wilmar

SUSTAINABILITY REPORT 2019

RESPONSIBLE SOURCING

About this report

Wilmar International Limited ('Wilmar' or 'the Group') has prepared this report in accordance with the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards): Core option. The report also complies with the requirements of the Singapore Exchange Securities Trading Limited (SGX-ST) Sustainability Reporting Guide Listing Rules 711A and 711B, and Practice Note 7.6 Sustainability Reporting Guide.

SCOPE AND BOUNDARIES

This report examines sustainability; our environmental, social and governance (ESG) principles; and commitments, initiatives, and performance of our palm oil and sugar operations. Unless otherwise noted, it contains information for the financial year 1 January to 31 December 2019. Given the timing of this report, key highlights from 2020 have been included where significant. The report is intended to be read in conjunction with our **Annual Report 2019** and the **sustainability-related disclosures on our website**.

Unless otherwise stated, the scope of our report covers:

- All of Wilmar's global upstream operations, which includes:
  - Palm oil: plantations and mills in Indonesia, Malaysia, Ghana and Nigeria.
  - Sugar: plantations and mills in Australia, Myanmar and India.
- All of Wilmar's downstream palm oil operations in Indonesia and Malaysia.
- All of Wilmar's global downstream sugar operations, namely its refineries in Australia, New Zealand, Indonesia and India.

Contents

Unless otherwise noted, the sites included in this report are those where we have a shareholding above 50% with operational control. There has been no significant change to the size, structure, or ownership of our palm operations since the previous report. In June 2018 we increased our stake in the Mumbai-based Shree Renuka Sugars Limited (SRSL) to 58%. Consequently, we have included SRSL in the scope of this report.

The report also covers sustainability initiatives and performance data on our supply chain, where available. These include our traceability initiatives; our No Deforestation, No Peat, No Exploitation (NDPE) policy implementation; and supplier monitoring and engagement, which can be found in the **supply chain** section. We do not disclose key supplier information restricted by confidentiality agreements.

EXTERNAL ASSURANCE

Ernst & Young LLP (EY) was engaged to provide independent, limited assurance on selected disclosures in this report. Further details may be found in the Assurance Statement on pages 147-151.

FOCUS ON ESG MATERIALITY

Materiality is an essential filter to determine the most important ESG topics in creating long-term value for our business and stakeholders. These topics influence how the Board and senior management steer our sustainability strategy, initiatives, and reporting. To ensure continued stakeholder confidence in our sustainability approach, we review materiality annually.

Our materiality process adheres to GRI Standards Reporting Principles and AA1000 AccountAbility Principles. This involves a four-step approach, outlined in the diagram below. The material ESG topics of our palm oil and sugar business are shown in the materiality matrixes on the next page.

Fertiliser application crew at Wilmar's Sabahmas estate

Topic Identification

We identified ESG topics that may be material to our business and stakeholders by reviewing key industry and sustainability trends and reviewing ESG topics identified by sustainability reporting and rating frameworks. This includes the GRI Standards, the Sustainability Accounting Standards Board (SASB), the Dow Jones Sustainability Indices (DJSI), and the Zoological Society of London (ZSL)'s Sustainability Policy Transparency Toolkit (SPOTT).

Stakeholder Engagement Topic Prioritisation

Having identified the relevant ESG topics, we prioritised those that would most significantly impact our ability to deliver long-term value to our business and stakeholders. This process involved multiple forums and engagement with internal and external stakeholders, which included:

- Conducting internal materiality workshops with key palm business departments from Indonesia and Malaysia.
- Seeking online input from our sugar business in Australia, New Zealand, Indonesia and India.
- Distributing an online materiality survey to Wilmar employees.
- Engaging an external sustainability consultant to conduct independent interviews with external stakeholders such as our customers and suppliers.

Validation and Sign-off

Following a review by Wilmar's senior management, the Board of Directors reviewed and approved our list of material ESG topics.

Integration

We integrated the final list of material ESG topics into our sustainability strategy and management initiatives, targets, and performance indicators. These topics also form the basis of our sustainability reporting.

Since 2018, several business issues have become increasingly important.

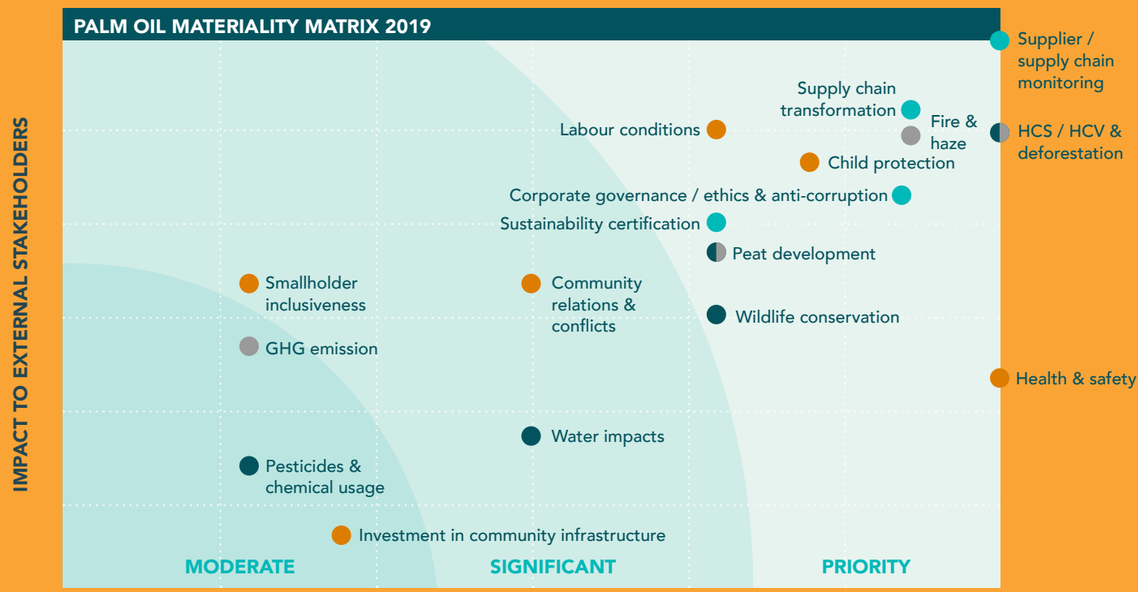
For our palm oil business, these include supply chain monitoring, supply chain transformation, fire and haze, child protection, sustainability certification, greenhouse gas emissions, and ethics and anti-corruption.

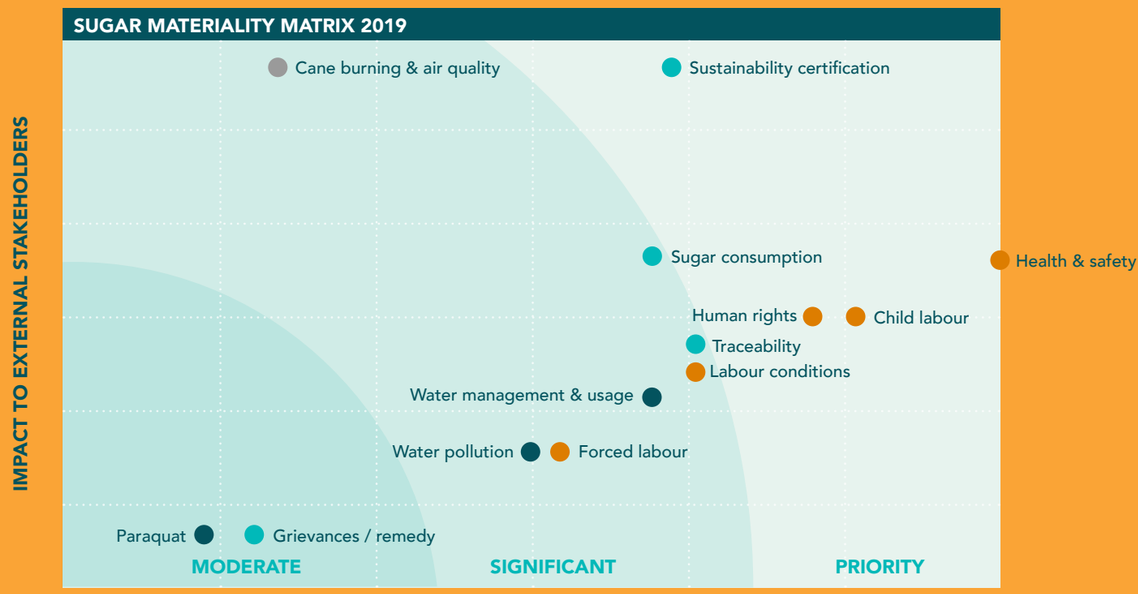
For our sugar business, these include labour-related topics, water management and use, sustainability certification, cane burning, and air quality.

We have also consolidated or removed several topics by subsuming management approaches or outcomes as part of others to better capture key issues in the matrixes.

WILMAR'S SUSTAINABILITY VALUES

- Conserving forests and species (environment)
- Reducing climate change impacts
- Giving back to the people (social)
- Sustainable business





Statement from the Board

KUOK KHOON HONG
Chairman and
Chief Executive Officer

PUA SECK GUAN
Chief Operating Officer and
Executive Director

TEO LA-MEI
Executive Director, Group Legal
Counsel and Company Secretary

KUOK KHOON EAN
Non-Executive and
Non-Independent Director

KUOK KHOON HUA
Non-Executive and
Non-Independent Director

RAYMOND GUY YOUNG
Non-Executive and
Non-Independent Director

Welcome to Wilmar International's 2019 Sustainability Report.

It has been ten years since the publication of our first Sustainability Report in 2009. We started sustainability reporting years before it became a regulatory requirement in Singapore, as we saw that as critical to strengthening transparency and accountability for our stakeholders.

Over the last decade, sustainability has become a mainstream topic and a critical part of any successful business. To us, sustainability is core to our business and commercial strategies, and we have never shied away from taking the lead in pushing the boundaries of our own sustainability performance, and that of the wider palm oil industry.

In 2008, we achieved our first Roundtable on Sustainable Palm Oil (RSPO) certification and with that, the internal adoption and implementation of sustainability best practices. In 2013, we were the first in the industry to adopt a No Deforestation, No Peat, and No Exploitation (NDPE) policy for our entire supply chain, in addition to our own operations. 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 amid initial reservations from the palm oil industry. And 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.

In 2019, we updated our NDPE policy to incorporate the commitments, policies and procedures that Wilmar adopted after 2013, and to include updated terminology and approaches to identifying forest areas, notably the use of the High Conservation Value-High Carbon Stock Approach (HCV-HCSA) integrated assessment toolkit and the linked quality assurance processes. The updated policy strengthens many sustainability commitments that were introduced post 2013, notably the deforestation cut-off date, recovery plan requirements, suspension approach, our Human Rights Framework and Women's Charter published in 2019, enhanced health and safety responsibilities, and more robust whistleblowing and grievance mechanisms.

As the Board, we are kept abreast of all the efforts that the Group has put in to achieve our sustainability commitments, and in some areas, we have challenged ourselves to do more than other industry players. We agree that our size, influence, and global reach bestow on us a critical obligation to be sustainability frontrunners. However, the industry will never be able to transform without the commitment from all players including smaller companies, and without giving recognition where sustainability progress has been made. We convey our concern that the ever increasing support for blanket palm oil boycotts may prove to be detrimental to the wider adoption of sustainable practices in the sector especially amongst smaller and locally-focussed companies.

We understand the expectations from external stakeholders, in particular our NGO stakeholders, on meeting our commitments to removing deforestation from our palm oil supply chain. We have risen to this challenge since we pledged to do so in 2014 as a signatory to the New York Declaration on Forests. Through active monitoring of our estates and suppliers, and then following through where

To us, sustainability is core to our business and commercial strategies

LIM SIONG GUAN
Non-Executive and Lead Independent Director

TAY KAH CHYE
Non-Executive and Independent Director

KWAH THIAM HOCK
Non-Executive and Independent Director

KISHORE MAHBUBANI
Non-Executive and Independent Director

WEIJIAN SHAN
Non-Executive and Independent Director

TEO SIONG SENG
Non-Executive and Independent Director

SOH GIM TEIK
Non-Executive and Independent Director

JUAN RICARDO LUCIANO
Alternate Director to Mr Raymond Guy Young

deforestation non-compliance is found, we have removed 1.5 million hectares of non-compliant oil palm plantation areas from our supply chain. We therefore have confidence that we are on the right track to removing deforestation from our palm oil supply chain by 2020.

Some of our most impactful achievements have centred on our supply chain. To date, over 90% of our group-level palm oil suppliers have either provided a written confirmation of their commitment to our NDPE policy, published their equivalent policy, reported on NDPE compliance via our supplier reporting tool platform, or become a member of the RSPO. This is a positive sign that the palm oil industry is reaffirming the need to adopt sustainable practices. For those that do not meet our sustainability requirements, we are not afraid of taking action and suspending companies at group level. However our approach is also a supportive one, and we continue to engage and provide guidance to assist suppliers to meet NDPE compliance. In our sugar business, we have started to develop our supplier programme which will initially focus on traceability. In Australia, we continue to maintain 100% traceability to originating sugar mill, while consolidating data and working towards reporting our traceability to mill for the entire sugar business in 2020.

We continue our partnerships with multi-stakeholders to expand our sustainability efforts at the grassroot, national and international levels. Since becoming a member of the RSPO in 2005, we have supported ongoing multi-stakeholder dialogue at all levels. Besides the RSPO, Wilmar's active involvement in broader initiatives has achieved commendable progress. For example, we have actively engaged with the Tropical Forest Alliance, and more local issue-based partnerships like the Palm Oil and NGO Alliance (PONGO), the Fire Free Alliance, and ongoing business-to-business cooperation with suppliers and customers to support smallholder and community development. In our sugar business, we have been members of Bonsucro since 2014 and have been actively pursuing certification and participating in the standard's review. In Queensland, Australia, we also contribute to various regional cane grower agronomic support organisations, such as the Herbert Cane Productivity Services Ltd. where we serve on the Board. We also work with Solidaridad Asia in India to roll out a series of training programmes on best management practices for cane growers supplying our sugar mills in order to support the sustainability of smallholders.

On the social front, we remain committed to protecting and enhancing human rights, as well as supporting the local communities in which we operate. Wilmar works in partnership with external organisations to support improvements to the lives of our local communities and smallholders. Our ethos is guided by the United Nations Sustainable Development Goals, particularly in support of women, and children's education and protection. Our newly adopted Women's Charter sets out guidance in safeguarding women's rights and creating an equitable and inclusive workplace for our female employees. We also continue to work with suppliers, smallholders, and local communities to ensure that children have access to good quality education and are never engaged in plantation or other work. Our sugar mills in Queensland, Australia, have operated for over 100 years in the rural communities we operate in, and we give back and support these communities through our Community Support Programme that provides funding for community health and safety, youth education and skills training, environmental efforts, and other youth and community initiatives.

We continue to adapt our operations to help mitigate climate change. All our palm oil and sugar mills generate renewable energy from agriculture by-products such as palm kernel shells, palm fibre, and bagasse. In both Australia and India, our sugar mills generate enough power annually to not only meet our own energy needs, but also export enough surplus electricity to the national grid to power the equivalent of more than 110,000 homes a year. In India, we are encouraging our cane farmers to switch from chemical fertilisers to organic composts to minimise the impact of salt pan formation on the soil while reducing our carbon impact. Meanwhile we are continuing to research on and develop higher-yielding oil palm seedlings and we are working with oil palm smallholders to replant with higher yield varietals to help reduce the pressure of expansion of oil palm into potential forest areas.

Given the timing of this report, it would be remiss of us not to address one of the biggest challenges in modern times. As the COVID-19 pandemic tightens its grip, many of our employees, communities, and supply chains are struggling with disruption and hardship. Faced with an unprecedented crisis, we have committed to providing aid in the form of medical equipment, food supplies as well as financial contributions in China, Ghana, India, Indonesia, Malaysia, and Nigeria and will continue to support the ongoing fight against COVID-19. More than ever, as members of the agriculture sector, we play our role in supporting rural communities seriously by continuing to provide jobs and stable incomes to farming communities, critical access to healthcare, and being a core partner to local governments through infrastructure development and assistance. We would like to take this opportunity to extend our profound sympathies to all those who have been directly or indirectly affected during this deeply troubling time and to express our thanks and appreciation to frontline staff all over the world for their efforts in dealing with this pandemic.

In conclusion, we would like to express our heartfelt gratitude to all our partners and stakeholders who have supported our journey towards a sustainable palm oil and sugar industry and our objective to provide sustainable products whilst sharing the benefits of our success with the communities around us.

Board of Directors
Wilmar International Limited
28 May 2020

2019 Highlights

STRENGTHENED POLICIES AND GUIDANCE

- Updated NDPE policy with clearer guidance on our no deforestation and no peat policy
- Updated Grievance Procedure including new re-entry criteria
- New No Exploitation Protocol being developed to support the Grievance Procedure
- New Human Rights Framework
- New Women's Charter

CERTIFICATION & ACCREDITATION

- 234,396 ha RSPO certified (77% of certifiable area). This includes scheme smallholder areas
- 1 mill completed RSPO certification, totalling 26 mills (72% of total mills)
- 882,257* MT RSPO-certified CPO/PK
- All Wilmar-owned downstream facilities in Indonesia and Malaysia[1] are RSPO SCCS certified (100%)
- 55.6% of planted area in Australia is Bonsucro certified

SUPPLY CHAIN

- 90% supplier groups have either:
  - provided written confirmation to Wilmar's NDPE policy
  - published their own NDPE policies
  - reported NDPE compliance via our SRT
  - are a member of the RSPO
- Supplier Group Compliance Programme monitors >20* million ha
- Covering 509 parent groups with more than 3,000 plantation units
- Spanning Indonesia, Malaysia, Papua New Guinea, Cambodia, Myanmar and Thailand
- 90%* of grievance cases closed
- 26 supplier groups suspended since 2015, including 22 due to deforestation
- 1.5 million ha removed from the supply chain

[1] Covering all refineries, oleochemicals, biodiesel and specialty fats plants within scope of this report in Indonesia and Malaysia

* EY has performed limited assurance procedures on this figure

CONSERVATION

- 31,375 ha conserved at oil palm estates—about 10% of total landbank
- 826 ha conserved at sugar estates and mills

GHG EMISSIONS

- 51.5% reduction in Group net emissions at Wilmar-owned RSPO-certified mills
- 571,596 MT CO_2e total emissions avoided due to methane captures

EMPLOYEES & WORKERS

- Women's Working Groups established in 100% of countries with palm oil operations

CHILDREN AT PLANTATIONS

- 143* crèches built to cater for 4,655 children
- 92.2% of school-going age children attend schools

RECOGNITIONS & ACHIEVEMENTS

- Ranked 5th of 99 on ZSL SPOTT for the 2019 palm oil assessment
- Recognised by the Global Child Forum Benchmark study as a global achiever in children's rights in business
- Recognised by ASEAN-CSR Network on Human Rights Disclosure for reporting on human rights
- Recognised by RSPO for excellence in Human Rights and Labour Initiatives

Targets and progress

Wilmar is committed to the United Nations (UN) global Sustainable Development Goals (SDGs) and have identified five that are pertinent to our business. We have combined our targets with the five SDGs, and the relevant material topics within this report.

