the downstream supply chain.

**Timeframe**

>6 years

**Magnitude of potential impact**

High

**Likelihood**

More likely than not

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact (currency)**

**Potential financial impact figure - minimum (currency)**

**Potential financial impact figure - maximum (currency)**

**Explanation of financial impact**

None

**Primary response to risk**

More ambitious forest-related commitments

**Description of response**

We manage climate, deforestation & biodiversity risks in our operations and supply chain via implementation of our sustainability policies, eg. No Deforestation, No Peat, No Exploitation (NDPE) Policy (since 2013), Grievance Procedure and Supplier Guidelines. These support our NDPE commitments which cover our global operations, including joint-ventures and third-party suppliers. Commitments include:

- No development on and conservation of HCV & HCS areas
- No development on and the conservation of peatlands of any depth
- No burning for new plantings, replanting or other developments
- Reduce energy use & GHG emissions; increase use of renewable energy sources
- Improve water management, especially in water-stressed areas: increase reuse

To ensure NDPE compliance, our Supplier Group Compliance Program (SGCP) monitors over 23.27 million ha of land via satellite imagery, covering over 900 supplier groups that represent over 8285 plantation units, and includes fire and deforestation alerts. We have removed 2.6 million ha of non-compliant oil palm plantation areas from our supply chain since 2015. Our operations also undergo 3rd party sustainable palm oil certification audits (e.g. RSPO, ISCC, MSPO, ISPO), which covers no deforestation requirements. At COP26, Wilmar is one of 12 agricommodity companies to pledge commitment to a 1.5-degree sectoral roadmap for enhanced supply chain action by COP27. The pledge reinforces the urgency for collective deforestation & climate action

**Cost of response**

0

**Explanation of cost of response**

This response pertains to running our operations and managing our supply chain, and are therefore considered part of our overall operational costs. These actions are integrated in our operations and costs of operations. It is not quantified separately.

---

**Forest risk commodity**

Palm oil

**Type of risk**

Regulatory

**Geographical scale**

Global

**Where in your value chain does the risk driver occur?**

Direct operation

Supply chain

Other parts of the value chain

**Primary risk driver**

Uncertainty and/or conflicts involving land ownership and occupancy rights

**Primary potential impact**

Closure of operations

**Company-specific description**

Wilmar is one of the world's largest oil palm plantation owners with a total planted area of 246,240 ha as at end 2022, of which about 64.5% are in Indonesia, about 26.7% are in Malaysia, and 8.7% are in Africa (Ghana and Nigeria). Land concessions in all four countries of operation can include territories that face conflict of land ownership and occupancy rights from claims made by local/indigenous communities. These conflicts that lead to litigative risks, reputational risks as well as our social license to operate.

**Timeframe**

1-3 years

**Magnitude of potential impact**

High

**Likelihood**

More likely than not

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact (currency)**

**Potential financial impact figure - minimum (currency)**

**Potential financial impact figure - maximum (currency)**

**Explanation of financial impact**

This response pertains to running our operations and managing our supply chain, and are therefore considered part of our overall operational costs. These actions are integrated in our operations and costs of operations. It is not quantified separately.

**Primary response to risk**

Engagement with local community

### Description of response

We are committed to respect and uphold legal and customary land tenure rights of communities and individual rights of Indigenous and local communities. Prior to any new planting, Free, Prior & Informed Consent (FPIC) must be granted to ensure local communities have clear, specific avenues to negotiate the conditions of any project. This is in accordance with the UN Declaration on the Rights of Indigenous People (UNDRIP), the High Carbon Stock Approach (HCSA) toolkit and the RSPO Principle & Criteria (P&C). We expect the same of our suppliers. In land-related planning, participatory mapping is carried out to involve affected communities and their representatives, relevant stakeholders and, where appropriate, supporting NGOs and independent experts. We will respond to any disputes or conflicts that arise in a timely and transparent manner following the steps stipulated in our Grievance Procedure and take action to remediate any adverse human rights impacts we have caused or contributed to. Where feasible, we seek to support food security in local communities by helping farmers grow other crops and establish food production businesses. Wilmar also actively participates in the RSPO's Human Rights Working Group (HRWG) and co-chairs the FPIC sub-group within the HRWG. The HRWG seeks to ensure the implementation of the RSPO P&C relevant to the protection of human rights while the sub-group explores practical solutions relating to the application of FPIC within the sector.

### Cost of response

0

### Explanation of cost of response

This response pertains to running our operations and managing our supply chain, and are therefore considered part of our overall operational costs. These actions are integrated in our operations and costs of operations. It is not quantified separately.

---

### Forest risk commodity

Palm oil

### Type of risk

Reputational and markets

### Geographical scale

Global

### Where in your value chain does the risk driver occur?

Direct operation  
Supply chain  
Other parts of the value chain

### Primary risk driver

Increased stakeholder concern or negative stakeholder feedback

**Primary potential impact**

Disruption to sales

**Company-specific description**

Bilateral agreements and international laws and regulations are regularly updated to reflect stakeholder feedback. These changes can affect our sales in markets. For example, the impacts from European Council's decision to stagnant primary generation product into the biodiesel market from 2020 can potentially impact palm oil sales

**Timeframe**

1-3 years

**Magnitude of potential impact**

High

**Likelihood**

Very likely

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact (currency)**

**Potential financial impact figure - minimum (currency)**

**Potential financial impact figure - maximum (currency)**

**Explanation of financial impact**

None

**Primary response to risk**

Market expansion

**Description of response**

Those products specified as primary generation would be sold into the food market instead

**Cost of response**

0

**Explanation of cost of response**

For sales into the food market, those primary generation product needs further processing (refined, fractionation, reduced to derivatives), with additional storage and handling cost. The impact has not been quantified financially.

---

**Forest risk commodity**

Palm oil

**Type of risk**

Acute physical

**Geographical scale**

Plantation

**Where in your value chain does the risk driver occur?**

Direct operation

Supply chain

Other parts of the value chain

**Primary risk driver**

Wildfires

**Primary potential impact**

Reduction or disruption in production capacity

**Company-specific description**

Forest fires pose a huge risk for both our employees and the communities living in and around our estates. It also jeopardizes the livelihoods and health and safety of the local community, and impacts operations requiring resources to be diverted to suppress any fires. Forest fires especially on high carbon stock forests releases significant GHG to the atmosphere and impacts the habitat of the flora and fauna. Severe forest fires lead to haze and transboundary haze which impacts the health and safety of citizens of surrounding countries. This may lead to reputational damage.

**Timeframe**

>6 years

**Magnitude of potential impact**

High

**Likelihood**

Likely

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact (currency)**

**Potential financial impact figure - minimum (currency)**

**Potential financial impact figure - maximum (currency)**

**Explanation of financial impact**

none

## Primary response to risk

Engagement with local community

## Description of response

NDPE Policy applies to all Wilmar operations, including subsidiaries and suppliers. A key aspect is a strict No Burning policy. Mechanical methods are used for land development, leaving debris to decompose and return nutrients to the land. 24/7 monitoring system and satellite imagery are implemented to monitor fires within and up to 5km outside our boundaries. All hotspot notifications are verified on the ground by our response teams to extinguish fires when there are confirmed incidences. We work with RSPO in sharing fire-related data and verifying hotspot notifications. We also monitor fires in our suppliers' concessions via Supplier Group Compliance Programme. We seek clarification upon receiving alerts from our monitoring platform through the media. Our concessions are equipped with fire-fighting infrastructure, equipment and staff with an on-site fire brigade. On-the-ground personnel are trained to be vigilant and to respond to fire incidences quickly and decisively. We supplement these efforts with community education, awareness campaigns and multi-stakeholder partnerships to entrench sustainable practices throughout the industry. We recognize slash & burn practices remain rampant among small-scale farmers and local communities, leading to uncontrolled fires. We partner with community leaders & local governments to conduct awareness campaigns at the grassroots level, undergo basic fire management training and are provided with fire-fighting equipment.

## Cost of response

0

## Explanation of cost of response

This response pertains to running our operations and managing our supply chain, and are therefore considered part of our overall operational costs. These actions are integrated in our operations and costs of operations. It is not quantified separately

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## Forest risk commodity

Palm oil

## Type of risk

Technological

## Geographical scale

Global

## Where in your value chain does the risk driver occur?

Direct operation

Supply chain

Other parts of the value chain

## Primary risk driver

Inability to increase yield of existing production areas

**Primary potential impact**

Constraint to growth

**Company-specific description**

To maintain and improve upon production without land expansion, yield increase is critical for continual growth

**Timeframe**

>6 years

**Magnitude of potential impact**

Low

**Likelihood**

About as likely as not

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact (currency)**

**Potential financial impact figure - minimum (currency)**

**Potential financial impact figure - maximum (currency)**

**Explanation of financial impact**

none

**Primary response to risk**

Implementation of environmental best practices in direct operations

**Description of response**

Internal R&D is continually developing clonal varieties, experimental and site testing the optimum ratio of male to female plants, and fertilizer program for optimal production

**Cost of response**

0

**Explanation of cost of response**

This response pertains to running our operations and managing our supply chain, and are therefore considered part of our overall operational costs. These actions are integrated in our operations and costs of operations. It is not quantified separately

## F3.2

**(F3.2) Have you identified any forests-related opportunities with the potential to have a substantive financial or strategic impact on your business?**



	Have you identified opportunities?
Palm oil	Yes

## F3.2a

**(F3.2a) For your selected forest risk commodity(ies), provide details of the identified opportunities with the potential to have a substantive financial or strategic impact on your business.**

### Forest risk commodity

Palm oil

### Type of opportunity

Efficiency

### Where in your value chain does the opportunity occur?

Direct operation

Supply chain

Other parts of the value chain

### Primary forests-related opportunity

Cost savings

### Company-specific description

Our operations rely on energy, water and other resources to run; therefore we actively recognize, explore and implement opportunities in minimizing the environmental footprint of our operations and supporting sustainable production through the efficient use of resources. We implement efficiency measures to reduce our energy and water use and, where possible, we reuse, recover and recycle waste.

We put in place and actively review our Wilmar Integrated Management System (WIMS), which follows the requirements of ISO 14001 and other relevant environmental standards, in order to continuously monitor and improve our performance. WIMS complements the Wilmar Environmental Policy and is supported by four in-house developed environmental standards for our factories, palm oil mills and crushing plants (i.e. Environmental Programme Standard, Stormwater & Wastewater Standard, Spill Prevention, Control, & Countermeasure Standard, and Environmental Inspection & Reporting Standard).

In our palm and sugar upstream operations, Wilmar practices a circular economy approach of reusing waste biomass for energy wherever possible in order to improve resource efficiency. For our palm oil mills, the primary energy sources are by-products from the milling process, such as empty fruit bunches (EFB), kernel shells and mesocarp fibre. For our sugar milling operations in Australia and India, the main source of fuel to power our mills is cane bagasse. In 2022, Wilmar's palm oil operations

diverted 176,070 MT of EFB and 1,543,195 MT of mesocarp fibre and palm kernel shells for energy recovery, generating an estimated equivalent of over 2.2 million MWh of energy for our mills and estimated equivalent cost savings of about USD 175 million.

**Estimated timeframe for realization**

1-3 years

**Magnitude of potential impact**

Medium-high

**Likelihood**

Likely

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**Explanation of financial impact figure**

While the full potential impact from our efficiency measures has not been quantified financially, as a conservative figure, Wilmar has generated cost savings of about USD 175 million in the reporting year 2022 alone, from the recycling of biomass for energy production in our palm upstream operations (mills).

The financial impact is estimated by estimating the power generated and cost savings by replacing the grid electricity with diverted 179,070 MT of empty fruit bunches (EFB) and 1,543,195 MT of mesocarp fibre and palm kernel shells used for energy in our mills in the respective areas of operation worldwide (i.e. Malaysia, Indonesia, Ghana and Nigeria). Energy content of the diverted biomass is calculated based on GHG Protocol, and assuming 45% efficiency of the power plants, for the conservative estimate.