TARGETS	LINK TO MATERIAL ISSUE LINK TO SDG(S)	TARGET YEAR	PROGRESS AS OF 31 DEC 2019
CERTIFICATION, TRACEABILITY AND GRIEVANCES			
Achieve 100% MSPO certification for all our palm oil Malaysia mills and estates	Sustainability certification 	Target updated to 2020	**ON TRACK**[2] We achieved our initial target in 2019 when our ninth mill received MSPO certification. Wilmar has since acquired a new estate, Laba Utama, which will undergo certification in 2020.
Achieve RSPO certification for all our own palm oil operations[3]	Sustainability certification 	2020 (refineries)	**ON TRACK** All but 14 refineries are RSPO certified. These remaining refineries in China are expected to be certified in Q2[4].
		2023 (mills)	**ON TRACK** One mill completed RSPO re-certification in 2019 totalling 26 mills (72% of total mills). An audit for another mill was performed in September 2019 and achieved certification in March 2020. Timebound plan: 2020: two mills in Indonesia 2021: one mill in Malaysia 2022: one mill in Nigeria 2023: six mills in Indonesia
Achieve ISPO certification for all our own palm oil mills in Indonesia	Sustainability certification 	2023	**ON TRACK** Three mills achieved ISPO certification in 2019, totalling 11 mills (32%).

[2] Although our Malaysian Suburmas mill in Malaysia falls outside the scope of this report (because of Wilmar having less than 50% operational control), we have included it as MSPO certification covers any mill with operational control.
[3] Following RSPO Principles and Criteria (P&C) for palm oil mills and RSPO Supply Chain Certification Standard (SCCS) for refineries that process palm oil products only.
[4] This covers refineries in countries falling outside the scope of this report.

TARGETS	LINK TO MATERIAL ISSUE LINK TO SDG(S)	TARGET YEAR	PROGRESS AS OF 31 DEC 2019
CERTIFICATION, TRACEABILITY AND GRIEVANCES **Continued*			
Complete ISPO certification audits for our ten independent palm oil mills[5] **in Indonesia**	Sustainability certification 	2023	**ON TRACK** One mill received ISPO certification in 2019. Three more mills together with another co-operative[6] have received confirmation in March 2020 of their successful ISPO audit pending certificate handover ceremony.
Achieve 100% traceability to palm oil mills	Supply chain monitoring, supply chain transformation 	2022	**ON TRACK** 96.2% of CPO and PKO traceable to mill.
Establish a No Exploitation Protocol to support our Grievance Procedure	Labour conditions, supply chain monitoring, supply chain transformation 	2020	**ON TRACK** To be completed by Q3.
Achieve a 100% response rate to all grievances raised via Wilmar's Grievance Procedure	Supply chain transformation 	Ongoing	**TARGET ACHIEVED** Since 2015, a 100% response rate has been consistently achieved.
ENVIRONMENT			
Complete construction of 25 methane captures at CPO mills	GHG emissions 	2020	**ON TRACK** One additional methane capture plant was completed in 2019, totalling 24 facilities. Construction of the remaining facility was completed in February 2020.
Reduce GHG emissions intensity by 15% for all our palm oil mills from our 2016 baseline of 0.82 MT CO_2e/MT CPO (based on GHG Protocol)	GHG emissions 	2023	**NEEDS FURTHER WORK** Our 2019 GHG emissions intensity was 0.77 MT CO_2e/MT CPO due to a more conservative calculation approach taken for mill effluent emissions.

[5] Wilmar operates ten independent mills, as defined by ISPO standard requirements; nine independent mills as defined by RSPO standard requirements. Agrindo Indah Persada 2 is considered independent under ISPO but not RSPO.
[6] ISPO certification is only possible for independent mills when at least 20% of the crop received is certified.

TARGETS	LINK TO MATERIAL ISSUE LINK TO SDG(S)	TARGET YEAR	PROGRESS AS OF 31 DEC 2019
ENVIRONMENT			
Reduce water consumption intensity for palm oil mills based on 2016 baselines with the following absolute targets: **Indonesia:** **1.2 m³/MT FFB** **Malaysia and Ghana:** **1.3 m³/MT FFB** **Note:** Target for our new mill in Nigeria to be set once we can ensure data robustness.	Water impacts 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	2023	**TARGET ACHIEVED** for Central Kalimantan (1.10* m3/MT FFB) and Sumatra (0.99* m3/MT FFB) **ON TRACK** for West Kalimantan, Sabah, Sarawak and Ghana
Re-use 100% of solid waste generated from our palm oil milling processes	GHG emissions 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Ongoing	**TARGET ACHIEVED** All of the solid waste generated from our palm oil milling processing was re-used or stockpiled for future use as fuel or organic fertiliser in 2019.
Maintain effluent levels to be within local regulation thresholds for palm oil mills waterway discharge	Water impacts 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 15 LIFE ON LAND	Ongoing	**ON TRACK** Ghana's effluent discharge standard for the Oil & Processing Sector was gazetted and promulgated to Wilmar in August 2019 with a limit of 50 mg/L (regardless of river discharge or land application). We are currently in discussion with the local authority to set a standard specifically for the palm oil sector. All other operations were compliant with relevant local thresholds in 2019.
EMPLOYEES AND COMMUNITIES			
Establish Women's Working Groups at 100% of Wilmar's oil palm estates	Labour conditions 8 DECENT WORK AND ECONOMIC GROWTH	Target revised to 2020	Women's Working Groups have been established at 100% of our estates in Indonesia, Malaysia and Ghana and 70% of our estates in Nigeria. We expect to achieve 100% for Nigeria in 2020.
Upgrade and modernise schools in the vicinity of our oil palm estates (15 in Indonesia, two in Ghana and six in Nigeria)	Investment in community infrastructure 4 QUALITY EDUCATION	2020	**TARGET ACHIEVED** for Ghana in 2019. In Indonesia, we completed the redevelopment and upgrading of ten out of 15 schools in 2018. However, we invested almost US$ 1 million for further upgrading and improvements in nine schools in 2019.

* EY has performed limited assurance procedures on this figure


Humana Students in Sabahmas

TARGETS	LINK TO MATERIAL ISSUE LINK TO SDG(S)	TARGET YEAR	PROGRESS AS OF 31 DEC 2019
EMPLOYEES AND COMMUNITIES **Continued*			
			In Nigeria, upgrading of one school was completed in 2019 and ongoing in four other schools, after which redevelopment efforts on the sixth school will commence.
Provide all palm oil workers in Nigeria with accommodation choices	Labour conditions 8 DECENT WORK AND ECONOMIC GROWTH	2025	**ON TRACK** 31% of permanent workers are provided housing in Nigeria.
SMALLHOLDER SUPPORT			
Benefit 100% of independent smallholder palm oil suppliers enrolled in/covered by our smallholder support programmes	Smallholder inclusiveness 8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	2020 for Ghana	**ON TRACK** As of end 2019, all 300 farmers under the Adum Smallholder scheme have been trained under the alternative livelihood scheme but planting has only started for 20 hectares of land due to NPP completion in Aug 2019. Considered as 0% completion.
		2023 for Nigeria	**ON TRACK** 43 of the 2,000 proposed farmers currently benefit from the Pilot Outgrower scheme as part of Phase 1. Discussion is proceeding well with the Central Bank of Nigeria for planting to start this year.
		2025 for Indonesia	**ON TRACK** 36% are covered by the ISPO training programme.

About Wilmar

Wilmar International Limited ('Wilmar' or the 'Group') is Asia's leading agribusiness group and one of the largest listed firms by market capitalisation on the Singapore Exchange (SGX).

Founded in 1991 and headquartered in Singapore, Wilmar is a Fortune Global 500 company that ranked 258th in 2019. Our global operations are supported by a multinational workforce of over 90,000 employees.

NOTE:
This map shows the extent of Wilmar's operations and goes beyond the scope of this report.

Business overview

GLOBAL PRESENCE

We are the global leader in palm and lauric oil processing and merchandising, and the production of oleochemicals, specialty fats, palm biodiesel and consumer pack oils. We are also a leading player in oilseed crushing, flour and rice milling, and one of the world's top ten raw sugar producers.

900+
manufacturing plants in 32 countries and regions
(Including plants owned or operated by subsidiaries, joint ventures and associates)

Extensive distribution network
in China, India, Indonesia and some 50 other countries and regions

90,000 staff
Multinational workforce of about 90,000 staff globally

#1 PLAYER IN CHINA

- Largest edible oils refiner and specialty fats and oleochemicals manufacturer
- Leading oilseed crusher, producer of branded consumer pack oils, rice and flour
- One of the largest flour and rice millers

EUROPE

Leading refiner of tropical oils

INDONESIA & MALAYSIA

One of the largest oil palm plantation owners and the largest palm oil refiner, palm kernel and copra crusher, flour miller, specialty fats, oleochemicals and biodiesel manufacturer

AUSTRALIA

- Largest raw sugar producer and refiner
- Leading consumer brands in sugar and sweetener market
- Top 10 global raw sugar producer

AFRICA

- One of the largest oil palm plantation owners, edible oil refiners and producers of consumer pack oils, soaps and detergents
- Third largest sugar producer

RUSSIA

Largest manufacturer of consumer pack margarine and mayonnaise

INDIA

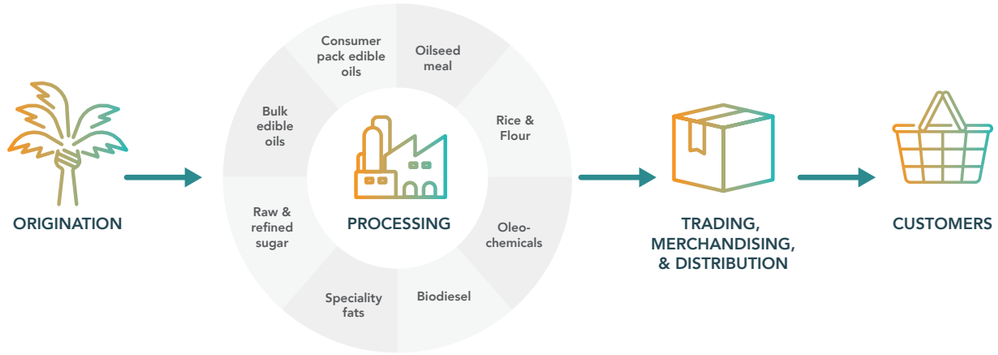
- Largest branded consumer pack oils, specialty fats and oleochemicals producer and edible oils refiner
- Leading oilseed crusher
- Leading sugar miller and refiner

UKRAINE

Largest edible oils refiner and specialty fats producer

INTEGRATED AGRIBUSINESS

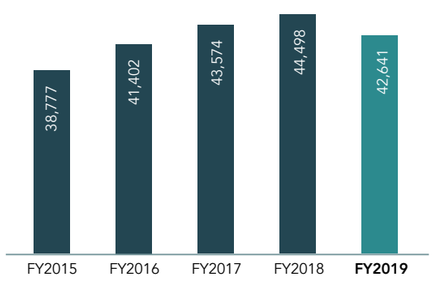
Wilmar's entire agricultural commodity value chain is driven by a resilient business model ranging from processing to branding, to merchandising and distribution. We are able to achieve operational synergies and cost efficiencies through scale, integration, and logistical advantages. Our pioneering approach has allowed us to transform the industry towards sustainable growth throughout our entire operations—and beyond.

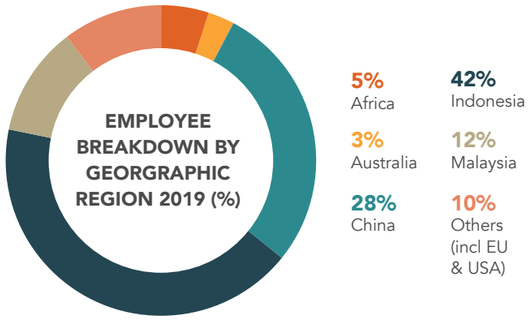


FINANCIAL AND EMPLOYEE HIGHLIGHTS

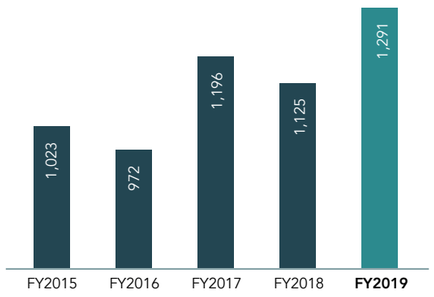
The Group recorded a 15% increase in net profit to US$ 1.29 billion in FY2019, led by strong performances from Tropical Oils and Consumer Products. Overall sales volume for FY2019 climbed by 3.8% but lower commodity prices resulted in a 4.2% decline in revenue to US$ 42.64 billion.

REVENUE 2015-2019 (US$ MILLION)





NET PROFIT 2015 - 2019 (US$ MILLION)



NOTE:

FY2017 figures were restated upon adoption of SFRS (I) 9 Financial Instruments, SFRS (I) 15 Revenue from Contracts with Customers and IFRS Convergence. FY2018 figures were restated subsequent to the finalisation of purchase price allocation exercise for the acquisition of SRSL and its subsidiaries.

Our operations

PALM OIL

9.76 million MT FFB processed

40.4% TOTAL FFB
is Wilmar-owned crop

NEW ESTATE
acquired in Malaysia

4.0% TOTAL FFB
supplied by 16,064 scheme smallholders

55.5% TOTAL FFB
purchased from third-party suppliers, including independent smallholders

SUGAR

20.7 million MT sugarcane crushed

2.3%
sugarcane is Wilmar-owned crop

97.7% PURCHASED FROM THIRD-PARTY SUPPLIERS

65.9%
purchased from **1,423** leaseholders and independent producers in Australia

5.0%
purchased from **5,487** contracted smallholders in Myanmar

26.7%
purchased from **66,690** smallholders in India

PALM OIL OPERATIONS

Wilmar is one of the world's largest oil palm plantation owners, managing 232,490 hectares of planted area and 45 mills in Indonesia, East Malaysia[7], Ghana and Nigeria. In Indonesia, nine of these mills are independent of estates[8], and purchase 100% fresh fruit bunches (FFB) from third-party suppliers.

In 2019 our total planted area has increased by 2,532 hectares due to increased planting at our estates in Nigeria and the acquisition of Laba Utama in Malaysia. Scheme smallholder planted areas have decreased by about 400 hectares as the commitments set out with these clusters were completed in 2019. They are now part of our independent smallholder supply base.

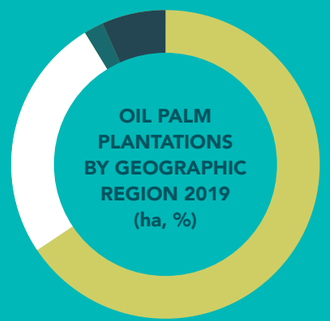
Our subsidiaries and associates account for over 250 refineries, oleochemical plants, specialty fat plants and biodiesel plants that process crude palm oil (CPO) and lauric oil from our own operations and third-party suppliers. The total processing capacities of these facilities ranges from one to 30 million metric tonnes per year, including both palm oil and soft oils.

SEE PAGE 19 OF OUR ANNUAL REPORT 2019 FOR A LIST OF OUR SUBSIDIARY AND ASSOCIATE DOWNSTREAM OPERATIONS

[7] We have an additional palm oil mill in Malaysia (Suburmas) where we have less than 50% shareholding. Unless otherwise stated, this mill is outside the scope of this report.

[8] Based on RSPO classification of independent mills.