**Cost to realize opportunity**

**Strategy to realize opportunity**

---

**Forest risk commodity**

Palm oil

**Type of opportunity**

Resilience

**Where in your value chain does the opportunity occur?**

Direct operation

Supply chain

Other parts of the value chain

**Primary forests-related opportunity**

Increased supply chain resilience

**Company-specific description**

As an integrated agribusiness that encompasses the entire value chain of the agri-commodity business, from cultivation and milling of palm oil; to processing, branding and distribution of food products and industrial agri-products, Wilmar has the operational capital and influence to realise opportunities that improve resilience particularly in the palm supply chain.

As part of our group-wide strategy, Wilmar incorporates the risk mitigation practices in our supply chain by applying rigorous due diligence for 100% of our potential supplying mills before they are eligible to enter our supply chain. The process covers various social and environmental criteria, e.g.:

- Public info of potential non-compliances or grievances
- Location and proximity to forest and peat landscape risks through concession maps or supply chain sourcing information
- Legal compliance
- Traceability data
- High Conservation Value (HCV) and High Carbon Stock Approach (HCSA) assessments

Wilmar assesses all mills in our supply chain annually to ensure ESG risks remain properly managed to ensure the continual resilience of our supply chain. We use our Supplier Reporting Tool (SRT) to screen suppliers for socioenvironmental risks, covering both direct suppliers and Wilmar-owned mills, which we identify based on the previous year's procurement data. Suppliers also receive a report with an individualised action plan for follow-up to mitigate any potential risks raised. This supports the improvement of sustainability performance of our direct third-party suppliers. Since its launch in 2017, the SRT has been rolled out to all of our suppliers worldwide, including Indonesia, Malaysia, Honduras, Guatemala, and Colombia.

SRT data is analysed in combination with a mill's RSPO-certified status and Consortium of Resource Experts' (CORE) neighbourhood geospatial risk analysis to prioritise the mills that need to be verified on the ground by determining the overall risk levels of NDPE non-compliance. 'High priority' mills identified then undergo site assessments and direct engagement as part of our NDPE Policy implementation programme. Any potential breaches are to be closed out through action plans with time-bound commitments. To support/enhance suppliers' continual compliance to our NDPE Policy, we regularly provide capacity building programmes and access to relevant facilities.

**Estimated timeframe for realization**

1-3 years

**Magnitude of potential impact**

Medium-high

**Likelihood**

More likely than not

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**Explanation of financial impact figure**

The impact has not been quantified financially

**Cost to realize opportunity**

**Strategy to realize opportunity**

---

**Forest risk commodity**

Palm oil

**Type of opportunity**

Markets

**Where in your value chain does the opportunity occur?**

Direct operation

Supply chain

Other parts of the value chain

**Primary forests-related opportunity**

Increased demand for certified materials

**Company-specific description**

Driving sustainability certifications for our products in our palm value chain is an opportunity as it plays an important role in providing our customers with the confidence that our palm products meet high sustainability standards, supports a market for certified palm products, and is an enabler for driving positive change in the palm oil value chain.

In addition, certifications are an important aspect in Wilmar's sustainability practices, in order to support our due diligence processes in minimising deforestation, peat, human rights and other ESG risks, as well as in improving the efficiency and productivity of our palm operations. We benchmark our internal operations globally against various national and international sustainability standards and certifications to support the trade of sustainable palm oil and its derivatives in the market.

The certifications we work towards achieving include certifications by the RSPO, Indonesia Sustainable Palm Oil (ISPO), Malaysian Sustainable Palm Oil (MSPO) and the International Sustainability Carbon Certification (ISCC) for palm oil.

As at December 2022, 95% our refineries have achieved RSPO certification. 29 of our 36 mills have achieved certification. 81% of our palm plantations are RSPO certified. This includes our certified plasma smallholders. In 2022, our mills produced 863,595 metric tons (MT) of certified sustainable palm oil (CSPO) and 190,804 MT of certified sustainable palm kernel (CSPK). We target to complete RSPO certification for all our own palm oil mills by 2026.

**Estimated timeframe for realization**

1-3 years

**Magnitude of potential impact**

Medium-high

**Likelihood**

Likely

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**Explanation of financial impact figure**

The impact has not been quantified financially

**Cost to realize opportunity**

**Strategy to realize opportunity**

**Forest risk commodity**

Palm oil

**Type of opportunity**

Products & services

**Where in your value chain does the opportunity occur?**

Direct operation

Supply chain

Other parts of the value chain

**Primary forests-related opportunity**

Increased supply chain transparency

**Company-specific description**

Wilmar recognizes the importance of being able to trace supply flows from ports and refineries back to oil palm mills and over time to plantations. This is an integral part of providing greater transparency in the supply chain, including supplier locations and knowledge of practices being used on the ground.

We make our supply chain as transparent as possible to all stakeholders on our sustainability dashboard. While we previously updated this quarterly, we will now do so bi-annually because fluctuation between reporting periods is minimal. Over 90% of volumes originate from third-party suppliers in Indonesia and Malaysia.

In 2015, Wilmar committed to achieving full palm oil mill traceability for all volumes handled by our refineries. As at end Dec 2022, we achieved 98.7% traceability to palm oil mills. Since 2015, Wilmar has maintained 100% traceable to plantation for all Wilmar-owned mills across our global operations. We also published NDPE IRF profiles for all our refineries at origin and destinations.

**Estimated timeframe for realization**

1-3 years

**Magnitude of potential impact**

Medium-high

**Likelihood**

Very likely

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**Explanation of financial impact figure**

The impact has not been quantified financially

**Cost to realize opportunity**

**Strategy to realize opportunity**

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**Forest risk commodity**

Palm oil

**Type of opportunity**

Financial Incentives

**Where in your value chain does the opportunity occur?**

Direct operation

Supply chain

Other parts of the value chain

**Primary forests-related opportunity**

Incentives to promote low carbon agriculture

**Company-specific description**

To meet carbon net zero targets for Wilmar and our customers (external organization).

**Estimated timeframe for realization**

1-3 years

**Magnitude of potential impact**

High

**Likelihood**

Likely

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**Explanation of financial impact figure**

The impact has not been quantified financially

### Cost to realize opportunity

### Strategy to realize opportunity

## F4. Governance

### F4.1

**(F4.1) Is there board-level oversight of forests-related issues within your organization?**

Yes

### F4.1a

**(F4.1a) Identify the position(s) of the individual(s) (do not include any names) on the board with responsibility for forests-related issues.**

Position of individual or committee	Responsibilities for forest-related issues
Board Chair	A key component of Wilmar's NDPE Policy on sustainability is a commitment to ensuring that Wilmar does not develop in High Carbon Stock (HCS) Forests or High Conservation Value (HCV) Areas or knowingly source from suppliers engaged in the development of HCS or HCV. Wilmar's approach to sustainability is overseen by the Chairman/CEO and the Board of Directors. The Board Chairman/CEO is responsible for the oversight of our sustainability initiatives, including deforestation. Sustainability material topics and impacts identified through the stakeholder engagement process and materiality assessment were considered and approved by the Board. They are supported by the BSC, which works to formulate ESG strategies, identify ESG-related risks (including forest-related), evaluate ESG performance and targets and monitor the implementation of ESG-related policies and practices. The BSC meets quarterly and receives quarterly reports on sustainability performance from the Sustainability Department.
Director on board	The Board Sustainability Committee (BSC) which has an independent majority, assists the Board of Directors in fulfilling its oversight responsibility in relation to Wilmar's objectives, policies and practices pertaining to sustainability or ESG matters, and to ensure that the Company's positions in these areas are current and compliant with regulatory requirements and international standards. This is typically done through quarterly BSC meetings, reviews of emerging ESG issues and quarterly reports on sustainability performance from the Sustainability Department. Topics discussed cover the environment, health and safety, equal opportunities, human rights, labour rights, child protection, and food safety.



	Progress on sustainability targets, and potential risks associated with Wilmar's sustainability policies and programs, including the No Deforestation, No Peat, and No Exploitation (NDPE) Policy, sustainable sourcing, traceability and certification targets, etc, are also covered.
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## F4.1b

**(F4.1b) Provide further details on the board's oversight of forests-related issues.**

	Frequency that forests-related issues are a scheduled agenda item	Governance mechanisms into which forests-related issues are integrated	Please explain
Row 1	Scheduled - all meetings	<p>Monitoring implementation and performance</p> <p>Monitoring progress towards corporate targets</p> <p>Overseeing acquisitions, mergers, and divestitures</p> <p>Overseeing major capital expenditures</p> <p>Overseeing the setting of corporate targets</p> <p>Overseeing value chain engagement</p> <p>Providing employee incentives</p> <p>Reviewing and guiding annual budgets</p> <p>Reviewing and guiding business plans</p> <p>Reviewing and guiding corporate responsibility strategy</p> <p>Reviewing and guiding major plans of action</p>	<p>Our Sustainability Strategy are guided, reviewed and monitored by our Board of Directors. The Board meets quarterly and is accountable for the management and guidance of sustainability risks and opportunities including on forests, climate change, supply chain, etc. The Board is supported by the Board Sustainability Committee (BSC) which meets quarterly and provides oversight on Wilmar's sustainability risk management policies, frameworks, and performance targets for the entire business. The BSC tracks progress and potential risks associated with Wilmar's sustainability policies and programs, including the No Deforestation, No Peat, and No Exploitation (NDPE) Policy, sustainable sourcing, traceability and certification targets, etc. The BSC regularly reports to the Board to support their oversight responsibilities. Wilmar's Sustainability Department reports to the BSC on emerging issues and provides updates on sustainability performance through quarterly reports and meetings on ad-hoc basis. We applied the TCFD recommendations in the Sustainability Report 2022. As part of the SR2022 sign-off, the Board and BSC approved the Report, which includes the TCFD statement. The SR2022 also included third-party assured indicators such as monitoring of deforestation in suppliers' concessions, % traceability to mills, % of palm oil and lauric volumes to our refineries from suppliers that have at least commitments and/or action plan in place to address the No Deforestation requirements.</p>

		<p>Reviewing and guiding public policy engagement</p> <p>Reviewing and guiding risk management policies</p> <p>Reviewing and guiding strategy</p> <p>Reviewing innovation / R&amp;D priorities</p> <p>Setting performance objectives</p>	
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## F4.1d

**(F4.1d) Does your organization have at least one board member with competence on forests-related issues?**

### Row 1

#### Board member(s) have competence on forests-related issues

Yes

#### Criteria used to assess competence on forests-related issues

The Board Sustainability Committee (“BSC”) has been established to provide specific oversight of the Company’s sustainability strategy. Each member is distinguished and well respected in their field forming the basis of sustainability competence as required for the oversight and implementation of Wilmar’s sustainability strategy, including on deforestation and other forest-related issues. Areas of competence in the BSC include extensive knowledge and experience in forest-related issues, risks and opportunities where relevant to the company’s agri-commodity businesses, such as our No Deforestation, No Peat and No Exploitation (NDPE) commitments for palm plantation, mill, processing and trading, as well knowledge and experience in business and change management, and business and operational expertise in Wilmar’s core business area of palm and other agri-commodities, including with respect to supply chain and fostering partnerships. Additionally, it is mandatory for directors to attend ESG training by SGX-approved trainers by 2022.

## F4.2

**(F4.2) Provide the highest management-level position(s) or committee(s) with responsibility for forests-related issues (do not include the names of individuals).**

Name of the position(s) and/or committee(s)	Forests-related responsibilities of this position	Frequency of reporting to the board on	Please explain
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		forests-related issues	
Chief Sustainability Officer (CSO)	<p>Assessing forests-related risks and opportunities</p> <p>Managing forests-related risks and opportunities</p>	More frequently than quarterly	<p>Based in the Singapore Head Office, the Chief Sustainability Officer (CSO) is responsible for overall implementation of sustainability strategy and policy development. The CSO reports to the Board and BSC quarterly through reports and presentations on updates to policy progress and emerging issues. The CSO is responsible for the implementation of these policies and sustainability strategies set out by the Board in our own operations, and is supported by the General Manager of Group Sustainability and the Sustainability Department, comprising over 70 employees globally. The team has a wide range of relevant local and/or technical expertise across South East Asia, Europe and Africa to support the implementation of our multifarious programs, Responsibilities on forest-related topics which are reported to the Board include the following:</p> <p>(i) Implementation of “No Deforestation” commitments of the NDPE Policy, maintaining a continuous target of zero deforestation (no development on HCS or HCV areas, no burning, and zero new development on peatland, regardless of depth.</p> <p>(ii) Wilmar’s conservation programmes in set-aside conservation areas covering 32,544 hectares of HCV &amp; HCS areas in our concession areas in Indonesia, Malaysia, Ghana and Nigeria (approx. 10% of landbank). Examples include progress of programmes in the Sekar Imej Conservation Area (SICA), Wilmar’s largest HCV area in Malaysia, which aims to function as a world-class biodiversity and carbon research centre by 2030.</p>

## F4.3

**(F4.3) Do you provide incentives to C-suite employees or board members for the management of forests-related issues?**

	Provide incentives for management of forests-related issues	Comment
Row 1	Yes	

## F4.3a

**(F4.3a) What incentives are provided to C-Suite employees or board members for the management of forests-related issues (do not include the names of individuals)?**

	Role(s) entitled to incentive?	Performance indicator	Contribution of incentives to the achievement of your organization's forests-related commitments	Please explain
Monetary reward	Board chair Corporate executive team Chief Executive Officer (CEO) Chief Sustainability Officer (CSO)	Ending deforestation and/or conversion of other natural ecosystems	none	<p>Our Board of Directors, CEO, and CSO oversees sustainability matters including conservation and forests-related issues. Performance against targets and market reputation are evaluated every year and the results will be related to the performance review and remuneration for the year.</p> <p>Forest-related Targets include:</p> <ul style="list-style-type: none"> <li>- No deforestation (ongoing) (i.e. No development on High Carbon Stock (HCS) forests or High Conservation Value (HCV) areas; No burning in the preparation of new planting, re-planting, or any other development)</li> <li>- No new development on peatland regardless of depth (ongoing)</li> <li>- Maintain best management practices</li> </ul>


				<p>for existing plantations on peat (ongoing)</p> <ul style="list-style-type: none"> <li>- Safeguard biodiversity in Wilmar's operational areas, plus progress on conservation programmes in Wilmar's land area set aside for conservation (i.e. 32,544 hectares of HCV areas and HCS forests set aside for conservation area in our oil palm plantations in Indonesia, Malaysia, Ghana and Nigeria, equating about 10% of our total landbank)</li> <li>- Publish Best Management Practice Guidelines on Conservation for Indonesia, Malaysia and West Africa by 2024</li> </ul>
Non-monetary reward	<p>Board chair</p> <p>Corporate executive team</p> <p>Chief Executive Officer (CEO)</p> <p>Chief Financial Officer (CFO)</p> <p>Chief Operating Officer (COO)</p> <p>Chief Sustainability Officer (CSO)</p> <p>Other C-suite Officer</p>	<p>Ending deforestation and/or conversion of other natural ecosystems</p> <p>Other, please specify</p> <p>Reputational achievements</p>	none	<p>Performing well in key sustainability ratings and rankings have huge reputational benefits to Wilmar. We are regularly invited to participate and share in public events and sharing platforms to share on our sustainability initiatives, achievements and progress. These third-party rankings and ratings are good assessments to help us gauge where we are and identify areas for improvements. We also have a few Sustainability Linked Loans linking our performance in these external ratings to financing. Therefore, Wilmar participates in several key sustainability ratings and benchmarks across each reporting year (e.g. CDP Forest, CDP Climate Change, CDP Water, DJSI, FTSE4Good, ZSL SPOTT, etc), and good performance in these key</p>

				sustainability ratings, defined by comprehensive participation, inclusion in listings, good scores and year-on-year improvements, is critical.
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## F4.4

### (F4.4) Did your organization include information about its response to forests-related risks in its most recent mainstream financial report?

Yes (you may attach the report – this is optional)

 AR2022.pdf

## F4.5

### (F4.5) Does your organization have a policy that includes forests-related issues?

Yes, we have a documented forests policy that is publicly available

## F4.5a

### (F4.5a) Select the options to describe the scope and content of your policy.

#### Row 1

#### Scope

Company-wide

#### Commodity coverage

Palm oil

#### Content

Commitment to eliminate conversion of natural ecosystems

Commitment to no land clearance by burning or clearcutting

Commitment to eliminate deforestation

Commitment to no deforestation, to no planting on peatlands and to no exploitation (NDPE)

Commitment to remediation, restoration and/or compensation of past harms

Commitment to best management practices for soils and peat

Commitment to take action beyond own supply chain to tackle environmental issues

Commitment to resolving both social and environmental issues in own operations and supply chain

Commitment to protect rights and livelihoods of local communities

Commitment to stakeholder awareness and engagement

Commitment to align with the SDGs

Recognition of the overall importance of forests and other natural ecosystems

Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy

List of timebound milestones and targets

Description of forests-related performance standards for direct operations

Description of forests-related standards for procurement

## Document attachment

 wilmar-ndpe-policy---2019.pdf

## Please explain

Please refer to our No Deforestation, No Peat, No Exploitation (NDPE) Policy for more details. Launched in 2013, our NDPE policy covers 100% of Wilmar operations worldwide, extending beyond our own mills, plantations and refineries, and including those of our subsidiaries & joint ventures regardless of shareholding, and also 100% of our third-party suppliers.

Summary of Key commitments:

(1) No Deforestation:

- No development on High Carbon Stock (HCS) Forests or High Conservation Value (HCV) Areas
- No burning

Wilmar requires the protection of HCS forests and HCV areas in all estates within our global supply chain under the full scope of this policy. Any plantation development activity must identify HCV areas and HCS forests for protection.

(2) No New Development on Peat Regardless of Depth:

- Adopt Best Management Practices for Existing Plantations on Peat as defined by RSPO and through collaboration with expert stakeholders
- Where Feasible, Explore Options for Peat Restoration by Working with Expert Stakeholders and Communities.

GHG Reduction commitments:

In addition, for Wilmar-owned operations, we will adopt and implement significant GHG emissions reduction targets, which will be achieved by treating mill effluent to reduce methane emissions, halting deforestation, as well as best management practices of cultivated peatland. We expect suppliers to also adopt these practices. We will regularly report progress in monitoring and reducing significant pollutants and emissions from plantation and mill operations using appropriate tools, such as the RSPO PalmGHG calculator and the GHG Protocol accounting standard, or equivalent.

(3) No Exploitation of People and Local Communities:

- Respect and Support Internationally Recognised Human Rights
- Respect and Recognise the Rights of All Workers
- Respect and Protect the Rights of Children and Their Welfare
- Support the Inclusion of Smallholders into the Supply Chain
- Respect Land Tenure Rights
- Respect the Rights of Indigenous and Local Communities to Give or Withhold their

Free, Prior and Informed Consent (FPIC) to Operations on Lands to Which They Hold Proven Legal, Communal or Customary Rights

- Identify Measures to Provide Remediation Where the Company has Contributed to Negative Human Rights Impacts; Resolve All Complaints through an Open, Transparent and Consultative Process with Stakeholders.

## F4.6

**(F4.6) Has your organization made a public commitment to reduce or remove deforestation and/or forest degradation from its direct operations and/or supply chain?**

Forest risk commodity	Public commitments made
Palm oil	Yes

### F4.6a

**(F4.6a) Has your organization endorsed any of the following initiatives as part of its public commitment to reduce or remove deforestation and/or forest degradation?**

New York Declaration on Forests

Tropical Forest Alliance

Other, please specify

High Carbon Stock Approach (HCSA), Roundtable on Sustainable Palm Oil (RSPO) Principles and Criteria, United Nations Global Compact, FAO's Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests

### F4.6b

**(F4.6b) Provide details on your public commitment(s), including the description of specific criteria, coverage, and actions.**

#### Forest risk commodity

Palm oil

#### Criteria

No conversion of natural ecosystems

No new development on peat regardless of depth

Best management practices for existing cultivation on peat

Restoration and compensation to address past deforestation and conversion

Avoidance of negative impacts on threatened and protected species and habitats

No trade of CITES listed species

#### Operational coverage

Direct operations and supply chain

**% of total production/ consumption covered by commitment**



100%

**Cutoff date**

2015

**Forest risk countries/areas that the cutoff date applies to**

Applied globally

**Reason for selecting cutoff date**

Specific to commitment

**Commitment target date**

<2017

**Please explain**

We expect all our operations and suppliers to be fully compliant with all provisions of our No Deforestation, No Peat, and No Exploitation (NDPE) Policy.

In 2015, we became the first palm oil company to have a publicly accessible grievance procedure that enables any external stakeholder to raise issues relating to our operations or those of our suppliers. We published our supplier palm oil mill list in the same year.

In 2018, after a year-long review of our action taken on suppliers that continue to deforest, we adopted a clear cut-off date of 31 December 2015 for deforestation (including requirements for recovery plans to account for deforestation from the cut-off date), and a suspension approach whereby suppliers verified to be deforesting will be immediately suspended at group level.

As part of our full supplier compliance verification framework—and in addition to our Supplier Reporting Tool and grievance mechanism—Wilmar also launched the Supplier Group Compliance Programme (SGCP) in 2013 to proactively monitor risk of association at supplier group level. This proactive monitoring programme is delivered by Earth Equalizer. The platform provides deforestation and fire alerts that are directly actionable, as the occurrences are directly linked to the concessions and companies that own them. The platform, therefore, enables us to better identify deforestation or peat development non-compliance occurring within our supply chain. The programme currently monitors over 23.27 million hectares and covers over 900 supplier groups of company-owned or managed lands both within and beyond Wilmar's existing supply chain. Any verified deforestation will trigger the grievance procedure.

Through active monitoring of our estates and suppliers, and then following through where deforestation non-compliance is found. Since 2015, we have suspended 34 supplier groups managing 2.6 million hectares of oil palm plantations from our supply chain due to non-compliance with our NDPE policy including deforestation.