Overview of Wilmar's global palm oil operations

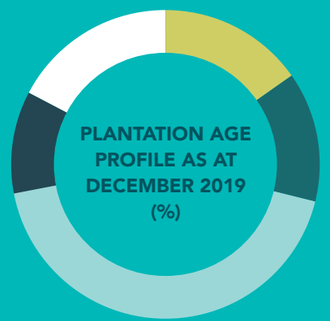


152,754 ha, 65% Indonesia

59,869 ha, 26% Malaysia

4,738 ha, 2% Ghana

15,580 ha, 7% Nigeria



15% 0-3 years

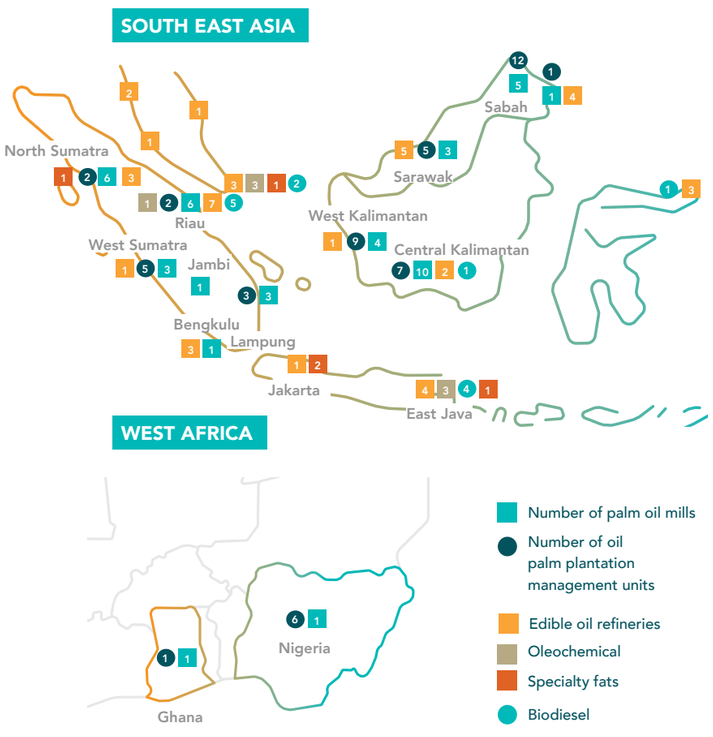
14% 4-6 years

43% 7-14 years

11% 15-18 years

17% >18 years

OPERATIONAL OVERVIEW AS OF 31 DECEMBER 2019



OIL PALM PLANTATIONS

- **Planted area** of 232,940 ha in Indonesia, Malaysia[9], Ghana and Nigeria, with an infrastructure area of 14,380 ha
- **Smallholder scheme** area of 35,391 ha planted in Indonesia and Africa
- **Joint venture**[10] area of 46,000 ha in Uganda and West Africa managing smallholder and outgrower scheme areas of 157,515 ha

PALM OIL MILLS

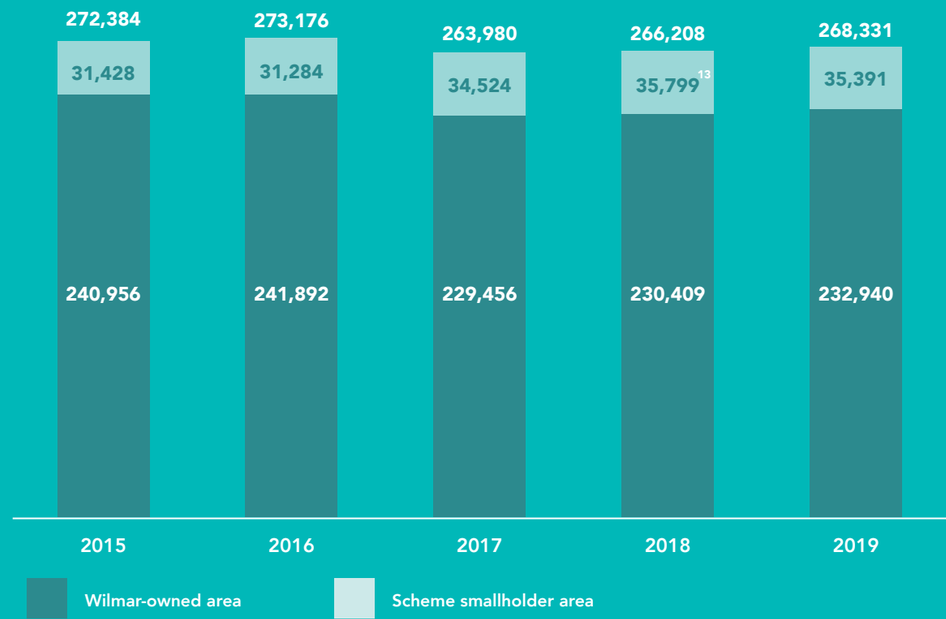
- **45 mills** in Indonesia, Malaysia, Ghana and Nigeria
- Including **9 mills** that are **independent** of plantations in Indonesia[11]

PALM OIL DOWNSTREAM OPERATIONS

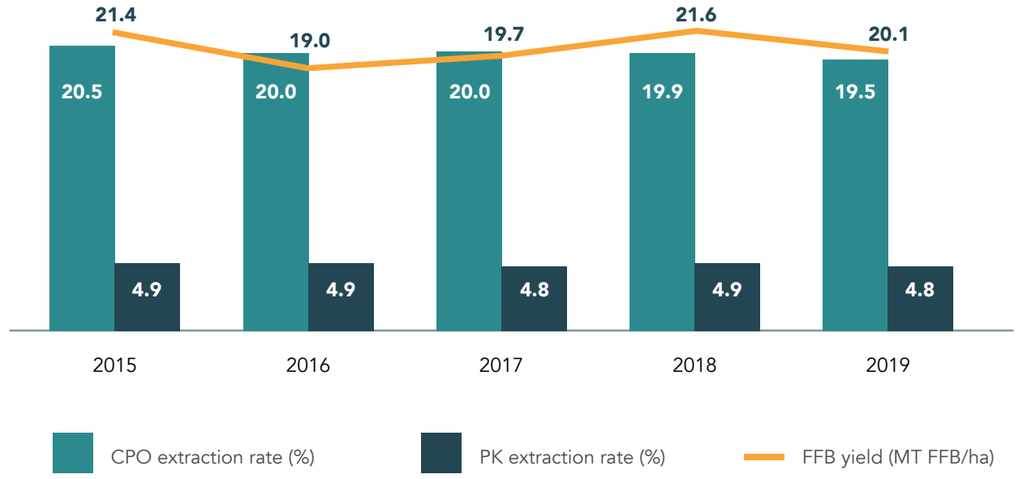
- 189 refineries, 23 oleochemical plants, 36 specialty fats plants and 14 biodiesel plants across South East Asia, China, Europe, Africa, India, Bangladesh and others belonging to subsidiaries and associates[12]

EXPLORE OUR GLOBAL PALM OIL PRESENCE

WILMAR AND SCHEME SMALLHOLDER OIL PALM PLANTED AREA 2015-2019 (HA)



GROUP YIELD AND EXTRACTION RATES 2015-2019



[9] Excludes one area in Suburmas, that is leased from local government. [10] Outside the scope of this report. [11] Based on RSPO classification of independent mills. [12] All associates have less than 50% holding and fall outside the scope of this report. [13] Nigeria's scheme smallholder figure from 2018 has been restated to align with Annual Report's categorisation.

SUGAR OPERATIONS

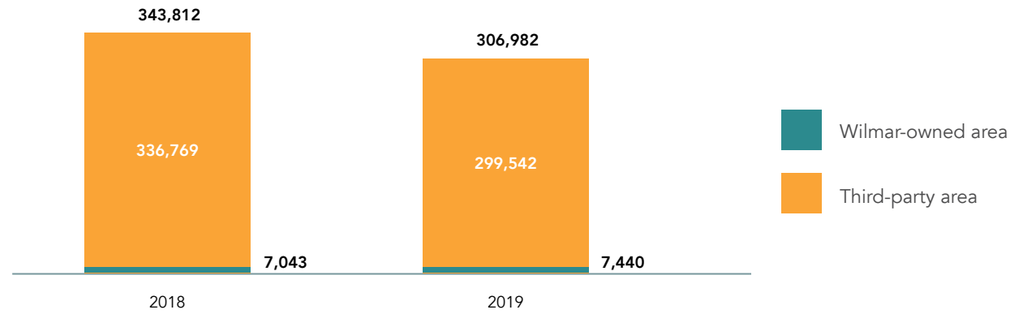
As one of the world's top ten raw sugar producers, Wilmar manages 7,440 hectares of planted sugarcane area. 92% is located in Queensland, Australia, with the rest in Myanmar. Wilmar also operates 17 mills throughout Australia, India and Myanmar. Since June 2018 we also have interests in India, having acquired 58% of Mumbai-based Shree Renuka Sugars Limited (SRSL). In 2019 our sugarcane yield was 87.6 metric tonnes per hectare (MT/ha) in Australia and 51.2 MT/ha in Myanmar. Compared to 2018, there was a 26% fall in yield at our Myanmar operations due to less rainfall thereby contributing to dry weather conditions affecting cane growth.

Wilmar operates seven sugar refineries across Australia, New Zealand, Indonesia and India with a total processing capacity of four million MT per year. Our refineries in Australia are part of a joint venture.

We operate seven mills and one refinery in Morocco through associate companies[14].

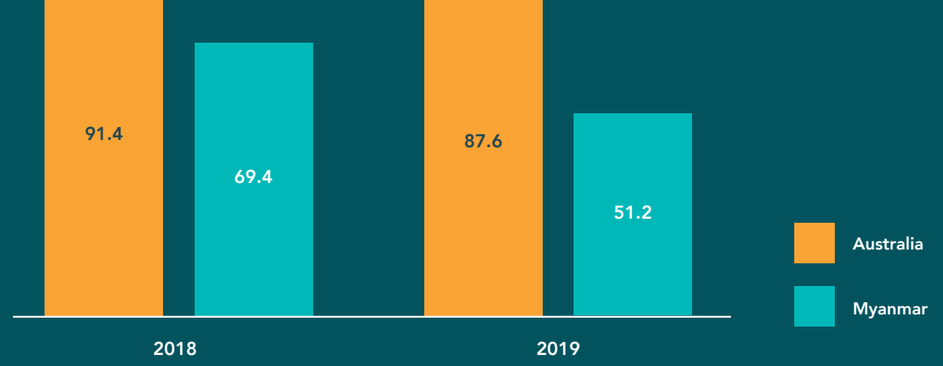
[14] With less than 50% holding, our Moroccan sugar business falls outside the scope of this report.

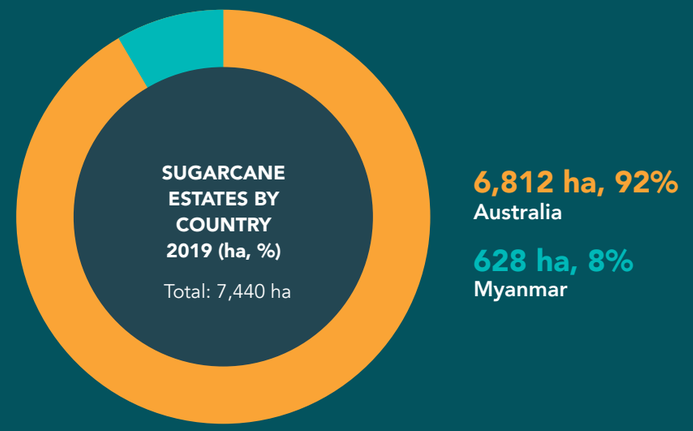
TOTAL WILMAR-OWNED AND THIRD-PARTY SUGARCANE PLANTED AREA 2018-2019 (HA)



Overview of Wilmar's global sugar operations

SUGARCANE YIELD 2018-2019 (MT/HA)





Governance and management

Wilmar is committed to upholding the highest standards of corporate governance. Anchored by strong leadership, effective internal controls, and accountability to stakeholders, our Board of Directors is responsible for the strategic direction of the Group. The Board is led by Chairman and Chief Executive Officer (CEO), Mr Kuok Khoon Hong and is supported by key management teams responsible for executing the strategy and operations of the Group.

Guided by our **Board Diversity Policy**, Wilmar values the benefits a diverse board brings to the organisation. Our directors are drawn from a wide range of backgrounds with diverse skills, qualifications, and industry-relevant experience. In February 2019 we appointed the first female director to the Board. In December a new independent non-executive director joined the Board, totalling 13 members with a majority of seven independent directors.

In August 2019, all Board members attended an environmental, social and governance (ESG) group sustainability training session, delivered by Wilmar's General Manager – Group Sustainability.

SEE OUR ANNUAL REPORT 2019 FOR MORE DETAIL

Board composition as of December 2019

13 MEMBERS

3 executive

10 non-executive

7 independent

1 female

10 Singaporeans

1 Malaysian

1 American

1 Chinese from the People's Republic of China

SUSTAINABILITY GOVERNANCE AND MANAGEMENT

At the heart of Wilmar's strategic management and decision-making is our commitment to sustainability. Our No Deforestation, No Peat, No Exploitation (NDPE) policy provides a blueprint for our palm oil operations. Other sustainability-related policies and frameworks guide our global operations. These cover the environment, health and safety, equal opportunities, human rights, labour rights, child protection, and food safety.

Wilmar's sustainability department is spearheaded by the Chief Sustainability Officer, led by the Group Sustainability General Manager and staffed by over sixty employees worldwide. The department is responsible for implementation of the Group's sustainability strategies. A combination of local and technical expertise throughout South East Asia, Africa and Europe enables the department to oversee implementation of the NDPE policy, the principles of the United Nations Global Compact (UNGC), sustainability certification, supply chain monitoring, stakeholder engagement, and reporting.

Sustainability policies are overseen by the chairman and CEO and supported by the Board's Risk Management Committee on a quarterly basis through review of detailed reporting and emerging issues. A Technical Advisory Group and Suspension Committee work with our operations and communication teams to execute implementation of the NDPE policy and evaluate progress. Local teams in Indonesia and Malaysia also exist to provide on-the-ground support to third-party suppliers. We also engage externally with partners and specialists to support implementation of the NDPE policy and supply chain compliance.

Sustainability policies are overseen by the chairman and CEO and supported by the Board's Risk Management Committee on a quarterly basis through review of detailed reporting and emerging issues.

Wilmar continuously reviews and enhances key sustainability performance indicators to further strengthen our governance practices.

SEE WILMAR'S SUSTAINABILITY POLICIES

SEE OUR SUSTAINABILITY GOVERNANCE STRUCTURE

ESG PRACTICES AND CONTRIBUTING TO THE SDGS

Decisions and actions are guided by exemplary ESG practices. These stem from four key value pillars: conserving forests and species, reducing climate change impacts, giving back to the people, and maintaining a sustainable business.

However, we are faced with challenges such as scarce natural resources, wavering financial markets, limitations to local buying power and the need for qualified talent. Consequently, Wilmar's business case necessitates harnessing the United Nations Sustainable Development Goals (SDGs) and creating opportunities to address these challenges. In 2017 we identified and aligned our ESG framework with the SDGs. These global objectives form the backbone of the Agenda for Sustainable Development, a shared plan—adopted in 2015 by 193 countries—with a goal of eradicating worldwide poverty and achieving sustainable development by 2030.

By reviewing the SDGs' underlying targets, and identifying our key strengths and areas of impact, we have designated five SDG objectives to strive for:

WILMAR'S SUSTAINABILITY VALUES

CONSERVING FORESTS AND SPECIES (ENVIRONMENT)	REDUCING CLIMATE CHANGE IMPACTS	GIVING BACK TO THE PEOPLE (SOCIAL)	SUSTAINABLE BUSINESS
RELEVANT ESG COMPONENTS			
• HVC/HCS/no deforestation • Wildlife conservation • Water and pollution impact and management • No peatland development • Pesticides and chemical usage	• Air quality • Fire and haze • GHG emissions • HCV/HCS/no deforestation • No peatland development	• Child protection • Community relations and conflict resolution • Freedom of association • Food safety and nutrition • Healty & safety • Human rights • Investment in community infrastructure • Labour conditions • Smallholder inclusiveness	• Corporate governance &anti-corruption • Food safety and nutrition • Grievance resolution • Jurisdictional approaches and certification • Supply chain monitoring • Supply chain transformation • Sustainability certification • Transparency and accountability
KEY INDICATOR			
• No deforestation • HCV/HCS/peat • Riparian areas • Anti-poaching (species) • Water management	• GHG emissions/ methane recovery • Fire mitigation	• Provision of schools, daycare facilities and creches • School redevelopment programmes • Provision of scholarships • Community development programmes • Human rights & labour conditions policies & practices • Philanthropy & CSR initiatives	• NDPE policy • Supply chain traceability and smallholders • Certification • Bank (sustainability loans) • Research and development • Partnerships and engagement • Supplier compliance/ monitoring programme

Upholding ethics and integrity

Wilmar endeavours to uphold the highest levels of integrity and ethical standards through instilling a culture of group personal responsibility.

Our **Code of Conduct** addresses concerns around conflict of interest, and bribery and corruption while our **Code of Ethics** promotes moral and ethical standards expected of our employees. We also have a specific **Anti-Fraud Policy** identifying fraudulent acts and repercussions of dishonest and deceptive behaviour, and a **Privacy Policy** on how personal data is safeguarded. Our **2018 Whistleblowing Policy** encourages employees to report suspected wrongdoing, knowing that their concerns will be taken seriously and their confidentiality respected.

In 2019 there were no reported incidents of anti-competitive behaviour, monopolistic practice, corruption or ongoing corruption legal cases. Wilmar does not condone lobbying practices, nor do we make any political contributions. There were also no significant incidents of non-compliance with any relevant environmental and socio-economic laws or regulations in our locations of operations covered in this report.

All employees at our Singapore headquarters received internal training on the above policies and other key topics such as guidance on money laundering, trade compliance, and sanctions. These training materials were also shared with Wilmar's global offices with the aim of a global rollout.

SEE ALL CORPORATE POLICIES

Harvester at work in a Wilmar plantation

In 2019 there were no reported incidents of anti-competitive behaviour, monopolistic practice, corruption or ongoing corruption legal cases.

Our approach to sustainability

Sustainability continues to be a fundamental aspect in our operations and business strategies.

Wilmar strives to be at the forefront of sustainability with our efforts to transform the agricultural sector to be more sustainable and responsible.

We understand that ending deforestation is essential in mitigating the risks of climate change, which is among the reasons Wilmar became a signatory of the **New York Declaration on Forests (NYDF)**[15]. In 2019, at the NYDF 5th Anniversary and Leadership Event, Wilmar was among the few private sector players invited to share our experiences and challenges in leading the sustainability-driven transformational change for the palm oil industry, together with the complexities and on-ground realities.

We persist to meet our 2020 aspirations and our sustainability commitments, despite the challenges we face, through our endeavours, which include further intensifying our efforts, channelling additional resources, capacity building as well as investing in innovation and improvements.

Part of these endeavours include fortifying and improving our own operations, further strengthening our supply chains to be even more compliant to our NDPE policy and collaborating with stakeholders to identify potential gaps and to develop solutions.

Besides oil palm plantation management, Wilmar monitors palm oil deriving from over 20* million hectares of land. While eliminating deforestation in our vast and complex supply chain has been our primary focus, we recognise it is a monumental task for any organisation to achieve in isolation. Nevertheless, we are making significant progress in transitioning our supply chain palm producers away from deforestation. Guided by our **No Deforestation, No Peat, No Exploitation (NDPE) policy**, we are resolute in continuing to work closely

* EY has performed limited assurance procedures on this figure

[15] The New York Declaration on Forests was endorsed by the 2014 United Nations Climate Summit at United Nations headquarters in New York.

Key milestones in 2019

Strengthening policies and guidance

UPDATED NDPE POLICY
with clearer guidance on our no deforestation and no peat policy

REVISED GRIEVANCE PROCEDURE
including new re-entry criteria

NEW NO EXPLOITATION PROTOCOL
being developed to support Grievance Procedure

NEW HUMAN RIGHTS FRAMEWORK

NEW WOMEN'S CHARTER

Own operations

CERTIFICATION AND ACCREDITATION

234,396 ha
RSPO certified (77% of certifiable area). This includes scheme smallholder areas

1 mill completed
RSPO certification, totalling 26 mills (72% of total mills)

882,257* MT
RSPO-certified CPO and PK produced

RSPO SCCS certified (100%)
All Wilmar-owned downstream facilities in Indonesia and Malaysia[16]

New automatic certification
approach for RSPO downstream refineries

3 mills completed
ISPO certification, totalling 11 mills (32%). This includes the 1st of 10 independent mills

1 mill completed
MSPO certification, totalling 9 mills (100%)[17]

All palm oil processing facilities
have been certified to MSPO SCCS certification (100%)

3 downstream operations
completed ISCC certification, totalling 39 facilities

INNOVATION AND YIELD IMPROVEMENT

New oil palm clonal lab
—established in Central Kalimantan in January 2020

Supply chain

TRACEABILITY

96.2%
traceability to palm oil mills across our global operations

100%
traceability to plantation for all Wilmar-owned palm oil mills across our global operations

100%
traceability to sugar mills for both origin refineries in Australia

SUPPLIER ENGAGEMENT AND ASSESSMENT

90% supplier groups
have either:
- provided written confirmation to Wilmar's NDPE policy
- published their own NDPE policies
- reported NDPE compliance via our SRT, or
- are a member of the RSPO

470* completed SRT
in 2019 (52.3% of supply base)

GRIEVANCES

90%*
of grievance cases closed

26 supplier
groups suspended since 2015, including 22 due to deforestation

1.5 million ha
removed from supply chain

SUPPLIER MONITORING

Monitoring >20* million ha
covering 509 parent groups with more than 3,000 plantation units spanning Indonesia, Malaysia, Papua New Guinea, Cambodia, Myanmar and Thailand

* EY has performed limited assurance procedures on this figure

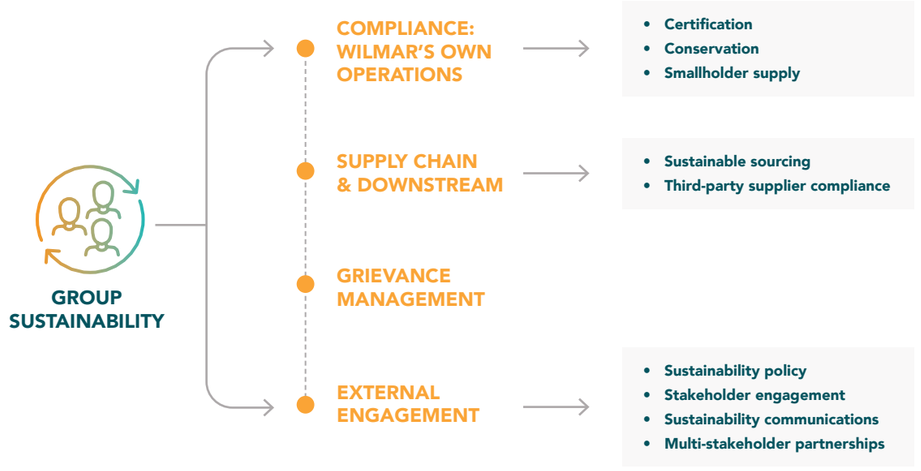
[16] Covering all refineries, oleochemicals, biodiesel and specialty fats plants within scope of this report in Indonesia and Malaysia.

[17] With the new acquisition of Laba Utama estate, the MSPO target for all operations will be updated to 2020.

with the widest range of stakeholders in the palm oil industry to implement our sustainability commitments to protecting forests, peatlands, human and community rights.

SDG 12 (Responsible consumption and production) and our NDPE framework form the backbone and key strategic marker to guide us in economical and sustainable production and consumption of palm oil goods and resources.

Our sugar business continues to focus on certification and traceability efforts, as well as supplier engagement in Australia and India.



STRENGTHENING POLICIES AND GUIDANCE

We focused on strengthening our policies and guidance to our sustainability commitments in 2019, particularly in relation to our palm businesses and supply chain.

Updated NDPE Policy

In November 2019 we updated our **NDPE policy** to capture and reflect the many developments that have taken place since the first policy launched in 2013. The Consortium of Resource Experts (CORE), non-governmental organisations and other partners helped examined the policy followed by key stakeholders being informed via two public town hall sessions. Our suppliers have also been specially informed of the changes. Our commitments reflected in the various sections of this report align with language in the current policy.

SEE NDPE POLICY

In our previous sustainability reports, we shared our intentions for our NDPE policy updates to include provisions to cover our sugar business. However, following several consultations and further consideration, it was agreed that it would be more effective to separate the policy frameworks given the distinct complexities and material issues specific to each sector. Thus, in 2020 we aim to develop a dedicated programme and framework to address critical sustainability issues in the sugar industry.

Overview of the updated NDPE policy

Provisions cover:

All Wilmar operations worldwide
Any refinery, mill or plantation that we own, manage or invest in (including those of our subsidiaries) regardless of stake.

Third-party suppliers at group-level
with a 31 December 2015 cut-off date for supplier compliance with all provisions.

Any identified and verified deforestation and peat development non-compliance after the cut-off date requires remediation action or Recovery Plans.

Better alignment with globally recognised frameworks and guidance:

- United Nations FAO Voluntary Guidelines on Responsible Governance on Tenure (VGGT)
- United Nations Global Compact (UNGC)
- International Labour Organization (ILO) conventions
- RSPO guidance on peat and the integrated HCV-HCSA assessments for new plantings

Incorporates other Wilmar sustainability-related polices and commitments around:

- Health and safety
- Human rights
- Whistleblowing
- **Joint statement** published in December 2018

Stakeholder commentary by PepsiCo

Natasha Schwarzbach, Sustainable Commodities, PepsiCo Global Sustainability

Working together is important for transformation of the palm oil sector.

PepsiCo and Wilmar, along with other industry players, have been finding ways to work collaboratively 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.

PepsiCo recognises the role that Wilmar plays in addressing systemic issues in the industry, including through good grievance management. In particular, Wilmar has a strong record of creating and following through on action plans to address grievances and employs a proactive monitoring and engagement mindset. Overall, Wilmar is very responsive and are always forthcoming in providing responses to any questions or concerns.

Wilmar's continued commitment to work with like-minded partners will lead to beneficial results for the whole palm oil industry. We will continue to co-operate with Wilmar to apply these initiatives even more widely in the palm oil supply chain and for other crops and commodities being sourced by PepsiCo.

About
PepsiCo is a global food and beverage company that sources palm oil from around the world and Wilmar is one of PepsiCo's top three suppliers. Natasha is the global lead for Sustainable Commodities on palm oil and cane sugar.

Revised grievance mechanism
In June 2019, we updated our Grievance Procedure to better support the implementation of our NDPE policy. The updates incorporated elements contained within the Joint Statement published in December 2018, specifically on the cut-off date for deforestation and peat development as of 31 December 2015. Any new verified deforestation occurring after 1 January 2019 would therefore be subject to immediate suspension of the supplier at group-level. We are also developing a protocol to identify NDPE policy non-compliance based on our No Exploitation of People and Local Communities commitments that warrant action and oversight additional to what is set out in the Grievance Procedure.

SEE SECTION ON GRIEVANCE PROCEDURE FOR MORE DETAIL

New guidance on human rights and women
In May 2019, we published our Human Rights Framework as well as our Women's Charter. While both documents provide our approach for Wilmar-owned operations, the Human Rights Framework Policy Statement is applicable to both our operations and suppliers.

SEE SECTION ON CHAMPIONING PEOPLE FOR MORE DETAIL

Sustainability in Wilmar's operations

CERTIFICATION AND ACCREDITATION

To provide traceable and certified sustainable palm oil and sugar, Wilmar supports relevant sustainability certification schemes and works diligently to achieve and maintain compliance for our upstream and downstream operations.

RSPO

One mill in West Kalimantan, PT. Agro Nusa Investama (ANI) Sambas (Kumpai), achieved the Roundtable on Sustainable Palm Oil (RSPO) re-certification in 2019. Although PT. Kencana Sawit Indonesia in West Sumatra was scheduled to achieve re-certification in 2019, audits were carried out in September and certification was achieved in March 2020. We will continue working to achieve certification for the remaining mills as we face delays in finalising *Hak Guna Usaha (HGU)* (operation permits). These delays are a result of the **revised legality requirements** set out by the RSPO in June 2018.

With the recertification of PT. ANI Sambas achieved in 2019, 26 of our 36 operations have achieved certification, totalling a certified RSPO area of 234,396 hectares. This amounts to 77% of our total area certifiable. This includes our certified plasma smallholders linked to four of our operations in Indonesia and Ghana. In 2019, our mills produced approximately 720,800* metric tonnes (MT) of certified sustainable palm oil (CSPO) and around 161,400* MT of certified sustainable palm kernel (CSPK)—an additional 5.9% of CSPO and 8.4% of CSPK compared to 2018. We target to complete RSPO certification for all our own palm oil mills by 2023.

As of December 2019, all our refineries have achieved certification across all regions, except for 14 remaining operations in China. We are on track to achieve certification in 2020 in line with our target to complete RSPO certification for all our own palm oil refineries in 2020.[18]

Around 4.5% of all the palm oil products we handle, trade and process are RSPO certified.

Daphne Hameeteman (2nd from left) from Wilmar receiving the RSPO award for Human Rights in November 2019 ▶

* EY has performed limited assurance procedures on this figure

[18] This covers 107 refineries in all countries we have downstream operations. Apart from Indonesia and Malaysia, where we have 64 certified refineries, these fall outside the scope of this report.

New automatic certification approach for downstream operations

Wilmar has implemented an automatic certification provision for our downstream operations. This means that any newly acquired refinery is automatically scheduled for RSPO certification. Being RSPO certified upon acquisition contributes to achieving Wilmar's target of 100% certification by 2020 for all our downstream operations where we have majority management control.

TIMEBOUND PLAN FOR RSPO MILLS

TARGET YEAR	COMPANY, LOCATION	STATUS
2020	PT. Kencana Sawit Indonesia, West Sumatra	Audit carried out in September 2019. Achieved certification in March 2020.
	PT. Agro Nusa Investma Pahauman, West Kalimantan	In the process of finalising *HGU*
2021	Suburmas Palm Oil Mill Sdn. Bhd., Sarawak [19]	New mill included based on updated RSPO membership rule requiring Wilmar to include Suburmas in our timebound action plans
2022	Biase Plantation Ltd., Calaro	Pending maturity of plantation and sufficient crop for efficient mill operation
2023	PT. Agro Palindo Sakti 2, West Kalimantan PT. Musi Banyuasin Indah, South Sumatra PT. Sinarsiak Dianpermai, Riau PT. Sarana Titian Permata 1, Central Kalimantan PT. Sarana Titian Permata 2, Central Kalimantan PT. Agrindo Indah Persada 2, Jambi	In the process of finalising *HGU*

ISPO

In 2019 three additional Wilmar-owned mills received Indonesian Sustainable Palm Oil (ISPO) certification, bringing the total to 11 mills—32% of our Indonesia upstream operations. This would translate to around 163,550* MT and 41,970* MT of ISPO-certified CPO and PK respectively. We target to achieve ISPO certification for all our own palm oil mills in Indonesia by 2023.

For independent mills, ISPO certification is only possible if 20% of the crop supplied by farmers is also certified [20]. Since 2017 we have assisted farmer co-operatives in achieving certification. This is conducted through integrated farmer guidance programmes, farmer organisation empowerment, and by separate implementation of a traceability programme. In 2019 four co-operatives successfully became certified across Riau and Jambi, signifying their capacity to comply with international sustainability criteria. As such, one independent mill was successfully certified in 2019 with three more receiving confirmation in March 2020 of their ISPO certification but due to the COVID-19 situation, the official handover ceremony has been postponed for the time being. We target to complete ISPO certification audits for our ten independent mills in Indonesia by 2023.

* EY has performed limited assurance procedures on this figure

[19] Out of scope of this report based on operational control being less than 50%. However, it is included as being under Wilmar management control according to RSPO Certification Systems requirements.

[20] Classification of 'independent mills' differ between ISPO and RSPO requirements. RSPO classifies a mill as independent if 100% of supply is not from the company's own estates. As such, Wilmar has nine independent mills under the RSPO's criteria and ten under ISPO

MSPO

In Malaysia, our ninth mill achieved Malaysian Sustainable Palm Oil (MSPO) certification in May 2019, prior to the mandated government cut-off date of 31 December 2019. This allows us to have a total certified production capacity of around 202,300* MT of MSPO-certified CPO and 39,700* MT of MSPO-certified PK. In 2019, Wilmar acquired a new estate, Laba Utama, in Sabah, making it the last remaining site to achieve MSPO certification, which we aim to carry out in 2020. Consequently, we have updated our 2019 target for all of our Malaysia mills[21] and estates to achieve 100% MSPO certification by 2020.

Of our downstream operations in Malaysia, all of our palm oil processing facilities (refineries, kernel crushing plants, biodiesel and oleochemical plants) are MSPO Supply Chain Certification Standard (SCCS) certified – refineries that are under the cooking oil price stabilisation scheme (COSS) achieved certification by April 2019 while the remaining facilities achieved certification by year-end.

ISCC

Three additional downstream operations achieved International Sustainability and Carbon Certification (ISCC) certification in 2019. Our total number of ISCC-certified operations cover 20 mills and 17 downstream operations including refineries, biodiesel plants, bulking terminals and warehouses certified across Malaysia and Indonesia, and one trader in Singapore. [22]

SEE MORE ON OUR PALM OIL CERTIFICATION

BONSUCRO

Out of our total sugarcane planted areas in Australia, 55.6% is certified in compliance with Bonsucro Production Standards, including three raw sugar mills. We also have certified downstream operations in Australia, New Zealand and Singapore in line with the Bonsucro Chain of Custody certification.

SMARTCANE BEST MANAGEMENT PRACTICES (BMP)

In 2019, one additional farm was accredited by Smartcane BMP, now totalling three farm areas in Burdekin, Herbert and Proserpine. In 2019 we began the process to accredit the remaining farms at Plane Creek, with an objective of completing this by 2020.

* EY has performed limited assurance procedures on this figure

[21] This includes our Suburmas mill in Malaysia which falls outside the scope of this report based on operational control being less than 50%. However, it is included under our MSPO certification figures which cover any mills over which we have operational control.

[22] In SR2018 this was included as 16 refineries only but now clarified to includes all downstream operations.

INNOVATION AND YIELD IMPROVEMENT

Wilmar invests significantly in research and development (R&D) to find new ways of boosting our performance while ensuring that we continue to produce our palm oil responsibly and sustainably. Improving our productivity, increasing our yields, and optimising our use of resources are all vital as we work towards fulfilling global palm oil demands. It is also imperative that our R&D initiatives are focused on ensuring our crops are more resilient and better able to adapt to actual and expected climate change. This includes harnessing innovative solutions with a focus on reducing our use of resources and improving process efficiency to lessen greenhouse gas emissions. We however do not believe in growing or producing genetically modified organism (GMO) crops and do not use GMOs in our palm and sugar production processes.

R&D to support our IPM programme

We have been conducting joint research with Orillion, a New Zealand-based pest control expert, on a new rodenticide initiative to support our Integrated Pest Management (IPM) programme. We have tested the rat bait preferences in a small enclosure and will expand the programme to a wider area.

Through a joint project with University Putra Malaysia (UPM) in Labuk, Sabah, we introduced non-native barn owls for biological control of the rat population and as a way of minimising the use of rat bait. Throughout 2019, we initiated a staged release of ten owls into our estates where they roam freely in hope that they will eventually propagate and make homes in strategically-placed nesting boxes. In the near future, we will acquire more barn owls from UPM to fast track this biological control programme.

SEE SECTION ON OPTIMISING CHEMICAL USE FOR A CASE STUDY ON CONTROLLING RAT POPULATIONS USING BARN OWLS

Increasing farm productivity using mill by-products

For our sugar plantations, we invested in R&D efforts aimed at increasing farm productivity in our milling regions, and the broader Australian sugar industry. We are focusing our current research on the development of guidelines for the use of sugar milling by-products: mill mud and ash. This involves testing the best ways to apply mill mud and ash to reduce the potential loss of nutrients from the farms while potentially increasing the profits of sugarcane growers who are our suppliers. The research is being conducted at 13 trial sites across Australia, making it one of our biggest trials.

R&D on shortening palm breeding cycles through genetic screening

Since 2009 we have collaborated with Temasek Life Sciences Laboratory to conduct research on using genetic screening to shorten the palm breeding cycle. We have made significant progress to date and are in the process of field-testing selected genetic markers against FFB yields in sampled palms. If it proves successful, this research may enable us to halve the breeding process time compared to conventional methods.

Trialling mechanical wheelbarrows for crop evacuation

In 2019 we began commercial trials on mechanical wheelbarrows to assist in-field evacuation of crops during harvesting. This could also be helpful during a shortage of workers. We will test these wheelbarrows, known as ‘power barrows’ at selected estates with suitable terrain.

Striving for sustainability in our supply chains

We remain committed to implementing best practice within our own estates, but also recognise that a large part of our footprint lies beyond our operations. Our suppliers have a critical role to play in more sustainable and responsible palm oil production. As the world's largest palm oil trader and one of the largest sugar operators, Wilmar is in a unique position to have a lasting impact on our supply chains. This potential for wider positive sustainability impact is the reason we allocate significant effort and resources in encouraging the industry towards responsible production.