SRT: <https://www.wilmar-international.com/sustainability/supply-chain-transformation>

SGCP: [https://www.wilmar-international.com/sustainability/supply-chain-transformation/supplier-group-compliance-\(sgc\)](https://www.wilmar-international.com/sustainability/supply-chain-transformation/supplier-group-compliance-(sgc))

Grievance Procedure: <https://www.wilmar-international.com/sustainability/grievance-procedure>

## F5. Business strategy

### F5.1

**(F5.1) Are forests-related issues integrated into any aspects of your long-term strategic business plan, and if so how?**

	Are forests-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, forests-related issues are integrated	16-20	<p>Since 2004, Wilmar has made efforts towards removing or reducing deforestation and forest degradation from direct operations and supply chain.</p> <p>All areas identified as High Conservation Value (HCV), High Carbon Stock (HCS) or riparian areas, are categorized by Wilmar as conservation areas and actively managed &amp; monitored under our conservation management programme. Independent HCV assessments are conducted and peer-reviewed by the HCV Resource Network prior to any land clearing or new plantation development.</p> <p>Our monitoring programmes have been put in place since 2004 and we have recorded no illegal and/or deforestation cases in our own operations as at end of 2022.</p> <p>As a member of RSPO since its inception in 2004, we have been an active participant in various RSPO working groups over the years, e.g. Board of Governors, the Smallholder Support Fund Panel, the Fresh Fruit Bunch (FFB) Legality &amp; Traceability Taskforce, the Biodiversity and High Conservation Values (BHCV) Working Group, Human Rights Working Group, etc.</p> <p>In response to internal risk assessment and external pressure on forests issues, Wilmar forest-related commitments were further cemented and integrated into our long-term business plan in 2013, when Wilmar's No Deforestation, No Peat, No Exploitation (NDPE) policy was announced. In the Policy, Wilmar's commitment expanded to removing deforestation from its supply chain covering the scope of all of Wilmar's operations worldwide, including all subsidiaries that we own, manage</p>

			<p>or invest in, regardless of stake, extending to all joint ventures and all third-party suppliers at group-level.</p> <p>In December 2018, Wilmar released a Joint Statement with Aidenvironment and supporting consumer goods companies that details Wilmar's new supplier monitoring and engagement programme that will accelerate its efforts towards a deforestation-free palm oil industry, by improving effectiveness of the NDPE policy while also intending to provide remediation for past deforestation by its third-party suppliers. The resulting Wilmar will be supporting efforts by Aidenvironment to develop a Supplier Group Compliance Programme monitors satellite map database of land concessions covering over 900 supplier parent groups for NDPE compliance including deforestation and fire alerts.</p>
Strategy for long-term objectives	Yes, forests-related issues are integrated	16-20	<p>Since 2004, Wilmar has made efforts towards removing deforestation from direct operations and supply chain. Areas identified as HCV, HCS or riparian areas are managed as conservation areas under our conservation management programme. Independent HCV assessments are conducted and peer-reviewed by the HCV Resource Network prior to any land clearing or new plantation development. Our forest-related commitments were further cemented and integrated into our long-term business plan in 2013, through the NDPE Policy, which covers our global operations worldwide, subsidiaries, joint ventures and 3rd-party suppliers. For NDPE Policy to be effective, engagement with 3rd-party suppliers and smallholders is key. We implemented the Supplier Reporting Tool (SRT) and Supplier Group Compliance Programme (SGCP) to assess our suppliers' level of compliance with our NDPE Policy. We assess all mills in our supply chain annually. The SRT is used to screen socioenvironmental risks, which include HCV, HCS and peat protection, grievance mechanisms, environmental impact management, FPIC, legal and customary land rights and traceability. Suppliers also receive a report with an individualised action plan. This ensures greater consistency in providing recommendations and secures clarity on the required follow-up procedures. This allows for improved sustainability performance of our direct third-party suppliers. Through SGCP, we proactively monitor risk of association at supplier group level and currently monitor &gt;23.2 mil ha, covering &gt;900 supplier groups and</p>

			8,285 plantation units. In 2021, at the COP26 in Glasgow, Wilmar and 12 other agricultural companies pledged to develop a sectoral roadmap for enhanced supply chain action in line with a 1.5-degree Celsius pathway. In 2022, we worked with our peers developing 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 focusing on accelerating supply chain action to reduce emissions from land use change, drive transformation of commodity-producing landscape and support forest positive sector transformation. For details on our progress, see pages 34-36 of Palm NDPE Implementation Annual Report 2022. We have recorded no illegal and/or deforestation cases in our own operations as at end of 2022.
Financial planning	Yes, forests-related issues are integrated	16-20	Since 2004, Wilmar has made efforts towards removing or reducing deforestation and forest degradation from direct operations and supply chain; increasing the sustainable production and/or consumption of forest risk commodities its objective and goal. Since the launch of Wilmar's NDPE Policy in 2013, Wilmar's commitment to removing deforestation from its supply chain has become further cemented, covering the scope of all of Wilmar's operations worldwide, including subsidiaries, any refinery, mill or plantation that we own, manage or invest in, regardless of stake, extending to all joint ventures and all third-party suppliers at group-level. The incremental cost for sourcing deforestation-free material is minimal as it is moving towards an industry common practice.

## F6. Implementation

### F6.1

**(F6.1) Did you have any forests-related timebound and quantifiable targets that were active during the reporting year?**

Yes

### F6.1a

**(F6.1a) Provide details of your forests-related timebound and quantifiable target(s) and progress made.**

**Target reference number**

Target 1

**Forest risk commodity**

Palm oil

**Year target was set**

2004

**Target coverage**

Company-wide

**Target category**

Third-party certification

**Metric**

% of volume third-party certified

**Traceability point**

**Third-party certification scheme**

RSPO (any type)

**Base year**

2008

**Base year figure**

0

**Target year**

2026

**Target year figure**

100

**Reporting year figure**

81

**% of target achieved relative to base year [auto-calculated]**

81

**Target status in reporting year**

Underway

**Is this target linked to a commitment?**

Not linked to specific commitment

**Please explain**

As at end 2022, 29 of our 36 mills have achieved certification. This amounts to 81% of our mills.

Besides that, 81% or 251,905 ha of our oil palm plantations are RSPO certified. This includes our certified plasma smallholders linked to our operations in Indonesia and Ghana.

In 2022, our mills produced approximately 689,048 metric tonnes (MT) of certified sustainable palm oil (CSPO) and around 165,663 MT of certified sustainable palm kernel (CSPK). We target to complete RSPO certification for all our own palm oil mills by 2026

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**Target reference number**

Target 2

**Forest risk commodity**

Palm oil

**Year target was set**

2010

**Target coverage**

Company-wide

**Target category**

Third-party certification

**Metric**

% of volume third-party certified

**Traceability point**

**Third-party certification scheme**

RSPO (any type)

**Base year**

2010

**Base year figure**

0

**Target year**

2024

**Target year figure**

100

**Reporting year figure**

95

**% of target achieved relative to base year [auto-calculated]**

95

**Target status in reporting year**

Underway

**Is this target linked to a commitment?**

Not linked to specific commitment

**Please explain**

As of 2022, 139 palm downstream operations are RSPO SCCS certified (95%), with the remaining one achieving certification in end 2024

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**Target reference number**

Target 3

**Forest risk commodity**

Palm oil

**Year target was set**

2015

**Target coverage**

Company-wide

**Target category**

Other, please specify

Traceability

**Metric**

Other, please specify

Achieve 100% traceability to our palm oil mills

**Traceability point**

**Third-party certification scheme**

**Base year**

2015

**Base year figure**

0

**Target year**

2022

**Target year figure**

100

**Reporting year figure**

98.7

**% of target achieved relative to base year [auto-calculated]**

98.7

**Target status in reporting year**

Underway

**Is this target linked to a commitment?**

Not linked to specific commitment

**Please explain**

As of December 2022, 98.7% traceable to palm oil mills

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**Target reference number**

Target 4

**Forest risk commodity**

Palm oil

**Year target was set**

2015

**Target coverage**

Company-wide

**Target category**

Other, please specify

Assess and/or verify compliance

**Metric**

Other, please specify

Achieve a 100% response rate to all grievances raised via Wilmar's Grievance Procedure (annual target)

**Traceability point**

**Third-party certification scheme**

**Base year**



2015

**Base year figure**

0

**Target year**

2021

**Target year figure**

100

**Reporting year figure**

100

**% of target achieved relative to base year [auto-calculated]**

100

**Target status in reporting year**

Achieved

**Is this target linked to a commitment?**

Social commitments

**Please explain**

Since 2015, a 100% response rate has been consistently achieved every year.

Since 2015, we have suspended 34 supplier groups from our supply chain due to non-compliance with our NDPE policy, which includes deforestation. As of December 2022, 19 of 34 supplier groups (managing 1.1 million hectares of oil palm plantations) met Wilmar's re-entry criteria while another 15 supplier groups (managing 1.5 million hectares of oil palm plantations) remain on our suspension list.

Through corrective measures and action, suspended suppliers can re-enter our supply chain. For clarity, we have published criteria with tangible measures for re-engagement, otherwise known as 'Minimum requirements for supply chain re-entry after suspension due to no deforestation and/or no peatland (NDP) non-compliance'. It is the suspended supplier's ability to meet these requirements that determines the resolution of their noncompliance status and any potential return to our supply chain. The document was finalized and published on our website in Q3 2019.

We guide our suppliers to close the gaps identified by sharing documentation, assisting suppliers to develop standard operating procedures (SOP) and sustainability policies, and helping to conduct field assessments that inform supplier compliance.

In 2020, we published our No Exploitation Protocol for third-party suppliers, a dedicated protocol that supports our Grievance Procedure in addressing breaches related to the 'no exploitation' component of our NDPE policy.

**Target reference number**

Target 5

**Forest risk commodity**

Palm oil

**Year target was set**

2012

**Target coverage**

Company-wide

**Target category**

Engagement with smallholders

**Metric**

% of smallholders engaged

**Traceability point**

**Third-party certification scheme**

**Base year**

2012

**Base year figure**

0

**Target year**

2025

**Target year figure**

100

**Reporting year figure**

31

**% of target achieved relative to base year [auto-calculated]**

31

**Target status in reporting year**

Underway

**Is this target linked to a commitment?**

Social commitments

**Please explain**

31% of our independent smallholders in Ghana, Nigeria, Malaysia, and Indonesia were supported by our smallholder programmes

## F6.2

**(F6.2) Do you have traceability system(s) in place to track and monitor the origin of your disclosed commodity(ies)?**

	Do you have system(s) in place?	Supply chain coverage	Description of traceability system	Exclusions	Description of exclusion
Palm oil	Yes	Volume from direct and indirect suppliers	<p>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% traceability to mill (TtM) by 2022.</p> <p>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.</p> <p>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</p>	Country/geographical area	Indonesia, Malaysia, and Ghana have been the priority of our traceability exercise but good progress has also been made in other countries.

			<p>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.</p>		
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## F6.2a

(F6.2a) Provide details on the level of traceability your organization has for its disclosed commodity(ies).

Forest risk commodity	Point to which commodity is traceable	Countries/areas to which this traceability point applies	% of total production/consumption volume traceable
Palm oil	Mill	<p>Bangladesh</p> <p>China</p> <p>Côte d'Ivoire</p> <p>Germany</p> <p>Ghana</p> <p>India</p> <p>Indonesia</p> <p>Malaysia</p> <p>Netherlands</p> <p>Nigeria</p> <p>South Africa</p>	98.7

		<p>Sri Lanka</p> <p>Uganda</p> <p>Ukraine</p> <p>United Kingdom of Great Britain and Northern Ireland</p> <p>United States of America</p> <p>Viet Nam</p> <p>Zambia</p>	
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## F6.3

**(F6.3) Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)?**

	Third-party certification scheme adopted?	% of total production and/or consumption volume certified
Palm oil	Yes	35.3

## F6.3a

**(F6.3a) Provide a detailed breakdown of the volume and percentage of your production and/or consumption by certification scheme.**

### Forest risk commodity

Palm oil

### Third-party certification scheme

RSPO (any type)

### Chain-of-custody model used

Mass balance

### % of total production/consumption volume certified

35.3

### Form of commodity

Fresh Fruit Bunches (FFB)

### Volume of production/ consumption certified

3,469,614.85

### Metric for volume

Metric tons

### Is this certified by more than one scheme?

Yes

**Please explain**

71.8% of RSPO certified FFB is also ISCC certified

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**Forest risk commodity**

Palm oil

**Third-party certification scheme**

International Sustainability and Carbon Certification (ISCC)

**Chain-of-custody model used**

Mass balance

**% of total production/consumption volume certified**

25.7

**Form of commodity**

Fresh Fruit Bunches (FFB)

**Volume of production/ consumption certified**

2,522,384.13

**Metric for volume**

Metric tons

**Is this certified by more than one scheme?**

Yes

**Please explain**

99.7% of ISCC certified FFB is also RSPO certified

---

**Forest risk commodity**

Palm oil

**Third-party certification scheme**

Other, please specify

Malaysian Sustainable Palm Oil (MSPO)

**Chain-of-custody model used**

Mass balance

**% of total production/consumption volume certified**

14.8

**Form of commodity**

Fresh Fruit Bunches (FFB)

**Volume of production/ consumption certified**

1,452,715.69

**Metric for volume**

Metric tons

**Is this certified by more than one scheme?**

Yes

**Please explain**

65.3% of MSPO certified FFB is also RSPO certified

**Forest risk commodity**

Palm oil

**Third-party certification scheme**

Other, please specify

Indonesian Sustainable Palm Oil (ISPO)

**Chain-of-custody model used**

Mass balance

**% of total production/consumption volume certified**

12.2

**Form of commodity**

Fresh Fruit Bunches (FFB)

**Volume of production/ consumption certified**

1,196,526.76

**Metric for volume**

Metric tons

**Is this certified by more than one scheme?**

Yes

**Please explain**

90.9% of ISPO certified FFB is also RSPO certified

## F6.4

**(F6.4) For your disclosed commodity(ies), do you have a system to control, monitor, or verify compliance with no conversion and/or no deforestation commitments?**

A system to control, monitor or verify compliance	
Palm oil	Yes, we have a system in place for our no conversion and/or deforestation commitments

## F6.4a

**(F6.4a) Provide details on the system, the approaches used to monitor compliance, the quantitative progress, and the non-compliance protocols, to implement your no conversion and/or deforestation commitment(s).**

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### **Forest risk commodity**

Palm oil

### **Operational coverage**

Direct operations

Supply chain

### **Description of control systems**

Our suppliers' compliance are assessed using our Supplier Reporting Tool (SRT), and our Supplier Group Compliance Programme (SGCP). We also have a comprehensive Grievance Mechanism for all stakeholders to report any suspected non-compliances. Please refer to our website for more information on our compliance tools.