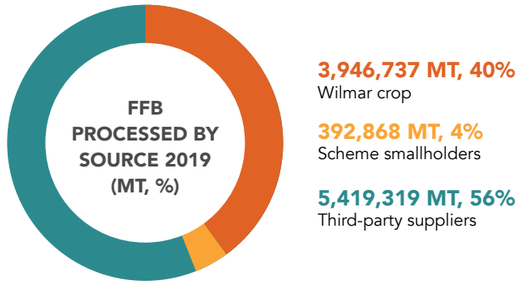
OVERVIEW OF OUR SUPPLY CHAINS

Palm oil suppliers

56% of our total fresh fruit bunches (FFB) supply for Wilmar-owned mills come from third-party supplier plantations in Indonesia, Malaysia, Ghana and Nigeria (inclusive of independent smallholders). Of our total third-party FFB supply, 0.59% of it is RSPO-certified. More than 90% of the crude palm oil (CPO) and palm kernel oil (PKO) equivalent we procure comes from third-party direct supplier mills.

56%
FFB supply to Wilmar-owned mills sourced from third-party suppliers

>90%
CPO and PKO equivalent volumes sourced from third-party direct supplier mills

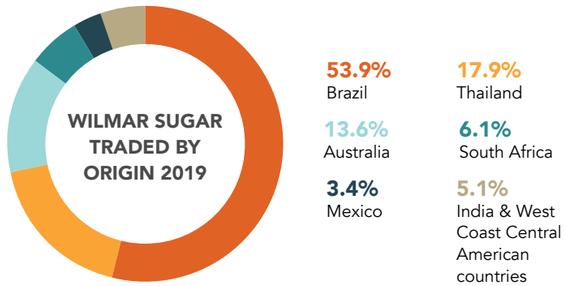


Sugar suppliers

97% of our sugarcane comes from third-party farmers and smallholders in Australia, Myanmar and India. Of our total third-party raw sugar sourced, 85% comes from major traders from Brazil, Thailand and Australia and the remaining 15% from India, South Africa and Latin American countries.

97%
sugarcane sourced from third-party suppliers

77%
raw sugar sourced from third-party suppliers



TRACEABILITY

Wilmar has both a responsibility and an opportunity to lead our supply chain towards more sustainable palm oil production. 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.

As of December 2019, 96.2% of CPO and PKO equivalent is traceable to mill level.[23] This translates to about 23.8 million tonnes of palm products traceable to mills across our global operations. 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. However, securing 100% traceability continues to be extremely difficult due to the challenges of commodity transportation and trading structures within countries like China and India. We continue to work diligently with our suppliers to close this gap and have revised our target to 100% traceability to palm oil mills by 2022.


Smallholder training in Riau

SEE SUPPLY CHAIN MAP

TRACEABILITY TO MILL DATA AS OF 31 DECEMBER 2019 [24]

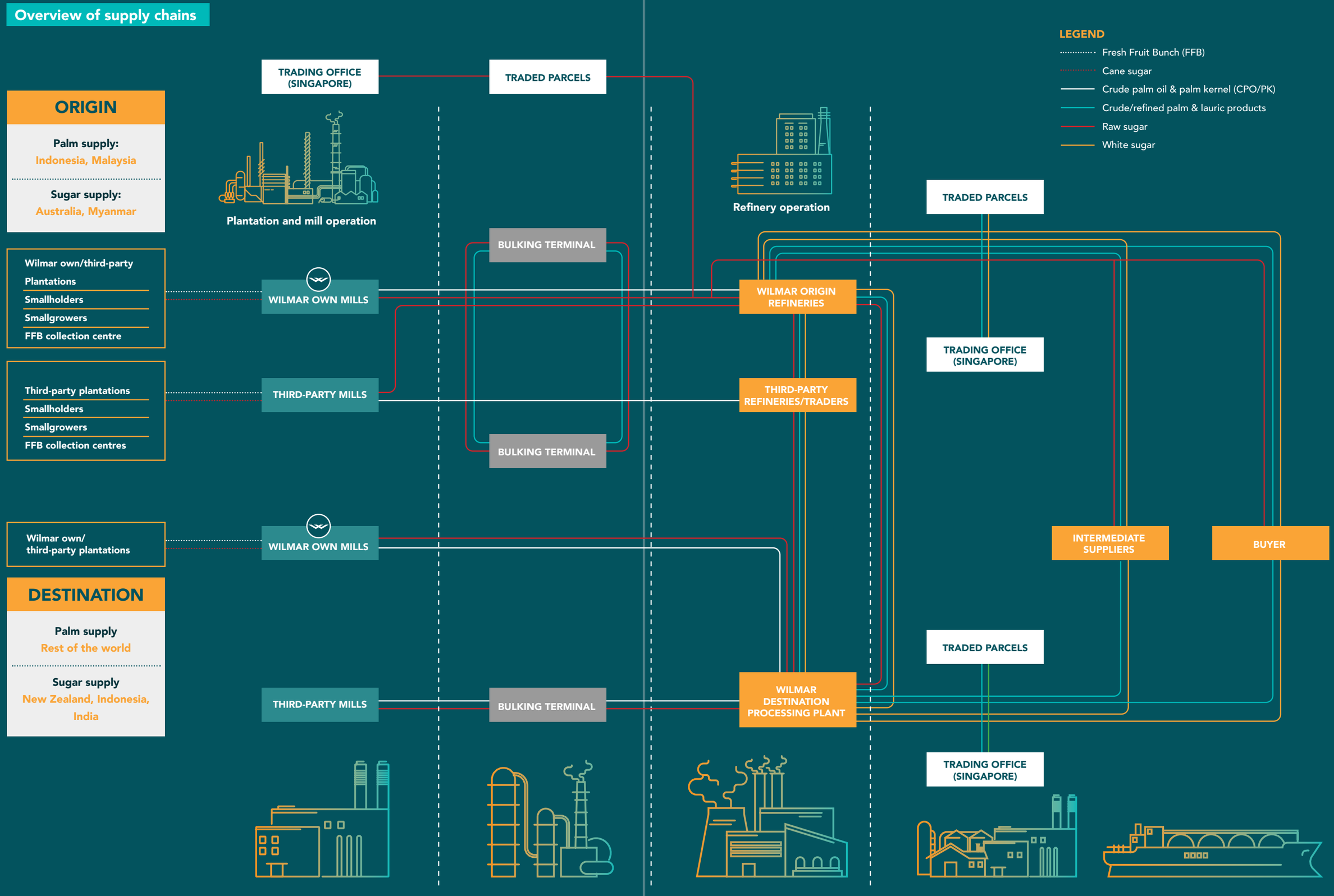
COUNTRY	TRACEABILITY (%)
Bangladesh	87.0
China-Oleo	69.7
China-Specialty Fats	76.6
Germany	99.8
Ghana	100.0
India	92.3
Indonesia	99.0
Ivory Coast	100.0
Malaysia	98.5
Netherlands	99.7
Nigeria	96.2
South Africa	99.3
Sri Lanka	100.0
Uganda	97.2
Ukraine	99.9
United States of America	100.0
Vietnam	97.6
Zambia	96.2

As of year-end 2019, approximately 15% of our third-party supplying mills within our global supply chain are traceable to plantation level. We have achieved 100% traceability to plantation for all Wilmar-owned palm oil mills across our global operations based on the **set criteria.** However, pursuing traceability to plantation for third-party direct supplier mills is significantly more complex. It is an extremely resource-intensive exercise, and many smaller companies do not have the means to carry it out. In December 2019, there was a breakthrough whereby RSPO member concession maps in Malaysia were made public via the GeoRSPO platform. However, challenges remain for non-RSPO members and some Indonesia suppliers because of recent changes in regulations prohibiting public availability of maps. We continue to engage with relevant stakeholders to address these restrictions. Despite this, Wilmar continually looks for more meaningful approaches to monitor its suppliers to address issues of deforestation and fire use via platforms such as our Supplier Group Compliance Programme.

For our sugar division, our primary focus has been on tracing raw sugar sourced from third-party suppliers for our own refineries. We have achieved 100% traceability to mill for both origin refineries in Australia since 2018.

[23] Including data from downstream operations outside the scope of this report.
[24] Including data from downstream operations outside the scope of this report.

Overview of supply chains



Tracing our sugarcane suppliers in India via the Drishticane app

To track and trace the locations of our sugarcane suppliers in India, Wilmar uses the Drishticane phone system

—an Android based mobile application developed to automate sugarcane procurement and management systems by providing real time input.

The application allows supplier data to be captured and stored and is particularly useful as our suppliers are predominantly smallholder farmers in India. This includes grower names, addresses, bank account information, type of plantation, soil type, irrigation methods used, machine harvesting (if any), and crop test results. With all field data captured, we can generate online business reports and controls for review. The benefits of this systems include:

- GPS-based area calculation providing more precise locations for cane availability.
- An ability for growers to report and for buyers to assess cane quality for procurement decisions.
- Ongoing access to master data and real time reports on any web browser-supported device.
- Battery-operated Bluetooth printers used to issue real-time harvesting orders. The printers help to overcome electrical load shedding at villages and minimise maintenance.
- Elimination of data entry errors.

ENGAGING SUPPLIERS ON OUR NDPE COMMITMENTS

Our NDPE policy applies to all third-party suppliers at group level, with no exceptions. During the year, Wilmar focused on communicating our NDPE commitments, which was updated in 2019, to our suppliers as we continue to address deforestation in our global supply chains. We have had formal engagements with all our Group-level palm oil suppliers. As of December 2019, over 90% of our suppliers have either:

- provided written confirmation to Wilmar's NDPE policy
- published their own NDPE policies
- reported NDPE compliance via our SRT platform, or
- are a member of the RSPO.

[25] We use the RSPO definition for 'group' until clear internal guidelines for interpretation of rules and legislation is complete.

Adopting a group-level [25] approach towards supply chain transformation

Since the December 2013 launch of our NDPE policy, action and engagement extends beyond our direct mill suppliers to also include the supplier at group level. This refers to any parent company group (or their subsidiaries) that Wilmar has a palm oil sourcing business relationship. It is part of our commitment to encouraging industry-wide sustainability and forms the bedrock of our belief that accountability means we must be answerable not only for our own actions but for those of others too.

While our efforts on traceability and supplier assessments are undertaken at mill level, our Supplier Group Compliance Programme and Grievance Procedure complements this approach.

SUPPLIER ASSESSMENTS

To support providing suppliers with guidance in implementing our NDPE policy, we assess potential non-compliance, evaluate progress and help identify areas for improvement.

Due diligence for potential new suppliers

A thorough due diligence process is undertaken for 100% of our potential supplying mills before it is eligible to enter Wilmar's supply chain. The process covers various environmental and social criteria, and allows for collating of information on various aspects, including but not limited to:

- Public information 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, where applicable.

This process is important to mitigate the risk of potential breaches to our NDPE policy. If the company has been involved in an activity that is in breach of our commitments, we will seek clarification from them in order to be able to close the issue or agree on an action plan that meets our requirements before we begin sourcing from them. Unless the company has already published and adopted our NDPE policy in their operations, they are required to provide written confirmation of our NDPE policy.

Assessing existing suppliers with the Supplier Reporting Tool

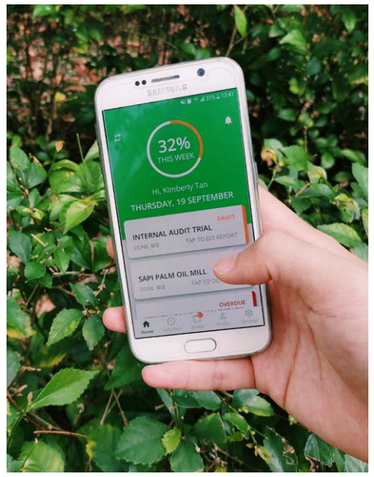
Wilmar assesses all mills that are already part of our supply chain annually. We use our Supplier Reporting Tool (SRT) to screen them for environmental and social risks. This includes both direct suppliers and Wilmar-owned mills, which we identify based on the previous year's procurement data. Once our suppliers have completed the SRT online, via the **OnConnect** system, they will receive a report with an 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.

Since its launch in 2017, the SRT has been rolled out to our suppliers in Indonesia, Malaysia, Honduras, Guatemala, and Colombia. Out of our 899 suppliers from 2018, 470* completed SRTs were submitted as of December 2019. This accounts for 52.3% of the supply base.

Our SRT allows us to collate reports on specific NDPE related criteria as reported by each supplier mill. Based on these reports, we can then identify potential risks of our direct mill suppliers. The criteria that is reported on includes:

* EY has performed limited assurance procedures on this figure

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. The following is done to evaluate risks:



SRT assessments are done using hand-held devices and the Nimbly tool for faster reporting while allowing more assessments to be conducted.

Mills are scored and ranked for individual INDICATORS of risk and for their overall combination

↓

Mill-based environmental risk is then combined with certification status and grievances for an overall mill-based risk score

↓

The SRT results are then integrated with risk assessment scores to determine risk levels

Those categorised with higher levels of risk, or 'high priority' mills, then undergo site assessments and direct engagement as part of our NDPE policy implementation programmes. Any potential breaches are to be closed out through action plans with time-bound commitments. We prioritise to engage the rest of our high priority mills within the next year of the initial categorisation.

	NO. OF SUPPLIER MILLS	%
Total direct suppliers	**899**	**100**
Suppliers assessed as low priority mills (denominator: total direct suppliers)	**683**	**76**
Suppliers assessed as high priority mills (denominator: total direct suppliers)	**216**	**24**
Engagement with high priority mills e.g. field verification or received Action Plans from Wilmar (denominator: suppliers assessed as high priority mills)	**129**	**60**

READ MORE ON OUR SRT

Assessing risks related to supply chain human rights through the SRT

The SRT enables us to identify and screen for potential human right risks

within our operations and across our wider supply chain, covering mills and plantations owned by our subsidiaries or suppliers.

Since 2017 we have worked with Verité and Mars—a global consumer goods company—to pilot a human rights programme in our extended supply chain, based on existing supplier information and findings from supplier assessments. The available supplier information, which was then added to via SRT reporting in 2018, created a detailed roadmap in the Pasir Gudang landscape in Peninsular Malaysia. The input received from Verité helped to identify practical interventions for suppliers, and also helped define how Wilmar's third-party compliance team were taking forward human rights related issues more effectively with suppliers. The intent therefore is to help scale more rapidly and identify solutions for common labour challenges in the palm oil industry.

In 2019, we conducted six site visits to our supplier operations. These partners have supported labour development and the indicators for our SRT and the Nimbly audit tool. We have also developed criteria for when labour and social findings are triggered as critical aspects requiring more urgent intervention. This programme is set to continue in 2020.

SUPPLIER CAPACITY BUILDING

To ensure suppliers can demonstrate their commitments in accordance with our NDPE policy, we regularly provide capacity building training programmes and access to relevant facilities. A notable palm oil engagement in 2019 included our support of third-party FFB suppliers in Malaysia to help achieve MSPO certification by the government-mandated deadline of 31 December 2019. With our help, 18 FFB suppliers covering 25,223 hectares of plantation successfully achieved certification and can now provide around 500,000 metric tonnes of certified FFB.

For our sugar operations, we continually engage with suppliers on Bonsucro certification standards and work with buyers to provide them with sustainability information such as traceability data required from their customers.

In 2019, we continued our work to develop relationships between sugarcane growers and Wilmar millers in Australia. We have improved communications through dialogue and regular updates. This included distributing bi-annual newsletters to growers, publishing weekly mill production reports, and reaching out to communicate any operational or cane supply issues. We also conduct frequent face-to-face sessions with growers. This includes tours of our mills and sugar terminals, pre-season information forums, sessions on innovative pricing and pooling options, and workshops carried out with subject matter experts to discuss current and anticipated trends in the sugar market. In India, SRSL also engages with cane sugar suppliers to adopt best management practice in sugarcane farming to address issues such as grub menace, striga weed and vermi-compositing.

In 2019 we invested over US$ 57,000 on grower engagement programmes in Australia and India.

OUR REVISED GRIEVANCE PROCEDURE

In June 2019, we published an updated version of Wilmar's Grievance Procedure, which was first introduced in January 2015, after a process of consultation with NGOs and subject experts. Apart from streamlining the document, the grievance mechanism now more succinctly addresses NDPE non-compliances. We have communicated this updated procedure to all our suppliers. The updated Grievance Procedure is also available in Bahasa Indonesia for our Indonesian stakeholders.

Concurrently in 2019 we also started the development of a No Exploitation specific grievance protocol. The development has so far involved two rounds of multi-stakeholder consultations. The No Exploitation Protocol is being drafted to support Wilmar's Grievance Procedure to address objections regarding the implementation of our No Exploitation of People and Local Communities commitments set out within the NDPE policy. This protocol identifies non-compliances that warrant action and oversight additional to those described in the Grievance Procedure. We target to establish the No Exploitation Protocol to support the Grievance Procedure by Q3 2020.

A separate multi-stakeholder process coordinated under Mighty Earth's Sundaland process in 2019 intended to produce 'industry accepted re-entry criteria' that would allow previously suspended suppliers to rejoin NDPE supply chains. However, the stakeholders in the Sundaland process working group could not agree on the adoption of all the criteria. The undisputed portion of the re-entry criteria from the Sundaland process has since been adopted by Wilmar.

SEE GRIEVANCE PROCEDURE

UPDATES TO REVISED GRIEVANCE PROCEDURE

Revised Grievance Procedure

More succinctly addresses NDPE non-compliances

'Suspend then engage' approach for suppliers at group level

Effective 1 January 2019, suppliers involved in verified cases of deforestation and/or new development on peatland face immediate suspension

Recognises the provision of Recovery Plans required for past non-compliances related to deforestation and peat development by adopting a conversion cut-off date of 31 December 2015

New re-entry criteria

New protocol being drafted to address no exploitation aspects of NDPE policy – to be published Q3 2020

Inclusion of commitment towards the protection of human rights defenders, whistleblowers, complainants and community spokespersons, while ensuring a provision of anonymity for whistleblowing and reporting of grievance cases

SEE LIST AND DETAILS OF GRIEVANCE CASES

We have increased our reporting capabilities for our new Grievance Procedure. Wilmar continuously target to achieve a 100% response rate for all grievances raised, and are working to resolve all open cases effectively and amicably.