SRT & SGCP: <https://www.wilmar-international.com/sustainability/supply-chain-transformation>

Grievance Procedure: <https://www.wilmar-international.com/sustainability/grievance-procedure>

### **Monitoring and verification approach**

Geospatial monitoring tool

Ground-based monitoring system

Community-based monitoring

First-party verification

Second-party verification

Third-party verification

### **% of total volume in compliance**

### **% of total suppliers in compliance**

### **Response to supplier non-compliance**

Retain & engage

Suspend & engage

### **% of non-compliant suppliers engaged**

### **Procedures to address and resolve non-compliance with suppliers**

Developing time-bound targets and milestones to bring suppliers back into compliance



Providing information on appropriate actions that can be taken to address non-compliance

Assessing the efficacy and efforts of non-compliant supplier actions through consistent and quantified metrics

Re-integrating suppliers back into supply chain based on the successful and verifiable completion of activities

### Please explain

Since 2015, we have suspended 34 supplier groups from our supply chain due to non-compliance with our NDPE policy, which includes deforestation. As of December 2022, 19 of 34 supplier groups (managing 1.1 million hectares of oil palm plantations) met Wilmar's re-entry criteria while another 15 supplier groups (managing 1.5 million hectares of oil palm plantations) remain on our suspension list.

Through corrective measures and action, suspended suppliers can re-enter our supply chain. For clarity, we have published criteria with tangible measures for re-engagement, otherwise known as 'Minimum requirements for supply chain re-entry after suspension due to no deforestation and/or no peatland (NDP) non-compliance'. It is the suspended supplier's ability to meet these requirements that determines the resolution of their noncompliance status and any potential return to our supply chain.

We guide our suppliers to close the gaps identified by sharing documentation, assisting suppliers to develop standard operating procedures (SOP) and sustainability policies, and helping to conduct field assessments that inform supplier compliance.

Re-entry Criteria: [https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/grievance/grievance-case-report/minimum-requirements-for-supply-chain-re-entry\\_final.pdf?sfvrsn=c0792f8c\\_2](https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/grievance/grievance-case-report/minimum-requirements-for-supply-chain-re-entry_final.pdf?sfvrsn=c0792f8c_2)

## F6.6

**(F6.6) For your disclosed commodity(ies), indicate if you assess your own compliance and/or the compliance of your suppliers with forest regulations and/or mandatory standards.**

	Assess legal compliance with forest regulations
Palm oil	Yes, from both suppliers and owned/managed land

## F6.6a

**(F6.6a) For your disclosed commodity(ies), indicate how you ensure legal compliance with forest regulations and/or mandatory standards.**

### Palm oil

#### Procedure to ensure legal compliance

All palm oil processing units must be MSPO certified before 1 Jan 2020

#### Country/Area of origin

Malaysia

## Law and/or mandatory standard(s)

MSPO

## Comment

The Malaysian Sustainable Palm Oil (MSPO) Certification Scheme is the national scheme in Malaysia for oil palm plantations, independent and organised smallholdings, and palm oil processing facilities to be certified against the requirements of the MSPO Standards.

## F6.7

**(F6.7) Are you working with smallholders to support good agricultural practices and reduce deforestation and/or conversion of natural ecosystems?**

	Are you working with smallholders?	Type of smallholder engagement approach	Smallholder engagement approach	Number of smallholders engaged	Please explain
Palm oil	Yes, working with smallholders	Capacity building	Offering on-site technical assistance and extension services Organizing capacity building events	31,266	We are committed to ensuring that 100% of our independent smallholders covered by our programs have access to best practices and expertise in order to help them achieve NDPE compliance and enhance their livelihoods. 100% of our scheme smallholders and 31% of our independent smallholders were supported by our capacity building programs in 2022. Our scheme smallholder programs 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 37,173 hectares of planted area

					<p>under smallholder schemes in Indonesia and Africa. Our independent smallholder programs are specific to each country and aim to address the unique challenges faced by farmers in their respective locations. For example, in Malaysia, we have received requests for support around the provision and application of fertilizers. In Ghana, farmers require support around best agronomic practices. Our programs can also help farmers achieve relevant certifications. Refer Sustainability Report 2022 pages 139 - 142</p>
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## F6.8

(F6.8) Indicate if you are working with your direct suppliers to drive action on forests-related issues and if so, provide details of the engagement.

### Forest risk commodity

Palm oil

### Are you working with direct suppliers?

Yes, working with direct suppliers

### Action(s) on forests-related issues driven by engagement

Ending deforestation and/or conversion of other ecosystems

### Type of engagement

Supply chain mapping

Capacity building

### Details of engagement

Supplier questionnaires on environmental and social indicators

Supplier audits  
Organizing capacity building events

### **Description of engagement**

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 OCCUPATIONAL HEALTH AND SAFETY (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

### **% of suppliers engaged by procurement spend covered by engagement**

100

### **Explain the impact of your engagement on the selected action**

920 total direct suppliers assessed, of which 823 assessed as low priority mills, 97 as high priority mills; of our which 51 of the high priority mills were engaged (e.g. field visit, received action plans, etc)

>50 trainings and awareness sessions on NDPE-related topics conducted since the implementation of Wilmar's NDPE policy

>700 suppliers attended Wilmar's NDPE training sessions

### **Is this engagement helping your suppliers engage with their suppliers on the selected action?**

Yes

### **Does this engagement contribute to achieving a reported target?**

Yes, please specify target ID(s)

To assessed 100% of direct suppliers

## F6.9

**(F6.9) Indicate if you are working beyond your first-tier supplier(s) to drive action on forests-related issues, and if so, provide details of the engagement.**

---

### Forest risk commodity

Palm oil

### Are you working beyond first tier?

Yes, working beyond first tier

### Action(s) on forest-related issues driven by engagement

Ending deforestation and/or conversion of other ecosystems

### Type of engagement

Supply chain mapping

### Details of engagement

Developing or distributing supply chain mapping tool

### Description of engagement

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.

### Explain the impact of your engagement on the selected action

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.

### Does this engagement contribute to achieving a reported target?

Yes, please specify target ID(s)

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

## F6.10

**(F6.10) Do you engage in landscape (including jurisdictional) approaches to progress shared sustainable land use goals?**

	Do you engage in landscape/jurisdictional approaches?
Row 1	Yes, we engage in landscape/ jurisdictional approaches

## F6.10a

**(F6.10a) Indicate the criteria you consider when prioritizing landscapes and jurisdictions for engagement in collaborative approaches to sustainable land use and provide an explanation.**

	Criteria for prioritizing landscapes/jurisdictions for engagement	Explain your process for prioritizing landscapes/jurisdictions for engagement
Row 1	<p>Ability to contribute to/ build on existing landscape and/or jurisdictional approaches</p> <p>Company has operational presence in area</p> <p>Commodity sourcing footprint</p> <p>Opportunity to build resilience at scale</p> <p>Opportunity to increase market access for smallholders and local communities</p> <p>Opportunity for increased human well-being in area</p> <p>Opportunity to protect and restore natural ecosystems</p> <p>Response to voluntary sectoral agreement</p> <p>Risk of deforestation, forests/land degradation, or conversion of other natural ecosystems</p> <p>Risk of biodiversity loss</p> <p>Risk of fires</p> <p>Risk of issues related to land tenure rights</p>	<p>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.</p> <p>Using a jurisdictional approach is the only way to ensure that smallholders are not left out of certification, In Sabah alone, as an example – this would mean including 25,000 smallholders in 170,000 ha in sustainable production.</p> <p>As Wilmar's representatives are also co-chairs of RSPO's Smallholder Working Group and Biodiversity and High Conservation Value HCV Working Group, we are leading the discussions on enabling smallholder certification and HCV compensation and remediation processes for the state.</p> <p>We believe that jurisdictional approaches pave the way for sustainable practices to become the industry standard.</p>

## F6.10b

**(F6.10b) Provide details of your engagement with landscape/jurisdictional approaches to sustainable land use during the reporting year.**

---

### **Landscape/Jurisdiction ID**

LJ1

### **Country/Area**

Malaysia

### **Name of landscape or jurisdiction area**

Sabah Jurisdictional Approach

### **Types of partners engaged in the initiative design and implementation**

National government  
National civil society organization(s)  
Local forest/rural associations  
Indigenous peoples  
Local communities  
Local producers/smallholder  
National/local company(ies)

### **Type of engagement**

Convener: High level of engagement in set-up, design, management and implementation  
Partner: Shared responsibility in the implementation of multiple goals  
Supporter: Implement activities to support at least one goal

### **Goals supported by engagement**

Avoided deforestation/conversion of natural ecosystems and/or decreased degradation rate  
Increased and/or maintained protected areas  
Natural ecosystems conserved and/or restored  
Biodiversity protected and/or restored  
Ecosystem services maintained and/or enhanced  
Promotion of transparency, participation, inclusion, and coordination in landscape policy, planning, and management  
Governance forums that represent all relevant stakeholders in place and maintained  
Respect, protect, and fulfil human rights  
Rights to land and resources recognized and protected, and related conflicts reduced  
Improved standard of living, especially for vulnerable and/or marginalized groups  
Improved business models that enable inclusion (including smallholders)  
Improved capacity for community engagement in multi-stakeholder processes  
Ensuring local communities and smallholders benefit from the outcomes of LA/JA approach

Implementation of livelihood activities/practices that reduce pressure on forests  
Increased adoption of sustainable production practices (e.g., input use efficiency and water management practices)  
Increased uptake of certification  
Reliable commodity traceability and landscape monitoring/data collection system(s)

### Company actions supporting approach

Support local governments (or equivalent) to enhance landscape governance structure, and provide them with resources to develop and implement sustainable landscape policies and/or management plan(s)

### Description of engagement

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. To help establish an entity responsible for managing the initiative and its activities with clear and transparent governance roles, responsibilities and decision-making for different stakeholders in that initiative

### Engagement start year

2016

### Engagement end year

Please specify  
2025

### Estimated investment over the project period (currency)

0

### Is a collective monitoring framework used to measure progress?

Yes, progress is collectively monitored using a shared external framework, please specify

### State the achievements of your engagement so far, and how progress is monitored

[https://www.conservation.org/docs/default-source/publication-pdfs/jurisdictional\\_approach\\_full\\_report\\_march2019\\_published.pdf?sfvrsn=23c977ae\\_3](https://www.conservation.org/docs/default-source/publication-pdfs/jurisdictional_approach_full_report_march2019_published.pdf?sfvrsn=23c977ae_3)  
[https://www.tropicalforestalliance.org/assets/Uploads/Sabah\\_Case\\_study-July2021-Final.pdf](https://www.tropicalforestalliance.org/assets/Uploads/Sabah_Case_study-July2021-Final.pdf)

## F6.10c

(F6.10c) For each of your disclosed commodities, provide details of the production/consumption volumes from each of the jurisdictions/landscapes you engage in.