GRIEVANCE CASES AS OF DECEMBER 2019

GRIEVANCES

59* cases lodged:
54 against third-party suppliers
5 against Wilmar-owned operations

90%*
of cases closed

Open and closed cases:

Wilmar-owned operations:
2 open; 3 closed

Third-party suppliers:
4 open; 50 closed

Nature of open cases:
social conflict and human rights (5*); deforestation and social conflict (1*)

*EY has performed limited assurance procedures on this figure.

Engaging suppliers post suspension

Since 2015, we have suspended 26 parent companies (managing 2.2 million hectares of oil palm plantations and 69 mills) from our supply chain due to non-compliance with our NDPE policy, 22 of which were related to deforestation. As of December 2019, 10 out of the 26 parent companies (managing 0.7 million hectares of oil palm plantations) met Wilmar's re-entry criteria while 16 parent companies (managing 1.5 million[26] hectares of oil palm plantations) remain on our suspension list.

It is estimated that 6.4 million hectares have been spared from oil palm development in Indonesia. This is largely attributed to the individual NDPE commitments of key companies, alongside government policies [27]. To avoid any suspension from inadvertently contributing to a growing unsustainable market or negatively impacting oil palm smallholders, Wilmar sees post-suspension engagement as crucial, enabling us to assist suppliers in bringing their operations to compliance.

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 non-compliance status and any potential return to our supply chain. The document was finalised 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.

SEE RE-ENTRY CRITERIA

[26] We reported this number as 1.02 million hectares in our Annual Report 2019, which was pending verification at the time of its publication

[27] '28 Percent of Indonesia's Palm Oil Landbank Is Stranded'. Chain Reaction Research, 9 July 2019, https://chainreactionresearch.com/report/28-percent-of-indonesias-palm-oil-landbank-is-stranded/ Accessed 18 February 2020.

Successfully re-engaging suspended suppliers

KPN CORPORATION (PREVIOUSLY GAMA PLANTATION GROUP)

In June 2018, Greenpeace released a report linking GAMA Plantation Group to deforestation and peat clearance practices. Wilmar responded by suspending trade immediately with all companies identified within this group, thus triggering a spate of remedial actions. These former independent companies (consolidated into GAMA Plantation Group and now known as KPN Plantation) operate around 20 mills over a planted area of 200,000 hectares in the Indonesian regions of Sumatra, Kalimantan, Sulawesi and Papua. In 2019, KPN Plantation—in collaboration with Aidenvironment Asia—embarked on a multi-year process to implement their **new NDPE policy**. So far, they have undertaken remediation actions to restore riparian areas and develop Recovery Plans in Kubu Raya, Sambas, Jambi and Merauke, with a focus on social forestry programmes.

In early 2019, Wilmar and Nestlé carried out a **site visit** in Papua to witness the implementation of their NDPE policy, Recovery Plans and understand issues and challenges in the implementation. As a sign of faith in the progress made by KPN Plantations, Nestlé publicly reinstated the group into their supply chain in early 2019.

July 2018 October 2018 September 2019

Riparian area with visible signs of remedial action within 3 months due to restoration efforts undertaken

In early 2019, Wilmar and Nestlé carried out a site visit in Papua to witness the implementation of their NDPE policy, Recovery Plans and understand issues and challenges in the implementation.

MOPOLI RAYA GROUP

A 2015 Greenomics report uncovered deforestation in the biodiversity-rich region of Leuser of North Sumatra that was linked to the Mopoli Raya Group, which at the time was a Wilmar supplier. Wilmar subsequently suspended the group that year. Following their suspension, Mopoli agreed to a moratorium on land clearance in compliance with Wilmar's NDPE policy. A registered assessor was subsequently engaged to conduct an HCS assessment and HCV pre-identification.

Wilmar's ongoing involvement—with support of the Earthworm Foundation—has helped Mopoli Raya to navigate tenurial conflicts and illegal community logging. Mopoli Raya has since announced their own **NDPE policy** and established a sustainability team to lead on their commitments.

Wilmar's ongoing involvement—with support of the Earthworm Foundation—has helped Mopoli Raya to navigate tenurial conflicts and illegal community logging.

SEE BOTH CASE STUDIES IN DETAIL

VIEW A SHORT VIDEO HIGHLIGHTING MOPOLI RAYA'S JOURNEY

Addressing non-compliance through recovery plans

Wilmar acknowledges that establishing a deforestation-free supply chain from 2020 onwards requires the provision of remediation measures.

We require supplier groups with non-compliant forest clearing and peat development after the cut-off date of 31 December 2015 to submit Recovery Plans to address issues on these past non-compliance(s).

Recovery Plans may include protecting and restoring ecosystems or assisting local communities to secure social forestry rights. Wilmar's sustainability teams engage and support our suppliers throughout this process. Currently, there are no industry-wide accepted criteria for what constitutes an adequate Recovery Plan. In 2019, through a group process convened by the Mighty Earth, Wilmar worked with other palm oil companies and NGOs to define such criteria. Working group discussions are ongoing.

Stakeholder commentary by KPN Corporation

Djuaman Lie, KPN Plantation Division, Legal Head

The biggest challenge we face on the ground is having to balance our sustainability commitments with the needs of the communities in areas we operate in.

Examples of longterm community livelihood programmes introduced by KPN include fish farming in Papua.

As most of KPN's plantations are in rural areas where economic development is limited, communities rely on KPN to help develop the local economy. Except for the company's established operations, KPN plantation development is now limited. When we began our NDPE journey in 2018, KPN faced difficulties in enforcing a work-stop order until we conducted full HCV and HCS assessments. At the operation sites, members of local communities who were employed by KPN were conducting land clearing activities—which were halted. Consequently, KPN had a responsibility to find alternative roles within its operations for the local community. The abrupt transition posed significant challenges for KPN, especially during the initial three months.

Fortunately, with support from the rest of our stakeholders as well as through open dialogue and engagement efforts, community members understood the necessity of halting clearing activities during the transition period in order to manage the company's sustainability commitments. With support from KPN, the transition period also enabled workers to develop new skills. During this challenging period, Wilmar provided us with the necessary support. This included observing progress on-site, discussing programmes, and providing feedback for improvement as required. Today, KPN and affected communities have made significant progress towards overcoming this hurdle. Noting the reduction in total planted area due to our NDPE policy requirements, an additional challenge was the time community members needed—many of whom live day-to-day and therefore face unrelenting pressures—to understand and adapt to long-term programmes. An example of these programmes includes fish-farming projects which were introduced by KPN to offer long-term benefits for community members. Besides being a food source, the intended outcome was to enable the community to rely on aquaculture as an alternative source of income. Although it was a time-consuming effort, the community now understands the benefits of the programme and appreciates its value in improving their livelihood.

About

In June 2018, Greenpeace (GP) released a report in which a group of companies, together as GAMA Plantation Group, had identified breaches to Wilmar's NDPE policy commitments. The report implicated three plantation companies in particular for deforestation and peat clearance activities. Wilmar has never sourced from these said plantations. However, because of GP report's findings, on 22 June 2018 Wilmar suspended all companies that were listed as GAMA Plantation Group. Full support and commitment from top management have played a pivotal role in getting GAMA Plantation Group (known as KPN Plantation since October 2019) to commit and implement the NDPE policy across their oil palm operations. Wilmar reinstated KPN Plantation as a supplier in 2019.

PROACTIVELY MONITORING DEFORESTATION WITHIN THE SUPPLY CHAIN

As part of our full supplier compliance verification framework—and in addition to our SRT and grievance mechanism—Wilmar also launched the Supplier Group Compliance Programme (SGCP) in December 2013 to proactively monitor risk of association at supplier group level. This proactive monitoring programme is delivered by Aidenvironment Asia (now known as 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 20* million hectares and covers over 500 parent groups of company-owned or managed lands both within and beyond Wilmar's existing supply chain. Any verified deforestation will trigger the grievance procedure.

READ MORE ABOUT OUR SGCP APPROACH AND MONITORING METHODOLOGY

New radar monitoring technology to detect deforestation

In October 2019, Wilmar joined nine other palm oil producers and buyers at a landscape level to support and fund the development of a new, publicly available, radar-based forest monitoring system known as Radar Alerts for Detecting Deforestation (RADD). This partnership will make it easier for companies and other stakeholders to identify signs of deforestation in near real time and with greater accuracy, beginning with Indonesia and Malaysia. With this information, we can mobilise rapid follow-up actions on the ground.

READ MORE ABOUT RADD

* EY has performed limited assurance procedures on this figure

Environmental custodianship

Wilmar pledged to reduce greenhouse gas (GHG) emissions on existing plantations progressively, while strictly prohibiting new development on peatland regardless of depth and enforcing a strict No Burn policy for new developments and land preparation.

This commitment came after having acknowledged the major risks faced by communities, ecosystems and supply chains due to climate change.

As environmental stewards, we strive to protect rare, threatened and endangered species while focussing efforts towards wildlife conservation. We also continue our ongoing efforts to preserve water quality and, where possible, to reduce the usage of chemicals.

The conservation team in Sabah conducting a species survey in a riparian zone.

Key milestones in 2019

CONSERVATION

31,375 ha at palm oil estates
—about 10% of Wilmar's total landbank. This is equivalent to 58,865 football fields or about the size of the country of Maldives
This covers:
HCV area: 81.3%
Riparian areas: 18.6%
HCS forests: 0.1%

812.73 ha
Total riparian area restored in Indonesia and Malaysia

32 Wilmar honorary wildlife wardens in Sabah
38 Wilmar honorary wildlife rangers in Sarawak

826 ha at sugar operations
This covers:
675 ha at **Australia estates**
151 ha at **India mills**

18 siamangs
successfully reintroduced to PT. KSI conservation area

> 8,000
people participated in conservation awareness programmes

24 medium and large mammals recorded since 2013
at Bukit Durang conservation area in Sarawak. 6 additional species recorded from 2018–2020

GHG EMISSIONS

24th
methane capture facility built

571,596 MT CO_2e
total emissions avoided due to methane captures

51.5% reduction
in Group net emissions for Wilmar RSPO-certified mills

47.5% reduction
in overall emissions, incl. outgrower emissions

ENERGY CONSUMPTION

Increase of 16%
from 2018 in renewable energy mix within total energy consumption

350,000 MWh in Australia
183,777 MWh in India
of exported renewable energy to national grids

PEAT

2.55%
of total Wilmar planted area classified as peat

0.43%
of total conservation area is peat

FIRE MONITORING & MANAGEMENT

60%
reduction in number of fire incidents in 2019 as compared to 2015 which had similar rainfall conditions

> 20* mil ha
associated with supply chain monitored externally for fires via the Supplier Group Compliance Programme

WASTE MANAGEMENT

74%
solid waste generated re-used as fuel or organic fertiliser

WATER & EFFLUENT MANAGEMENT

Achieved 2023
water consumption intensity targets for Central Kalimantan and Sumatra mills

Within legal limits for BOD and COD
levels for Indonesia and Malaysia upstream and downstream operations

CHEMICAL USE

Current range of below 1,000 units/ha
largely in line with palm industry best practice

As per Bonsucro's best practice, agro-chemicals application for sugar crop kept **below 5 kg active ingredient/ha**

*EY has performed limited assurance procedures on this figure.

Addressing sustainability at scale through jurisdictional approaches

Wilmar supports landscape and jurisdictional approaches as alternative strategies to achieving sustainable practices at scale.

These approaches assist in aligning interests and coordinate actions among governments, businesses, local communities, and NGOs to address pertinent challenges such as land-use planning and tenure clarification, smallholder inclusion and production practices.

Wilmar is part of the Malaysian state of Sabah's 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. Wilmar has been part of the working group to map out HCV and HCS areas in the entire state of Sabah and has also provided input into the approach for smallholders in the state. As of late 2019, the JCSC has approved the setting up of a full-time secretariat to ensure the efforts of the state of Sabah stay on target.

Wilmar is also a contributor to a jurisdictional approach initiative convened by the Tropical Forest Alliance (TFA), which aims to develop guidelines for sustainable production at a landscape level before being localised and adapted to applicable regions in South East Asia. Under this umbrella initiative we will work with our peers to support the programme and look into implementation in Sabah and the parts of Indonesia where we operate.

Managing climate change risks

In the face of unprecedented, interconnected environmental global challenges, we must take action to avoid negative consequences for the people and ecosystems that sustain us. Our practices are aligned with the components in *SDG 15 (Life on land)*.

One of our focus areas is managing the impacts of climate change due to excess GHG emissions. There is a need for an urgent reduction of GHG emissions by 7.6% per year from 2020 to 2030 in order to meet the cap of a 1.5°C increase in global temperatures.[28] Climate change, and the resulting rise in global temperatures, has a direct correlation to increasing pressure on fertile soils. This will lead to drastic challenges such as severe weather and concerns over food security. Wilmar understands the risks posed to agriculture, land use, food production and people and has significantly invested in resources and focused our initiatives to manage these risks in our operations and supply chain through:

- **Climate change mitigation** by employing policy and practices to reduce carbon emissions and land use change, and
- **Climate change adaptation** by equipping operations and personnel with measures and programmes to manage the effects of climate change.

Wilmar's approach includes the elimination of peatland deforestation and development. We are also committed to best management practice for soils and peat. We reduce resource use and GHG emissions at Wilmar-owned plantations by converting waste to renewable energy for fuel and composting as organic fertiliser. We also use sugar mill by-products to increase farm productivity; re-use wastewater throughout the production process; have installed solar panels at plants and methane captures at palm oil mills; and employ other best practices. We also monitor land use change and hotspots; educate community members on fire risk; equip them with agronomy techniques; and invest in R&D for high-resistant and high-yield seeds to adapt to extreme weather. We expect our suppliers to adopt climate change mitigation and adaptation practices in accordance with our efforts to ensure NDPE compliance at group level.

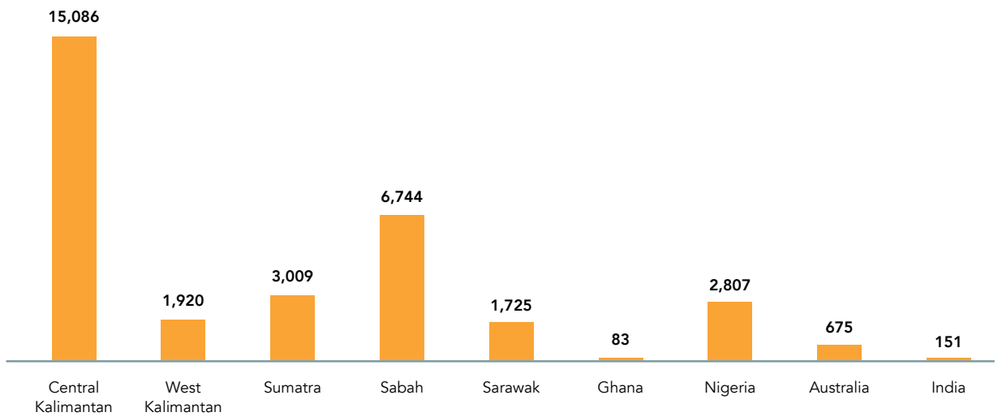
[28] Emissions Gap Report 2019'. United Nations Environment Programme, Accessed 12 December 2019.

PROTECTING, CONSERVING, RESTORING AND ENHANCING BIODIVERSITY

The New York Declaration on Forests (NYDF) recognised the need to restore 150 million hectares of degraded landscapes and forest by 2020 and 350 million hectares by 2030.[29] We intend to do our part as conserving, restoring, and protecting biodiversity remains integral to Wilmar's environmental management strategy. We have also strengthened partner engagement and industry initiatives to meet the global commitments designed to halt deforestation by 2020. Strategies include contributing to platforms such as the RSPO, Tropical Forest Alliance, and the Accountability Framework Initiative.

Wilmar's NDPE policy emphasises that high carbon stock (HCS) forests and high conservation value (HCV) areas in all estates within our global supply chain must be protected and conserved. The High Conservation Value Resource Network (HCVRN) and High Carbon Stock Approach (HCSA) toolkit guide identification of these areas. As of November 2018, the revised RSPO Principles and Criteria (P&C) now include HCSA for upcoming assessments. In most circumstances, we will integrate HCV and HCSA assessments using HCVRN licensed assessors.

CONSERVATION AREA 2019 (ha)



As of December 2019, a total 31,375 hectares at our palm oil estates is conserved, almost 10% of our total landbank. Compared to 2018, 1,175 hectares in Nigeria have been added due to the inclusion of greenfields in Calaro, while 675 hectares in Sabah is not suitable for planting and has been added to the HCV area.

In Australia, we have reserved 675 hectares of vegetation categorised as 'endangered' or 'of concern' at our sugar estates in line with local laws. In India we follow regulatory requirements in allocating 33% of our facility compound areas to be planted with native tree species. These green belts are to cover the entire periphery of our mills and plants. During the course of 2018 and 2019, we have planted over 9,000 trees, totalling 151 hectares, at our seven mills.

Through assessments conducted to date for our palm oil operations, all identified HCS forests and HCV areas are being monitored and managed as conservation areas under dedicated management plans. To ensure that we consistently improve on the monitoring and management of these reserved areas and conserve our biodiversity, we have developed a range of programmes involving our workers and local communities.

[29] 'Goal 5'. New York Declaration on Forest Progress Assessment, Accessed 16 March 2020.

Wilmar conservation programmes 2019

REINTRODUCING LOCALLY EXTINCT SPECIES INTO CONSERVATION AREAS

In Solok, Sumatra, Wilmar has overseen the conservation of 1,760 hectares at one of our operations, PT. Kencana Sawit Indonesia (KSI), which is home to 97 fauna species and 44 flora species. Of the wildlife and animals currently found in the forest landscape, 18 are classified as either endangered, vulnerable, near threatened or not evaluated according to the International Union for Conservation of Nature and Natural Resources (IUCN) Red List of Threatened Species. By national law, 26 species are protected, of which six have been identified as rare, threatened and endangered (RTE).

The identified HCV area was originally home to gibbons prior to becoming locally extinct. In 2014, Wilmar partnered with the Kalaweit Foundation (Yayasan Kalaweit) to rehabilitate siamang gibbons into the HCV area. The local tree species provides an ideal habitat and food source, critical to the siamangs' survival. Following IUCN soft release guidelines, we introduced nine male and nine female siamangs in two batches, totalling 18: seven in 2015 and 11 in 2018. The siamangs have adapted well, with three infants being born from 2016 to 2019. Unfortunately, one infant has since died as a result of a bee sting.

A monitoring team, including local community members, works closely with the Kalaweit Foundation to monitor the population's health and behaviour daily to ensure that the sustainably managed production landscape continues to support the survival of the endangered species. A research station was also built by our operational team in PT. KSI. This is used by the monitoring and animal patrol teams to carry out their work and guard the HCV area.

APPLYING LOCAL KNOWLEDGE TOWARDS CONSERVATION MANAGEMENT

HCV and riparian areas are critically important for their high biological and ecological value, but also fundamental to meeting the needs of local surrounding communities and are often essential to their traditional cultural identity. Wilmar appreciates these socio-cultural bonds, engaging and learning from local communities who depend on the forest and rivers that surround them.

For instance, water catchment areas in and around our PT. KSI operations in Indonesia are sources of clean water and protein for the surrounding village units *(Minangkabau nagaris)*, Talau and Sei Kunyit. Traditional local knowledge demands that during certain periods the community safeguard fish in a protected pool *(lubuk larangan)*. This requires approval from a community head who will make a devotion to the river before permitting fishing as a source of food.

Wilmar's HCV management team works with representatives from the Talau and Sei Kunyit communities to protect and manage these HCV and riparian areas. These partnerships were established through formal agreements with the communities in order to uphold their traditions and employ local knowledge on management of the areas, including settling any HCV management disputes.

IMPROVING HABITATS THROUGH RIPARIAN RESTORATION

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.

To date, our total riparian area at our palm oil operations make up 5,842 hectares of the land we conserve. Of this total, 812.73 ha were established via our restoration efforts.

INDONESIA

- 2012-2019
- 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. 2019 mortality rate of 25%, signifying 75% thrived in riparian areas
- annual rapid survey indicate that the restored areas are now home to more birds and reptiles than prior to 2012

MALAYSIA

In Malaysia, we work with the Sabah Forestry Department on our riparian restoration programme, which is conducted within two areas at our Sabahmas and Sapi estates. More than RM2.8 million (approximately US$ 650,000) has been invested in the Segama and Sepapayau River projects to date.

Segama River, Sabahmas

- 2009-2014
- 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

Sepapayau River, Sapi

- 2014-2019
- 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.

CREATING AWARENESS ON RTE SPECIES AND BIODIVERSITY CONSERVATION

Wilmar has established the annual Wildlife Outreach and Awareness Project. The objective was to raise stakeholders' awareness on RTE species and wildlife conservation in Sabah and Sarawak as many species risk displacement due to human activity, especially poaching and illegal wildlife trading.

We collaborate with government agencies such as the Sabah Wildlife Department (SWD) and the Forestry Sarawak Corporation (FSC) and NGOs such as HUTAN-Kinabatangan Orangutan Conservation Project and the Bornean Sun Bear Conservation Centre (BSBCC) who collectively share their considerable knowledge on wildlife conservation.

We also create awareness by engaging with plantation and mill employees, local communities, and children from local schools. In 2019, the annual programme was enhanced at our Sabah operations as we conducted extensive engagement with more than 1,800 people at Sugut, Labuk and Segama in July, November and December of that year. Similarly, in Indonesia Wilmar's HCV team conducted stakeholder engagement involving workers and local communities. In 2019, the outreach totalled over 6,200 participants.

Wilmar is among the few oil palm companies with personnel that have been appointed as honorary wildlife rangers[30] and wildlife wardens.[31] Honorary wildlife rangers have the authority to halt any illegal activity threatening wildlife, including to stop and search airplanes. As of December 2019, we had 32 honorary wildlife wardens in Sabah and 38 honorary wildlife rangers in Sarawak, of which a total of ten are women.

FINDINGS FROM THE UNIMAS PARTNERSHIP BIODIVERSITY STUDY AT BUKIT DURANG, MIRI, SARAWAK

Since 2014 Wilmar has partnered with the University of Malaysia Sarawak (UNIMAS) to gather baseline data on the diversity of flora and fauna species found in HCV areas within Wilmar's Saremas and Segarmas oil palm plantations in Sarawak. Surveys from 2018 to 2020 have recorded an additional six species found in the HCV areas. A cumulative total of 24 species of medium and large mammals have been observed and recorded at the Sarawak estate from 2013.

Initial findings indicate:

- The HCV areas harbour more diverse, endemic and IUCN-classified near threatened species compared to the rest of the estate
- Certain areas such as the Bukit Durang forests are rich in biodiversity and specifically have a high diversity of undergrowth plant species with the palm and aroids families. According to the 1998 Sarawak Wildlife Protection Ordinance, two protected species were also recorded, namely the Dendrobium orchid and the longjack flowering plant
- There is a diverse composition of fish fauna, which is moderate compared to other aquatic habitats in Sarawak
- The conservation area at Bukit Durang has significant conservation values which needs protection from encroachment and habitat disturbance
- Tree communities are rich and diverse, with an uneven spatial distribution around Saremas and Bukit Durang's forested areas

Wilmar has incorporated these findings into our management and monitoring plans and continually strives to improve our monitoring of the HCV sites.

SEE MORE ON OUR CONSERVATION EFFORTS

[30] Appointed under the Sabah Wildlife Conservation Enactment, 1997
[31] Appointed under Sarawak Wildlife Protection Ordinance, 1998

REDUCING GHG EMISSIONS

We have a commitment to progressively reduce our greenhouse gas emissions at Wilmar-owned operations. This will be achieved by our efforts to halt deforestation, best management practices on cultivated peatland, and treating palm oil mill effluent to reduce methane emissions.

The GHG Protocol benchmark is used to quantify our palm oil and sugar mill emissions. We have set a target to reduce GHG emissions intensity by 15% for all our palm oil mills by 2023 (set against our 2016 baseline of 0.82 metric tonnes of carbon dioxide equivalent per metric tonne of crude palm oil processed (MT CO_2e/MT CPO)). This applies to all our mills in Indonesia, Malaysia, Ghana and Nigeria, regardless of certification status. In 2019, our GHG emission intensity was 0.77 MT CO_2e/MT CPO, 5% higher compared to 2018 intensity. This is due to our adoption of a more conservative calculation approach for palm oil mill effluent which takes into account the emissions of treated effluent through later stages of anaerobic ponds.

We have set a target to reduce GHG emissions intensity by 15% for all our palm oil mills by 2023

SCOPE 1 & 2 GHG EMISSIONS BY COUNTRY AND BUSINESS ACTIVITY 2019 (MT CO_2e)

EMMISION BY COUNTRY	INDONESIA	MALAYSIA	GHANA & NIGERIA	AUSTRALIA & NEW ZEALAND	MYANMAR	INDIA
Scope 1	3,803,456	509,366	47,993	252,977	7,625	334,114
Scope 2	427,083	202,048	63	49,140	292	2,608

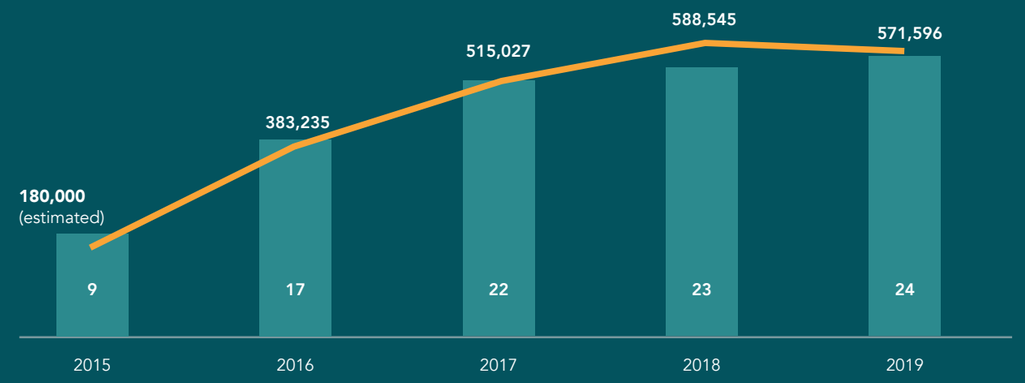
EMISSIONS BY BUSINESS ACTIVITY /DIVISION	OIL PALM PLANTATIONS	PALM OIL MILLS	PALM REFINERIES/ OTHERS	SUGAR FARMS	SUGAR MILLS	SUGAR REFINERIES/ OTHERS
Scope 1	389,875	1,432,962	2,185,802	14,113	226,438	706,341
Scope 2	3,423	296	625,416	1,224	24,461	26,411

Reducing emissions through methane captures facilities

To mitigate mill methane emissions, we have invested in methane capture plants across our operations.

We use these for flaring, generating electricity or feeding into boilers to replace burning of palm kernel shells. An operational methane capture facility can potentially reduce a palm oil mill's GHG emissions by 90%. In 2019 we completed construction of our 24th methane capture facility at our CPO mill, PT. AMP Plantations, in Sumatra. Subsequently, we have achieved our 2020 target to complete the construction of 25 methane capture plants at CPO mills by commissioning the flare at PT. Sarina Titian Permata 1 in end February 2020. With 25 methane captures in full operation, we estimated in 2015 being able to avoid 500,000 MT CO_2e of emissions annually. As of December 2019, we see a 571,596 MT CO_2e of total emissions avoided at all our mills, far exceeding our initial estimations.

TOTAL METHANE CAPTURE PLANTS AND EMISSIONS AVOIDED 2015-2019



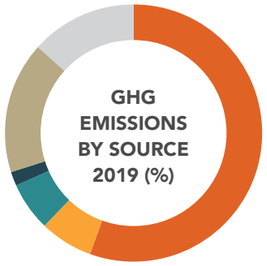
NOTE:

It can take up to six months for a methane capture facility to operate at full capacity as well as optimum operational efficiency/maintenance to maximise the achievable reductions at each plant. Therefore the emission figures are not directly correlated to the number of facilities year-on-year but are reflective of those in operation at respective efficiencies from previous years. Data for 2015 is based on our estimated emission reduction of 20,000 MT CO_2e per plant.

PalmGHG

For our RSPO-certified palm oil operations we also use the RSPO PalmGHG calculator to report annual progress in monitoring and reducing significant pollutants and emissions from plantation and mill operations. We mapped our 2019 emissions using version four (v4) of the said calculator.

In 2019, our overall net GHG emissions (excluding estimated outgrower emissions) for the Group's RSPO mills and estates was 849,226 MT CO_2e—a 51.5% decrease from 2018. The biggest sources of GHG emissions from our RSPO operations are from historical land use change (55%), oxidation of existing planted peat (17%), and palm oil mill effluent (POME) (13%). Compared to 2018, emissions from our land use change increased from 42% to 55%. We attribute this rise to our improved geographic information system (GIS) which now provides more accurate imagery on previous types of land use within our estates. In 2019, we used more compound fertiliser which has also led to an increase in total emissions from 4% in 2017 and 2018 to 7% in 2019.



55% Historical land use change allocation

17% Peat oxidation

7% CO_2 emissions from fertiliser

13% POME

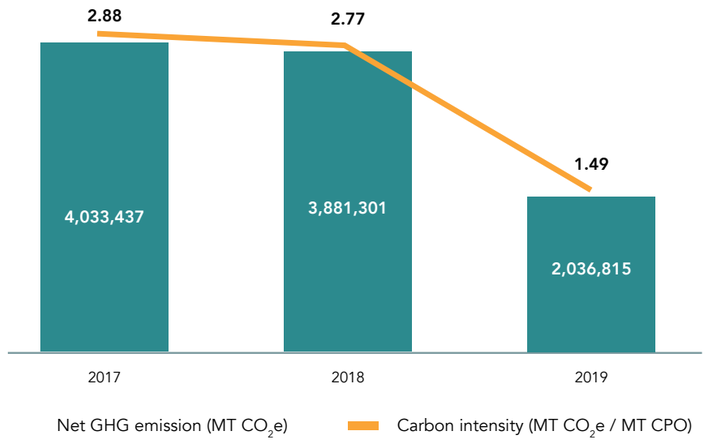
6% N_2O emissions

0% Fuel consumption (mill)

2% Fuel consumption (field)

0% Grid electricity utilisation

NET GHG EMISSIONS AND CARBON INTENSITY FOR RSPO OPERATIONS 2017-2019



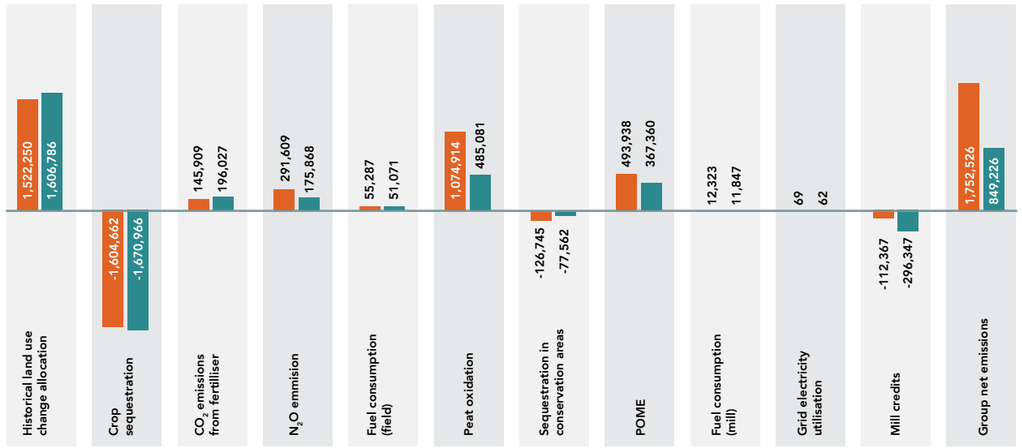
NOTE:

Outgrower emissions are estimated based on the highest emission intensity of our own estates supplying to each mill multiplied by the total volume of outgrower FFB supply. Outgrowers include all suppliers that are not from Wilmar or scheme smallholder estates.

Despite these increases, our overall net GHG emissions have decreased due to a few factors. We largely attribute this to our peat oxidation figures, which show a drop in emissions from 30% in 2018 to 17% in 2019, partly due to Wilmar aligning with the guidance and classification of peat areas by the Ministry of Environment and Forestry of Indonesia [32]. Conservation area figures increased by 4% thereby contributing to the decrease in overall net emissions. This is because an additional mill received RSPO certification in 2019, resulting in an increase in planted area figures. Mill credits have also more than doubled from 2018 as additional biogas plants have come into operation. This replaces the need for palm kernel shells as boiler fuel and has led to an increased amount becoming available for sale. In 2019, our data recording also improved which can also be attributed to the more positive figures.

SEE OUR CONSERVING AND RESTORING PEATLANDS SECTION FOR MORE INFORMATION PEAT RECLASSIFICATION

EMISSION SOURCES AND SINKS 2018-2019 (MT CO_2e/YEAR)



Including estimated outgrower emissions, our GHG emissions totalled 2,036,815 MT CO_2e in 2019—a reduction of 47.5% from 2018. We attribute the reduction to a 50% drop in total emissions at our Indonesia operations, which account for 88% of the Group's emissions. This was due to corresponding emissions after peatland reclassification.

[32] Based on the Ministry of Environment and Forestry of Indonesia's Ministerial Decision (SK7099/MENLHK-PKTL/IPSDH/PLA.1/8/2019) on *Penetapan Indikatif Penghentian Pemberian Izin Baru Hutan Alam Primer dan Lahan Gambut Tahun 2019* (Indicative Determination of the Cessation of Granting of New Permit for Primary Natural Forests and Peatlands 2019)

ENERGY CONSUMPTION

*In 2019, Wilmar recorded **47,658,835 MWh** total energy consumption across all palm and sugar operations.*

Out of this total, 35,763,892 MWh is generated from renewable biomass sources which comes from our palm and sugar operations, representing 75% of total energy mix. This is a 16% increase from 2018 when our renewable energy mix was at 58.8%.

The main energy sources for our palm oil mills come from renewable biomass such as empty fruit bunches (EFBs), mesocarp fibre and kernel shells. For our sugar operations in Australia and India, cane bagasse is the main source of fuel required to power mills.

There is minimal usage of other fuel sources, which are used for start-up processes or during maintenance periods.

In Australia, Wilmar is the largest producer of renewable biomass energy. Our cogeneration process generates a total capacity of about 199 megawatts. Three of our mills use cogeneration facilities to increase their export capacity and further drive efficient biomass use. Surplus bagasse is stockpiled on specially designed pads to ensure a ready source of renewable energy outside the crushing season.

Exporting electricity from cane bagasse cogeneration to national grids

We export a significant portion of the electricity produced to national grids. This contributes to a reduction of regional GHG emissions. In 2019, a total of 533,777 megawatt hours (MWh) were exported to national grids: 350,000 MWh from eight mills in Australia, and 183,777 MWh from five mills in India.

Promoting green energy in sugarcane farming in India

Karnataka State in India supplies power from national grids to farmers on a cost-free basis, but these farmers end up with limited access to power, especially during peak summer months. This causes a detrimental effect to crops because of insufficient energy for maintenance and harvesting.

To address the issue, SRSL has implemented solar-powered irrigation pumping systems as an alternative power source for the farmers and their estates. This scheme was implemented with financial help from local banks, which allows the farmers to claim subsidies. Since 2014, we have progressively installed 591 pumping systems across the irrigation sources of our farmer's operations. This includes open wells, bore wells, and rivers. Because of this initiative farmers can now enjoy electricity throughout the hot summer months and have also recouped their investments. Crops can continue being irrigated as scheduled. This has led to higher productivity yields of 25–30% compared to when power access was limited.