Indicate landscape/jurisdiction ID	Does any of your commodity production/consumption volume originate from this	Commodity	% of total production/consumption
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	landscape/jurisdiction, and are you able/willing to disclose information on this volume?		volume from this landscape/jurisdiction
LJ1	Yes, we do produce/consume from this landscape/jurisdiction, and we are able/willing to disclose volume data	Palm oil	11.7

## F6.11

**(F6.11) Do you participate in any other external activities and/or initiatives to promote the implementation of your forests-related policies and commitments?**

### Forest risk commodity

Palm oil

### Do you participate in activities/initiatives?

Yes

### Activities

Involved in multi-partnership or stakeholder initiatives

### Country/Area

Not applicable

### Subnational area

Not applicable

### Initiatives

Roundtable on Sustainable Palm Oil (RSPO)

### Please explain

Wilmar has been an 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 currently have representations within the RSPO, which include the Board of Governors, the Smallholder Support Fund Panel, the Steering Committee for the Sabah Jurisdictional Approach for Sustainable Palm Oil Production, the Fresh Fruit Bunch (FFB) Legality & Traceability Taskforce, the Shared Responsibility Working Group, the Biodiversity and High Conservation Values (BHCV) Working Group, the Compensation Task Force (CTF) as well as the Human Rights Working Group, which includes the related Taskforce on Labour and the Taskforce on Decent Living Wage. Within these working groups, we will be pushing for improvements and better clarity in the implementation of key components of the RSPO Principles and Criteria and RSPO Supply Chain Certification Standard.

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**Forest risk commodity**

Palm oil

**Do you participate in activities/initiatives?**

Yes

**Activities**

Involved in multi-partnership or stakeholder initiatives

**Country/Area**

Not applicable

**Subnational area**

Not applicable

**Initiatives**

Tropical Forest Alliance 2020 (TFA)

**Please explain**

Wilmar signed up as a partner to the Tropical Forest Alliance 2020 (TFA) in 2015. This initiative was founded in 2012 at Rio+20 after the Consumer Goods Forum (CGF) committed to zero net deforestation by 2020 for palm oil, soy, beef, and paper and pulp supply chains. The CGF partnered with the US government to create the public-private alliance with the mission of mobilising all actors to collaborate in reducing commodity-driven tropical deforestation.

In support of its partners' commitments to reduce deforestation in tropical forest countries, TFA 2020 continues to grow its partner membership and bring on board key actors committed to tackling deforestation. Since June 2015, the TFA Secretariat has been hosted at the World Economic Forum offices in Geneva, with financial support from the governments of Norway and the United Kingdom.

Wilmar's Chief Sustainability Office, Jeremy Goon, is a member of the TFA 2020 Steering Committee, together with the Heads of Sustainability of various consumer business companies, as well as government officials from forest countries. Wilmar is also an active participant in TFA working groups, such as the Finance working group, to catalyse financial sector involvement in deforestation-free commodity supply chains. In November 2021, at the 26th 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 to decouple deforestation from their supply chains 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

Tropical Forest Alliance facilitated the process, with support from the World Business Council for Sustainable Development (WBCSD).

In September 2022, the Agricultural Sector Roadmap to 1.5°C for Palm Oil Sector was completed and made available for review and consultation. It represents a shared, sector-wide plan for addressing deforestation in supply chains and for accelerating collaboration to achieve that goal.

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**Forest risk commodity**

Palm oil

**Do you participate in activities/initiatives?**

Yes

**Activities**

Involved in multi-partnership or stakeholder initiatives

**Country/Area**

Not applicable

**Subnational area**

Not applicable

**Initiatives**

International Sustainability & Carbon Certification (ISCC)

**Please explain**

The ISCC is an international certification system covering all kinds of bio-based feedstocks and renewables catering to energy, food, feed and chemicals sectors. It incorporates sustainability criteria such as reduction of greenhouse gas emissions, sustainable use of land, protection of natural biospheres and social sustainability. Wilmar is a member of the ISCC association and has been an active user of the system since 2011 to facilitate trade to European Union Renewable Energy market. Achieving ISCC certification enables delivery of products compliant with the sustainability criteria laid down by the European Union's Renewable Energy Directive (RED).

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**Forest risk commodity**

Palm oil

**Do you participate in activities/initiatives?**

Yes

**Activities**

Involved in multi-partnership or stakeholder initiatives

**Country/Area**

Not applicable

**Subnational area**

Not applicable

**Initiatives**

Other, please specify

Sustainable Trade Finance Council (STFC)

**Please explain**

The STFC seeks to incentivize the trade of sustainably produced commodities at scale. Wilmar is an active member of the STFC, providing regular inputs and feedback to the various strategies and initiatives. We also participate in STFC forums and workshops.

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**Forest risk commodity**

Palm oil

**Do you participate in activities/initiatives?**

Yes

**Activities**

Involved in multi-partnership or stakeholder initiatives

**Country/Area**

Not applicable

**Subnational area**

Not applicable

**Initiatives**

Fire Free Alliance (FFA)

**Please explain**

Established in February 2016, the FFA focuses on fire prevention through community engagement. Founding members include APRIL, Asian Agri, IDH, Musim Mas, PM. Haze and Wilmar. Sime Darby and IOI Group officially joined as members in March 2016, further extending the reach of the FFA's community fire prevention and management programmes across Indonesia and Malaysia.

By March 2016, FFA has expanded fire prevention outreach to 218 villages in various parts of Indonesia. Of these, 77 villages signed up with FFA members for intensive fire-free programmes in 2016.

FFA members have reported reductions in fire incidences of between 50% and 90% from 2015 to 2016.

Since joining the FFA, Wilmar has completed a fire risk map for our concessions, which helps us to plan for the monitoring activities especially in high risk areas. We have also expanded our monitoring to areas outside our boundary up to 5 km. This is in part to ensure that any fires are quickly detected and extinguished before it reaches our plantations. Since joining this initiative in 2016, Wilmar has launched the “Fire Free Community” programme in 145 villages across Sumatra and Kalimantan.

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**Forest risk commodity**

Palm oil

**Do you participate in activities/initiatives?**

Yes

**Activities**

Involved in multi-partnership or stakeholder initiatives

**Country/Area**

Not applicable

**Subnational area**

Not applicable

**Initiatives**

Other, please specify

Palm Oil & NGO (PONGO) Alliance

**Please explain**

Wilmar is a founding member of the PONGO Alliance, together with Sime Darby and Musim Mas, the Orangutan Land Trust and several wildlife conservation experts and NGOs. The alliance aims to support the management of orang-utans and other wildlife in palm oil landscapes. Current priorities include capacity building for companies having orangutans and other wildlife in their land on best practices in forest conservation management.

---

**Forest risk commodity**

Palm oil

**Do you participate in activities/initiatives?**

Yes

**Activities**

Involved in multi-partnership or stakeholder initiatives

**Country/Area**

Not applicable

**Subnational area**

Not applicable

**Initiatives**

Other, please specify

Malaysian Sustainable Palm Oil (MSPO)

**Please explain**

The Malaysian Sustainable Palm Oil (MSPO) Certification Scheme is the national scheme in Malaysia for oil palm plantations, independent and organised smallholdings, and palm oil processing facilities to be certified against the requirements of the MSPO Standards. Wilmar began implementing the MSPO certification programme at our Malaysia operations in 2016 and successfully certified 100% of our Malaysian palm oil mills and plantations in 2020. Wilmar participates as working group member on the MSPO standard development and is a member of the Technical Committee of MSPO.

---

**Forest risk commodity**

Palm oil

**Do you participate in activities/initiatives?**

Yes

**Activities**

Involved in multi-partnership or stakeholder initiatives

**Country/Area**

Not applicable

**Subnational area**

Not applicable

**Initiatives**

UN Global Compact

**Please explain**

Wilmar is a signatory of the UNGC and we support the UNGC principles and UN SDGs

---

**Forest risk commodity**

Palm oil

**Do you participate in activities/initiatives?**

Yes

**Activities**

Funding research organizations

**Country/Area**

Not applicable

**Subnational area**

Not applicable

**Initiatives****Please explain**

Wilmar and the Royal Society's South-East Asia Rainforest Research Partnership (SEARRP) have been studying the conservation areas in Wilmar's plantations in Sabah since 2011. Wilmar and SEARRP signed a Memorandum of Understanding (MoU) in 2016 to formalize and expand our collaboration to advance the knowledge and application of sustainable plantation practices in Malaysia, Indonesia and the wider tropics. Under the 5-year MoU, both parties will establish research and training programs, commit to support and facilitate research by academics from leading universities (Universities of York, Oxford, Cambridge, Leeds, Nottingham, Aberdeen and Universiti Malaysia Sabah) with a strong focus on biodiversity conservation and the management of conservation areas within an oil palm plantation landscape. Wilmar and SEARRP also work together to develop simplified methods for environmental assessment and monitoring. By deepening the partnership between a leading palm oil processor and one of the foremost research programs in the tropics, Wilmar and SEARRP aim to make a major contribution to science which is critical to underpinning conservation, sustainability and environmental best practices for the palm oil industry. The partnership with SEARRP was renewed in 2022 for another 5-year term, Wilmar signed an MoU with Universiti Sains Malaysia (USM) in 2020 to collaborate on biodiversity conservation research projects. Conservation areas outside of protected areas have become sanctuaries for many threatened and endangered species. Recognizing that landscapes of mixed land-use types play a crucial role in landscape conservation, the collaboration focuses on biodiversity research within HCV areas in Sabah (Sekar Imej). Totalling around 2,400 ha, Sekar Imej is Wilmar's largest HCV and conservation area in Malaysia. Forging close collaboration with partners such as USM is part of Wilmar's multi-stakeholder efforts to identify and develop pragmatic, actual and lasting solutions and implementation for biodiversity conservation in Wilmar operations. The partnership optimizes on the strengths and expertise in life sciences by USM, which further fortifies Wilmar's commitment to promote and implement best practices in environmental sustainability and biodiversity conservation.

---

**Forest risk commodity**

Palm oil

**Do you participate in activities/initiatives?**

Yes

**Activities**

Engaging with communities

**Country/Area**

Not applicable

**Subnational area**

Not applicable

**Initiatives**

**Please explain**

We are committed to respect and uphold legal and customary land tenure rights of communities and individual rights of Indigenous and local communities. Prior to any new planting, Free, Prior and Informed Consent (FPIC) must be granted to ensure local communities have clear and specific avenues to negotiate the conditions of any project. This is in accordance with the United Nations Declaration on the Rights of Indigenous People (UNDRIP), the High Carbon Stock Approach (HCSA) toolkit and the RSPO Principle & Criteria (P&C). We expect the same of our suppliers.

In land-related planning, participatory mapping is carried out to involve affected communities and their representative, relevant stakeholders and, where appropriate supporting NGOs and independent experts. We will respond to any disputes or conflicts that arise in a timely and transparent manner following the steps stipulated in our Grievance Procedure and take action to remediate any adverse human rights impacts we have caused or contributed to. Where feasible, we seek to support food security in local communities by helping farmers grow other crops and establish food production businesses. We provide infrastructure and programs to facilitate community self-reliance at our operations for worker families and local communities. This includes the provision of schools, maintaining worker housing, and establishing public facilities in and around plantations. In 2022, Wilmar contributed over US\$24.54 million towards community investment and philanthropic activities. Details on our community programs are shown on pages 138 -146 of our Sustainability Report 2022.

---

**Forest risk commodity**

Palm oil

**Do you participate in activities/initiatives?**

Yes

**Activities**

Engaging with non-governmental organizations

**Country/Area**

Not applicable

**Subnational area**

Not applicable



## Initiatives

### Please explain

We regularly engage with environmental NGOs and social NGOs in one-to-one meetings and multi stakeholder forums and events.

---

### Forest risk commodity

Palm oil

### Do you participate in activities/initiatives?

Yes

### Activities

Engaging with policymakers or governments

### Country/Area

Not applicable

### Subnational area

Not applicable

## Initiatives

### Please explain

- Facilitate peat restoration of two million hectares of peatland across seven Indonesian provinces with severely degraded lands under the supervision and support by the Ministry of Environment and Forestry.
- Support Wilmar's Wildlife Outreach and Awareness Project with Sabah Wildlife Department (SWD) and Sarawak Forestry Corporation, HUTAN-Kinabatangan Orangutan Conservation Project and Bornean Sun Bear Conservation Centre (BSBCC)
- Honorary Wildlife Ranger and Wildlife Wardens
- Riparian Rehabilitation Project to enrich and enlarge riparian areas on state and company land and restore habitats for endangered species
- Assist Sabah government to achieve its vision of producing 100% certified sustainable palm oil under RSPO certification by 2025
- Support local schools

## F6.12

**(F6.12) Is your organization supporting or implementing project(s) focused on ecosystem restoration and long-term protection?**

Yes

## F6.12a

**(F6.12a) Provide details on your project(s), including the extent, duration, and monitoring frequency. Please specify any measured outcome(s).**

---

### Project reference

Project 1

### Project type

Other ecosystem restoration

### Expected benefits of project

Improvement of water availability and quality  
Improvement to soil health  
Increase in carbon sequestration  
Net gain in biodiversity and ecosystem integrity  
Restoration of natural ecosystem(s)

### Is this project originating any carbon credits?

No

### Description of project

Indonesia

- 321.53 ha across 8 sites restored
- 55,685 trees planted
- 6 nurseries established, with almost 40,000 seedlings and 13,737 trees from 96 species
- annual surveys conducted monitoring mortality
- annual rapid survey indicate that the restored areas are now home to more birds and reptiles than prior to 2012

### Where is the project taking place in relation to your value chain?

Project based in area with direct operations

### Start year

2012

### Target year

2021

### Project area to date (Hectares)

321.53

### Project area in the target year (Hectares)

321.53

### Country/Area

Indonesia

**Latitude**

2.591074

**Longitude**

112.5126

**Monitoring frequency**

Six-monthly or more frequently

**Total investment over the project period (currency)**

**For which of your expected benefits are you monitoring progress?**

- Improvement of water availability and quality
- Improvement to soil health
- Increase in carbon sequestration
- Net gain in biodiversity and ecosystem integrity
- Restoration of natural ecosystem(s)

**Please explain**

Riparian areas bordering rivers and water bodies are critical habitats with significant environmental benefits for plants and communities. Natural vegetation also serves as a buffer to pollutants entering a stream from run-off and erosion. However, some of these areas have been disturbed in the past through community activities or agricultural development. As part of our management and monitoring plans, trained teams have worked to restore degraded areas to their original condition to enrich the HCV areas and improve the local wildlife habitat. This has been applied through frequent monitoring and management by identifying priority restoration areas, establishing nurseries and planting trees in designated areas. Wilmar commissions various experts to join field staff and HCV officers to conduct surveys and seedling collection, establishing the nurseries, planting and maintaining trees as well as monitoring and management of the area. Job opportunities are also given to local community members who are hired to work at the nurseries.

---

**Project reference**

Project 2

**Project type**

Other ecosystem restoration

**Expected benefits of project**

- Improvement of water availability and quality
- Improvement to soil health
- Increase in carbon sequestration
- Net gain in biodiversity and ecosystem integrity
- Restoration of natural ecosystem(s)

**Is this project originating any carbon credits?**

No

**Description of project**

Segama River, Sabahmas

- riparian area restored and rehabilitated, river buffer zone increased from 20m to 50m; total ha increased from 93.34 ha to 380.97 ha (additional 287.63 ha)
- ~68,000 trees seedlings of 19 tree species planted
- suitable habitats and wildlife corridor provided for endangered and protected species e.g. proboscis monkey, silvered langur, oriented pied hornbill

**Where is the project taking place in relation to your value chain?**

Project based in area with direct operations

**Start year**

2009

**Target year**

2021

**Project area to date (Hectares)**

380.97

**Project area in the target year (Hectares)**

380.97

**Country/Area**

Malaysia

**Latitude**

5.176022

**Longitude**

118.4064

**Monitoring frequency**

Six-monthly or more frequently

**Total investment over the project period (currency)**

**For which of your expected benefits are you monitoring progress?**

- Improvement of water availability and quality
- Improvement to soil health
- Increase in carbon sequestration
- Net gain in biodiversity and ecosystem integrity
- Restoration of natural ecosystem(s)

**Please explain**

Riparian areas bordering rivers and water bodies are critical habitats with significant environmental benefits for plants and communities. Natural vegetation also serves as a buffer to pollutants entering a stream from run-off and erosion. However, some of these areas have been disturbed in the past through community activities or agricultural development. As part of our management and monitoring plans, trained teams have worked to restore degraded areas to their original condition to enrich the HCV areas and improve the local wildlife habitat. This has been applied through frequent monitoring and management by identifying priority restoration areas, establishing nurseries and planting trees in designated areas. Wilmar commissions various experts to join field staff and HCV officers to conduct surveys and seedling collection, establishing the nurseries, planting and maintaining trees as well as monitoring and management of the area. Job opportunities are also given to local community members who are hired.

---

**Project reference**

Project 3

**Project type**

Other ecosystem restoration

**Expected benefits of project**

Improvement of water availability and quality  
Improvement to soil health  
Increase in carbon sequestration  
Net gain in biodiversity and ecosystem integrity  
Restoration of natural ecosystem(s)

**Is this project originating any carbon credits?**

No

**Description of project**

Sepapayau River, Sapi

- 20m buffer zone set alongside river, amounting to 110.23 ha
- ~28,000 trees seedlings of 51 tree species planted
- initially degraded riparian areas now enriched and enhanced.

**Where is the project taking place in relation to your value chain?**

Project based in area with direct operations

**Start year**

2014

**Target year**

2021

**Project area to date (Hectares)**

110.23

**Project area in the target year (Hectares)**

110.23

**Country/Area**

Malaysia

**Latitude**

5.732764

**Longitude**

117.3871

**Monitoring frequency**

Six-monthly or more frequently

**Total investment over the project period (currency)**

**For which of your expected benefits are you monitoring progress?**

Improvement of water availability and quality

Improvement to soil health

Increase in carbon sequestration

Net gain in biodiversity and ecosystem integrity

Restoration of natural ecosystem(s)

**Please explain**

Riparian areas bordering rivers and water bodies are critical habitats with significant environmental benefits for plants and communities. Natural vegetation also serves as a buffer to pollutants entering a stream from run-off and erosion. However, some of these areas have been disturbed in the past through community activities or agricultural development. As part of our management and monitoring plans, trained teams have worked to restore degraded areas to their original condition to enrich the HCV areas and improve the local wildlife habitat. This has been applied through frequent monitoring and management by identifying priority restoration areas, establishing nurseries and planting trees in designated areas. Wilmar commissions various experts to join field staff and HCV officers to conduct surveys and seedling collection, establishing the nurseries, planting and maintaining trees as well as monitoring and management of the area. Job opportunities are also given to local community members who are hired.

## **F7. Verification**

### **F7.1**

**(F7.1) Do you verify any forests information reported in your CDP disclosure?**

Yes

## F7.1a

**(F7.1a) Which data points within your CDP disclosure have been verified, and which standards were used?**

---

### Disclosure module

F3. Risks and opportunities

#### Data points verified

1. Total hectares, supplier groups, and plantation units monitored under Supplier Group Compliance Programme (SGCP)
2. No. of grievance cases by status (e.g. in progress, closed, etc.) on Wilmar Grievance List
3. Supplier engagement (number of suppliers assessed, number of high-priority mills, number of low-priority mills, and number of high-priority mills engaged)
4. No. of mills and increase in Wilmar's plantation areas certified under RSPO, ISPO and MSPO
5. Water use intensity (m<sup>3</sup>/ MT FFB processed) in our palm mills
6. Treatment of POME and BOD quality (mg/L) for mills and PORE and COD quality (mg/L) for refineries
7. Planted area on peat
8. Wilmar's Traceability to Mill and Plantation volume %
9. % of palm oil and lauric volumes to Wilmar's origin refineries in Malaysia and Indonesia from suppliers that have at least company group level commitments and/ or action plans in place to address the No Deforestation requirements

#### Verification standard

1. International Standard on Assurance Engagements 3000 (ISAE 3000) (Revised) – Assurance Engagements other than Audits or Reviews of Historical Financial Information
2. AA1000AS

#### Please explain

Ernst & Young LLP and Control Union performed a limited assurance engagement on the Subject Matters set out above. These Subject Matters are included in the Sustainability Report of Wilmar International Limited ('Wilmar') for the financial year ending 31 December 2022. Please refer to pages 204-211 of our Sustainability Report 2022 for the Statements (Link: [https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/resource/wilmar-sustainability-reports/sustainability-report-2022.pdf?sfvrsn=438e77fb\\_4](https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/resource/wilmar-sustainability-reports/sustainability-report-2022.pdf?sfvrsn=438e77fb_4) )

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### Disclosure module

F4. Governance

### Data points verified

1. Total hectares, supplier groups, and plantation units monitored under Supplier Group Compliance Programme (SGCP)
2. No. of grievance cases by status (e.g. in progress, closed, etc.) on Wilmar Grievance List
3. Supplier engagement (number of suppliers assessed, number of high priority mills, number of low priority mills, and number of high priority mills engaged)
4. No. of mills and increase in Wilmar's plantation areas certified under RSPO, ISPO and MSPO

### Verification standard

1. International Standard on Assurance Engagements 3000 (ISAE 3000) (Revised) – Assurance Engagements other than Audits or Reviews of Historical Financial Information
2. AA1000AS

### Please explain

Ernst & Young LLP and Control Union performed a limited assurance engagement on the Subject Matters set out above. These Subject Matters are included in the Sustainability Report of Wilmar International Limited ('Wilmar') for the financial year ending 31 December 2022. Please refer to pages 204-211 of our Sustainability Report 2022 for the Statements (Link: [https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/resource/wilmar-sustainability-reports/sustainability-report-2022.pdf?sfvrsn=438e77fb\\_4](https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/resource/wilmar-sustainability-reports/sustainability-report-2022.pdf?sfvrsn=438e77fb_4) )

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### Disclosure module

F6. Implementation

### Data points verified

1. Total hectares, supplier groups, and plantation units monitored under Supplier Group Compliance Programme (SGCP)
2. No. of grievance cases by status (e.g. in progress, closed, etc.) on Wilmar Grievance List
3. Supplier engagement (number of suppliers assessed, number of high-priority mills, number of low-priority mills, and number of high-priority mills engaged)
4. No. of mills and increase in Wilmar's plantation areas certified under RSPO, ISPO and MSPO
5. Water use intensity (m<sup>3</sup>/ MT FFB processed) in our palm mills
6. Treatment of POME and BOD quality (mg/L) for mills and PORE and COD quality (mg/L) for refineries
7. Planted area on peat
8. Wilmar's Traceability to Mill and Plantation volume %
9. % of palm oil and lauric volumes to Wilmar's origin refineries in Malaysia and Indonesia from suppliers that have at least company group level commitments and/ or action plans in place to address the No Deforestation requirements



### Verification standard

1. International Standard on Assurance Engagements 3000 (ISAE 3000) (Revised) – Assurance Engagements other than Audits or Reviews of Historical Financial Information
2. AA1000AS

### Please explain

Ernst & Young LLP and Control Union performed a limited assurance engagement on the Subject Matters set out above. These Subject Matters are included in the Sustainability Report of Wilmar International Limited ('Wilmar') for the financial year ending 31 December 2022. Please refer to pages 204-211 of our Sustainability Report 2022 for the Statements (Link: [https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/resource/wilmar-sustainability-reports/sustainability-report-2022.pdf?sfvrsn=438e77fb\\_4](https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/resource/wilmar-sustainability-reports/sustainability-report-2022.pdf?sfvrsn=438e77fb_4) )

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### Disclosure module

SF. Supply chain module

### Data points verified

1. Total hectares, supplier groups, and plantation units monitored under Supplier Group Compliance Programme (SGCP)
2. No. of grievance cases by status (e.g. in progress, closed, etc.) on Wilmar Grievance List
3. Supplier engagement (number of suppliers assessed, number of high-priority mills, number of low-priority mills, and number of high-priority mills engaged)
4. No. of mills and increase in Wilmar's plantation areas certified under RSPO, ISPO and MSPO
5. Wilmar's Traceability to Mill and Plantation volume %
6. % of palm oil and lauric volumes to Wilmar's origin refineries in Malaysia and Indonesia from suppliers that have at least company group level commitments and/ or action plans in place to address the No Deforestation requirements

### Verification standard

1. International Standard on Assurance Engagements 3000 (ISAE 3000) (Revised) – Assurance Engagements other than Audits or Reviews of Historical Financial Information
2. AA1000AS

### Please explain

Ernst & Young LLP and Control Union performed a limited assurance engagement on the Subject Matters set out above. These Subject Matters are included in the Sustainability Report of Wilmar International Limited ('Wilmar') for the financial year ending 31 December 2022. Please refer to pages 204-211 of our Sustainability Report 2022 for the Statements (Link: [https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/resource/wilmar-sustainability-reports/sustainability-report-2022.pdf?sfvrsn=438e77fb\\_4](https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/resource/wilmar-sustainability-reports/sustainability-report-2022.pdf?sfvrsn=438e77fb_4) )

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## Disclosure module

### F1. Current State

#### Data points verified

1. Total hectares, supplier groups, and plantation units monitored under Supplier Group Compliance Programme (SGCP)
2. No. of grievance cases by status (e.g. in progress, closed, etc.) on Wilmar Grievance List
3. Supplier engagement (number of suppliers assessed, number of high-priority mills, number of low-priority mills, and number of high-priority mills engaged)
4. No. of mills and increase in Wilmar's plantation areas certified under RSPO, ISPO and MSPO
5. Wilmar's Traceability to Mill and Plantation volume %
6. % of palm oil and lauric volumes to Wilmar's origin refineries in Malaysia and Indonesia from suppliers that have at least company group level commitments and/ or action plans in place to address the No Deforestation requirements

#### Verification standard

1. International Standard on Assurance Engagements 3000 (ISAE 3000) (Revised) – Assurance Engagements other than Audits or Reviews of Historical Financial Information
2. AA1000AS

#### Please explain

Ernst & Young LLP and Control Union performed a limited assurance engagement on the Subject Matters set out above. These Subject Matters are included in the Sustainability Report of Wilmar International Limited ('Wilmar') for the financial year ending 31 December 2022. Please refer to pages 204-211 of our Sustainability Report 2022 for the Statements (Link: [https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/resource/wilmar-sustainability-reports/sustainability-report-2022.pdf?sfvrsn=438e77fb\\_4](https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/resource/wilmar-sustainability-reports/sustainability-report-2022.pdf?sfvrsn=438e77fb_4) )

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## Disclosure module

### F2. Procedures

#### Data points verified

1. Total hectares, supplier groups, and plantation units monitored under Supplier Group Compliance Programme (SGCP)
2. No. of grievance cases by status (e.g. in progress, closed, etc.) on Wilmar Grievance List
3. Supplier engagement (number of suppliers assessed, number of high-priority mills, number of low-priority mills, and number of high-priority mills engaged)
4. No. of mills and increase in Wilmar's plantation areas certified under RSPO, ISPO and MSPO

5. Wilmar's Traceability to Mill and Plantation volume %
6. % of palm oil and lauric volumes to Wilmar's origin refineries in Malaysia and Indonesia from suppliers that have at least company group level commitments and/ or action plans in place to address the No Deforestation requirements

**Verification standard**

1. International Standard on Assurance Engagements 3000 (ISAE 3000) (Revised) – Assurance Engagements other than Audits or Reviews of Historical Financial Information
2. AA1000AS

**Please explain**

Ernst & Young LLP and Control Union performed a limited assurance engagement on the Subject Matters set out above. These Subject Matters are included in the Sustainability Report of Wilmar International Limited ('Wilmar') for the financial year ending 31 December 2022. Please refer to pages 204-211 of our Sustainability Report 2022 for the Statements (Link: [https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/resource/wilmar-sustainability-reports/sustainability-report-2022.pdf?sfvrsn=438e77fb\\_4](https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/resource/wilmar-sustainability-reports/sustainability-report-2022.pdf?sfvrsn=438e77fb_4) )

---

**Disclosure module**

F5. Strategy

**Data points verified**

Total hectares, supplier groups, and plantation units monitored under Supplier Group Compliance Programme (SGCP)

**Verification standard**

1. International Standard on Assurance Engagements 3000 (ISAE 3000) (Revised) – Assurance Engagements other than Audits or Reviews of Historical Financial Information
2. AA1000AS

**Please explain**

Ernst & Young LLP and Control Union performed a limited assurance engagement on the Subject Matters set out above. These Subject Matters are included in the Sustainability Report of Wilmar International Limited ('Wilmar') for the financial year ended 31 December 2022. Please refer to pages 204-211 of our Sustainability Report 2022 for the Statements (Link: [https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/resource/wilmar-sustainability-reports/sustainability-report-2022.pdf?sfvrsn=438e77fb\\_4](https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/resource/wilmar-sustainability-reports/sustainability-report-2022.pdf?sfvrsn=438e77fb_4) )

## F8. Barriers and challenges

### F8.1

(F8.1) Describe the key barriers or challenges to eliminating deforestation and/or conversion of other natural ecosystems from your direct operations or from other parts of your value chain.

---

**Forest risk commodity**

Palm oil

**Coverage**

Supply chain

Other parts of the value chain

**Primary barrier/challenge type**

Complexity of certification requirements

**Comment**

Different certification system with own benchmark and definition of deforestation and forest related risks, bringing inconsistencies to the expectation of buyers

---

**Forest risk commodity**

Palm oil

**Coverage**

Supply chain

Other parts of the value chain

**Primary barrier/challenge type**

Lack of adequate traceability systems

**Comment**

Different traceability system with own benchmark and definition of traceability and deforestation, bringing inconsistencies to the expectation of buyers

---

**Forest risk commodity**

Palm oil

**Coverage**

Supply chain

Other parts of the value chain

**Primary barrier/challenge type**

Lack of adequate and/or consolidated monitoring

**Comment**

Different certification and traceability system with own benchmark and definition of traceability and deforestation, complicates monitoring of deforestation and related products

---

**Forest risk commodity**

Palm oil

**Coverage**

Supply chain

Other parts of the value chain

**Primary barrier/challenge type**

Limited public awareness and/or market demand

**Comment**

Expectation of public/ NGO/ market for forest-related risk-free product as opposed to reality on the ground, where production and conservation must co-exist, a balance between nation's GDP and environmental management for the current and future generation

---

**Forest risk commodity**

Palm oil

**Coverage**

Supply chain

Other parts of the value chain

**Primary barrier/challenge type**

Lack of regulatory control and enforcement from local governments

**Comment**

For various reasons, land tenure problems in Indonesia have increased dynamically and explosively over recent years. The diverse interests of forest concessions, industrial forest plantations, commercial agricultural plantations, mining concessions, settlement programs and the local population overlap in many rural areas. Thus it is that conflicts in these places occur repeatedly since land or resource claims are always announced by different interest groups. Shifting cultivators lay claim to rights to areas which have been assigned to commercial timber concessionaires for a long-term period by the Ministry of Forestry. Further conflicts arise out of claims from shifting cultivators to areas which are earmarked by the Ministry of Transmigration and Forest Squatter Resettlements as

transmigration areas. Conflicts are also pre-programmed by the increased earmarking of National Parks and the simultaneous limiting of the resource rights of the local people

---

**Forest risk commodity**

Palm oil

**Coverage**

Supply chain

Other parts of the value chain

**Primary barrier/challenge type**

Time consuming processes in landscapes/jurisdictions to agree among stakeholders

**Comment**

Jurisdictional approaches aim to bridge market- and policy-based interventions for greater impact on the ground. The JA encourages governments and companies to work together alongside key landscape stakeholder towards landscape sustainability, improving local livelihoods and maintaining forests and other natural ecosystems through coordinated strategies across sectors, including deforestation-free commodity production. As the approach is still in the early stages of development, building on assumptions, it is still a long time till maturity

## F8.2

**(F8.2) Describe the main measures that would improve your organization's ability to manage its exposure to deforestation and/or conversion of other natural ecosystems.**

---

**Forest risk commodity**

Palm oil

**Coverage**

Direct operations

Supply chain

Other parts of the value chain

**Main measure**

Greater supplier awareness/engagement

**Comment**

Supplier engagement to provide them with knowledge and understanding of the issues and factors affecting and resulting from deforestation and forest-related risks. To ensure suppliers can demonstrate their commitments in accordance with our NDPE policy, we regularly provide capacity building training programs and access to relevant facilities. Besides that, we assesses all mills that are already part of our supply chain annually. We use our Supplier Reporting Tool (SRT) to screen them for environmental

and social risks. This includes both direct suppliers and Wilmar- owned mills, which we identify based on the previous year's procurement data. Once our suppliers have completed the SRT online, via the OnConnect system, they will receive a report with an individualized action plan. This ensures greater consistency in providing recommendations and secures clarity on the required follow-up procedures. This allows for improved sustainability performance of our direct third-party suppliers.

---

### **Forest risk commodity**

Palm oil

### **Coverage**

Direct operations  
Supply chain  
Other parts of the value chain

### **Main measure**

Greater customer awareness

### **Comment**

Customer engagement to provide them with knowledge and understanding of the issues and factors affecting and resulting from deforestation and forest-related risks. We have engaging and working collaboratively with our customers and other industry players on impact programmes and initiatives such as the Child Protection and Safeguarding Implementation Manual, the NDPE Implementation Reporting Framework (IRF), and Radar Monitoring Technology to Detect Deforestation (RADD) platform in order to stimulate change throughout the palm oil value chain.

---

### **Forest risk commodity**

Palm oil

### **Coverage**

Direct operations  
Supply chain  
Other parts of the value chain

### **Main measure**

Greater stakeholder engagement and collaboration

### **Comment**

Stakeholder engagement to provide them with knowledge and understanding of the issues and factors affecting and resulting from deforestation and forest-related risks. Wilmar values stakeholder input and commits to proactive and constructive engagement with a wide range of stakeholders at the local, national and international levels. Engaging our stakeholders enables us to achieve transformation across the industry value chain beyond our immediate activities. These meaningful engagements have also

helped us improve our sustainability policies and strategies to meet the needs of our stakeholders

## F17 Signoff

### F-FI

**(F-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.**

Wilmar's policies, approaches, targets, performance against targets, and initiatives on the efforts to ensuring our operations and supply chain are deforestation-free and contributes to forest conservation is disclosed in Wilmar's Sustainability Report 2021 which is available publicly at the following link: [https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/resource/wilmar-sustainability-reports/sustainability-report-2022.pdf?sfvrsn=438e77fb\\_4](https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/resource/wilmar-sustainability-reports/sustainability-report-2022.pdf?sfvrsn=438e77fb_4)

### F17.1

**(F17.1) Provide the following information for the person that has signed off (approved) your CDP forests response.**

	Job Title	Corresponding job category
Row 1	Chief Sustainability Officer	Chief Sustainability Officer (CSO)