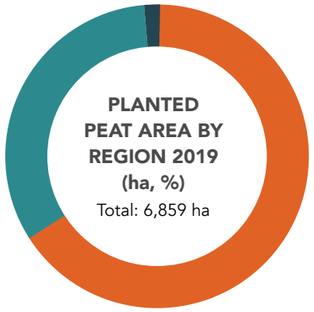
CONSERVING AND RESTORING PEATLANDS

Peatland forests store twice as much carbon as the rest of the world's forests but once drained or in very dry conditions, are highly prone to catching fire.

According to Global Forest Watch Fires data, in 2019, 42% of fire alerts detected in Indonesia occurred on carbon-rich peatlands [33]. Draining one hectare of tropical peatland will produce an average of 55 metric tonnes of carbon dioxide per year. With a cut-off date of 31 December 2015, Wilmar has prohibited any development on peatland regardless of depth and supports the conservation and restoration of these areas to avoid release of carbon emissions.

Of our total planted area, approximately 6,860 hectares (2.55%) are classified as peat, about two-thirds of which are in West Kalimantan. Our conservation area currently comprises 135 hectares of peat, of which 127 hectares come from our Sumatra operations alone.

For planted peat areas, we use best management practices as defined by peat experts and the RSPO. This includes maintaining water tables at appropriate levels and exchanging best practice on platforms such as the Tropical Forest Alliance 2020. We also work with the Indonesian Peatland Restoration Agency (Badan Restorasi Gambut (BRG)) towards national peatland conservation targets.



0 ha, 0%
Central Kalimantan

4,548 ha, 67%
West Kalimantan

2,213 ha, 32%
Sumatra

11 ha, 0%
Sabah

88 ha, 1%
Sarawak


Tree planting in the riparian area at Wilmar's Sabalmas plantation

[33] 'Fire Report covering data from 1 January 2019–30 September 2019'. Global Forest Watch, Accessed 18 February 2020.

Fire monitoring and management

In recent years we have witnessed longer droughts and a higher number of recorded fires, as global temperatures continue to rise and the world faces more extreme weather conditions. 2019 saw catastrophic fires throughout Australia and Indonesia—two of the regions where a significant portion of our oil palm and sugar businesses operate.

From August to September 2019, forest fires resulted in a haze blanketing over Sumatra and Kalimantan, as well as parts of Malaysia and Singapore. Indonesian forest fires pose a huge risk for both our employees and the communities living in and around our estates. It also jeopardises the livelihoods of the local community and impacts our operations requiring resources to be diverted to suppress any fires.

In December 2019, Australia began experiencing a series of massive bushfires, fuelled by record-breaking temperatures and months of severe drought. As a result, people and wildlife were killed, millions of hectares of land burnt, residential towns were severely affected, and air quality diminished drastically. While such blazes and haze are cyclical occurrences in both regions during the hotter months, 2019 witnessed particularly severe conditions. Although major affected areas were in New South Wales, there was no direct impact to Wilmar's operations and supplier operations in the north of the state. However, as sugar is a dry crop subject to erratic weather, we are not immune to such crises. We permit burning in our sugarcane farms in the Burdekin region of Queensland, only during cane harvesting and under strict, prescribed circumstances. The Burdekin is one of the regions where burning prior to harvesting provides the most environmentally friendly outcome, due to the cane and soil conditions [34]. Wilmar adheres to all applicable local regulations and have implemented our own robust fire standard operating procedures (SOP). In 2019, 3,044 hectares were burnt at our sugar operations using prescribed and controlled methods.

Our Myanmar operations use an overhead irrigation system and do not use burning methods for harvesting. While we do not own farming operations in India, our mills do encourage no burning methods for all smallholder suppliers. We also implement awareness programmes to assist them in their understanding.

Internal fire monitoring

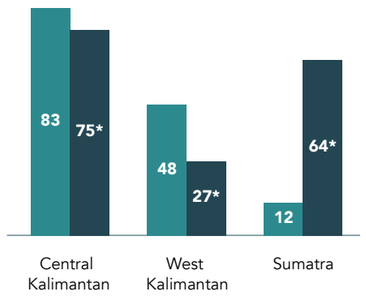
Wilmar has always taken a strong stand against the illegal use of fire and our no-burn stance is an integral part of our NDPE policy. Within our palm oil operations, we monitor fires in Indonesia via our Fire Free Alliance (FFA)[35] programme to quickly detect, suppress and report on fire incidences.

Our hotspot alerts are identified via satellite imageries, which are monitored daily. However, because satellites capture changes of temperature, all alerts need to be verified on the ground because not all necessarily translate to fires in the field. Any hotspot notification located within Wilmar's plantations and five kilometres outside of our concession boundaries will be relayed by our GIS team to the team on-site. A team comprising members from Wilmar's GIS, Conservation and Management departments are then mobilised to verify data received from the satellite imagery. In cases where fires are confirmed, our fire response teams are immediately dispatched to extinguish the fires.

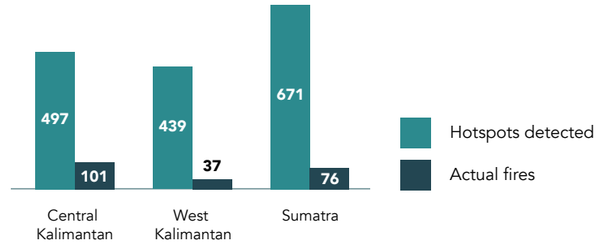
In 2019 there were a total of 143 hotspots detected at our Indonesia operations and 166[36]* fires recorded, affecting about 954* hectares. This represents a reduction in number of fire occurrences by 60%, and reduction in fires by hectares by 53% when compared to 2015, a year that saw similar rain and weather patterns to 2019. In Sumatra, the number of fires recorded is higher than the hotspots because some of these fires were small-scale and therefore not registered by the hotspot monitoring system. In comparison, Sumatra's 64* fires contributed to 50* hectares burnt while in West Kalimantan the 27* fires resulted in 191* hectares burnt thereby signifying the size of the small-scale fires in Sumatra.

Within a five-kilometre radius of our concession boundaries, a total of 1,607 hotspots were recorded in 2019 of which 214 turned out to be actual fires.

HOTSPOTS VS ACTUAL FIRES 2019 - WILMAR'S CONCESSIONS IN INDONESIA (NO.)



HOTSPOTS VS ACTUAL FIRES 2019 - WITHIN 5KM RADIUS OF WILMAR'S CONCESSION BOUNDARIES IN INDONESIA (NO.)



[34] Burdekin's flat landscape coupled with dry climate requires flood irrigation for production. Cutting the cane green would leave a thick cane trash blanket which would obstruct water flow and result in water percolation into soil. This would increase the water table leading to a number of production and environmental issues.

[35] The FFA is a multi-stakeholder alliance launched in February 2016, to share information, knowledge and techniques that will lead a lasting solution for a fire and haze-free Indonesia.

[36] As reported in Wilmar's Annual Report 2019, the 2019 fire figure has been restated following EY's limited assurance procedure.

*EY has performed limited assurance procedures on this figure.

Updated fire protocol

In 2019, an internal protocol was formalised to better prevent, monitor, suppress, and report fire incidences.

This protocol consolidated procedures and protocols developed since 2007. As part of prevention and monitoring, we begin by mapping the risk of fires in our estates and within a five-kilometre radius outside of our plantation. To enforce this, we take great pains to identify hotspots via satellite imagery and verify fires within our own operations and a five-kilometre radius outside our concession boundaries, as well as the lands owned by our suppliers. The fire risk map is generated using information such as past fire incidences, proximity to roads, river and population, accessibility, and soil type. In places of high risk such as peat areas, we have prepared a series of boreholes which will provide the necessary water resource for the purpose of fire suppression.

FIRE MONITORING AND MANAGEMENT FOR OIL PALM PLANTATIONS

APPROACH	RESULT
• Improved systems for fire risk-mapping • Increased monitoring within and outside concessions (5km radius) • Increased investment in fire-suppression equipment • Formalisation of SOP on fire prevention • Increased annual awareness and training programmes for employees and communities	**Improved effectiveness in fire detection** **Quicker response time to fire suppression**

External fire monitoring

Our monitoring also extends to our suppliers under our Supplier Group Compliance Programme (SGCP). This currently covers over 20* million hectares associated with our supply chain and includes monitoring of fire alerts. In cases where a fire alert is highlighted via reports from the monitoring platform or in the media, we will seek immediate clarification from relevant suppliers. In all cases, we found that the fire alerts were either false or that the fires detected were not deliberately set by the companies themselves. Most importantly the fires were not used by the companies for land clearing. Unfortunately, during the dry seasons, strong winds and dry vegetation provide an easy way for these fires to spread.

Minimising risk in surrounding communities

While occurrence of fire is usually due to extreme dry weather conditions, some instances in Sumatra and Borneo are linked to illegal slash-and-burn methods by local farmers. This technique is still employed despite it being against the law and increasing pressure from industry players like Wilmar to stamp these practices out within the supply chain. This trend is documented by the World Resources Institute's (WRI) Forest Fire analysis which shows that most occurrences of fires based on fire alerts occur outside of the palm oil concession boundaries.

A key component of our FFA fire management efforts and strategies centres upon community engagement and raising awareness on the risks surrounding the use of fires for land clearance and preparation. Another factor are enforcement efforts to deter or apprehend intentional fire starters. However, in order to influence areas outside Wilmar and our suppliers' control, there is a further need for collaboration between government agencies, the private sector and local communities to facilitate a lasting solution.

19% Pulpwood plantations

15% Palm oil Concessions

5% Logging concessions

61% Outside concessions

NOTE:

While data covers 18 February 2019 - 17 February 2020, it is indicative of the percentage of fires that occur outside concessions. Source: WRI Global Forest Watch

SEE MORE ON FIRE MONITORING AND MANAGEMENT

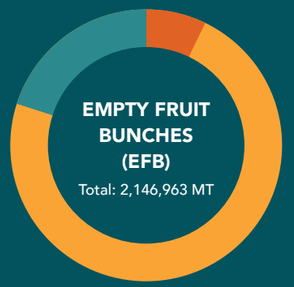
* EY has performed limited assurance procedures on this figure

Managing waste

Wilmar follows waste management best practice for our upstream palm oil facilities and seeks to recover and re-use all waste. The solid waste produced from our production processes includes empty fruit bunches (EFB), mesocarp fibre, and palm kernel shells. These are used as energy for fuel and composed or mulched as organic fertiliser. We also produce palm oil mill effluent (POME) which is used as a fertiliser or treated prior to local river discharge.

In 2019, approximately 74% of solid waste generated from our palm oil milling processing was re-used as fuel or organic fertiliser. In addition, the remaining one million metric tonnes of waste within the compound was stockpiled for later re-use. With the inclusion of waste stockpiles, our target to re-use 100% of solid waste generated from our palm oil milling processes has been met in 2019.

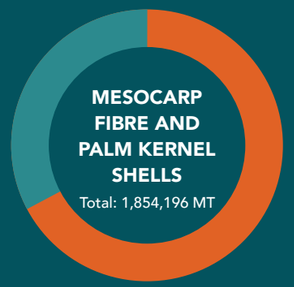
UPSTREAM SOLID WASTE MANAGED 2019 (MT, %)



150,328, 7%
Consumed for energy recovery

1,566,478, 73%
Mulched / composted

430,157, 20%
Stockpiled for later use

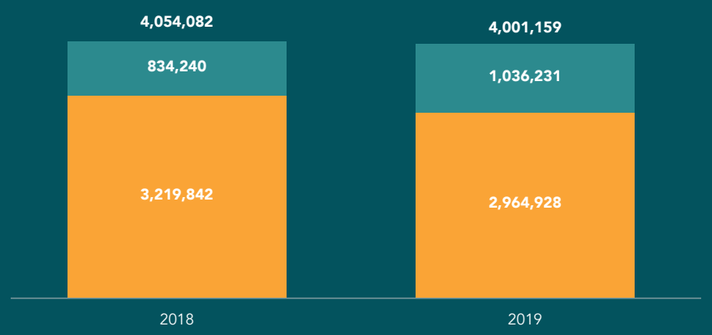


1,247,846, 67%
Consumed for energy recovery

276, 0%
Mulched / composted

606,074, 33%
Stockpiled for later use

UPSTREAM SOLID WASTE RE-USED 2018-2019 (MT)



NOTE:

The total volume of upstream solid waste produced is estimated from recorded volume of FFB processed using industry accepted approximations.

Solid waste re-used

Solid waste stockpiled

PALM OIL WASTE MANAGEMENT: PLANTATIONS AND MILLS

PALM FRUIT IS HARVESTED FROM OIL PALM TREES IN THE FORM OF FRESH FRUIT BUNCHES

MULCH
Old stems & leaves are made into mulch
At the time of replanting old stems & leaves are shredded or pruned & placed in the soil to become organic fertiliser. They also help to maintain soil moisture.

FFB is sent to the mills within 24 hours of harvest

After extracting the CPO and PK we are left with **4 by-products**

EFB
(Solid waste)

POME
(Liquid waste)

Fibre
(Solid waste)

Shells
(Solid waste)

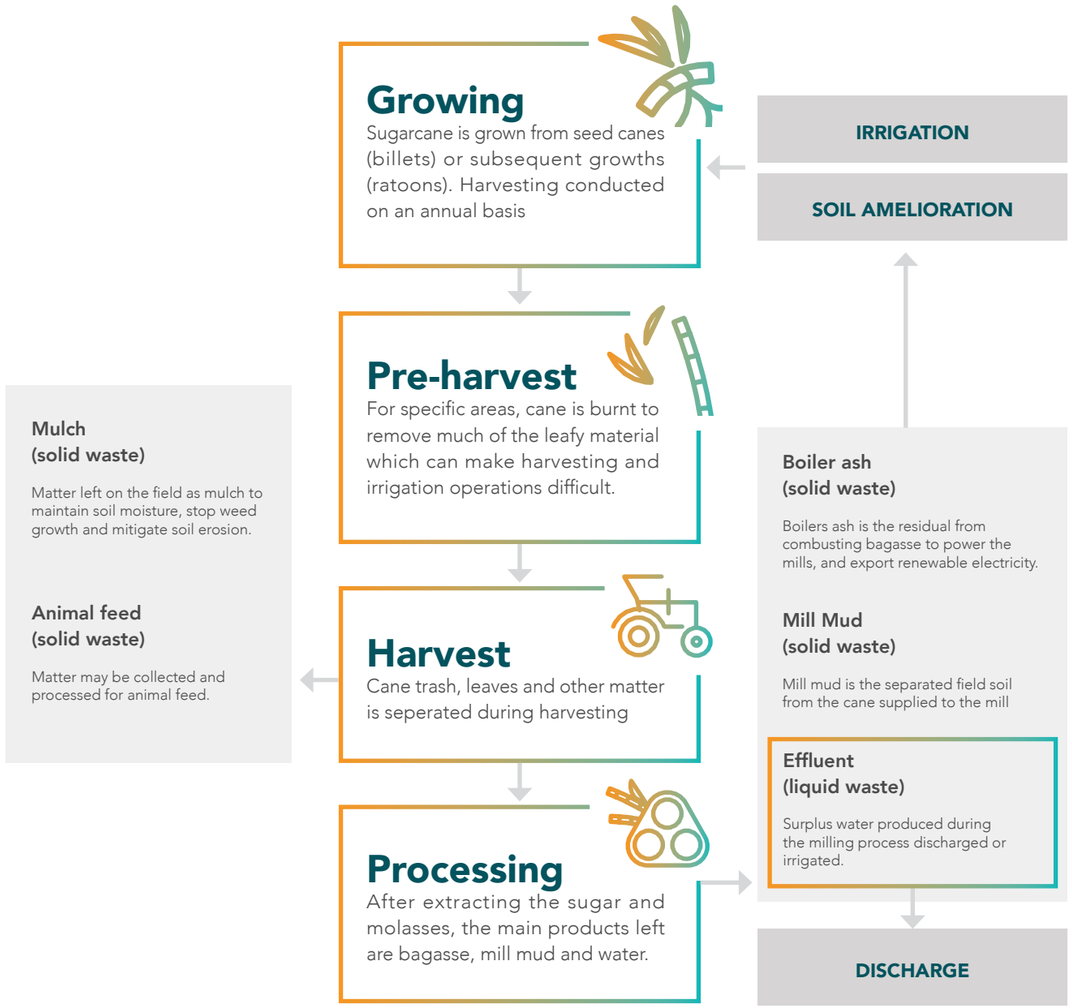
ORGANIC FERTILISER
Fertiliser produced from composted empty fruit bunches and the treated POME is used for the oil palm trees in our plantation

POME
is treated at our waste water treatment pond to reduce acidity, Biological Oxygen Demand (BOD) & Chemical Oxygen Demand (COD) levels so that it becomes safe for use as an organic land fertiliser. A specific application permit is obtained for each location, with close monitoring of environmental impact as required by the authorities.

BIOGAS
Methane capture plants are installed at the mills to capture the biogas generated from POME which can either be used for energy or flared off.

FUEL
Fibre & shells are used as boiler fuel in the mills

SUGAR UPSTREAM WASTE MANAGEMENT: PLANTATIONS AND MILLS



Our sugar operations produce solid waste such as bagasse, press mud, ash, sludge and yeast sludge. We use bagasse as boiler fuel and other waste as raw material for composting purposes. At our mills we collect excess water from washing and gland leakages at pits before being recycled back for use in the process after treatment.

For farmer suppliers in India, both Wilmar and the government encourage the implementation of drip-irrigation systems for efficient water use.

SEE THE MANAGING EFFLUENT SECTION FOR MORE ON MANAGING LIQUID WASTE

SEE THE ENERGY CONSUMPTION SECTION FOR HOW WE USE CANE BAGASSE AS RENEWABLE ENERGY

Increasing water efficiency and protecting waterways

Water is an essential global resource and home to a vast array of aquatic life that is increasingly facing supply pressures aggravated by climate change and pollution.

Wilmar has adopted a life cycle approach in the management of our water footprint – from the design to the construction and running of our mills, refineries, processing plants. Our production facilities focus strongly on water use efficiency, an approach that delivers long-term cost savings. We conduct water assessments prior to the development or new plant construction. This highlights potential water risks to the natural ecosystem and local communities that rely on the water source for sanitation, nutrition, and livelihoods.

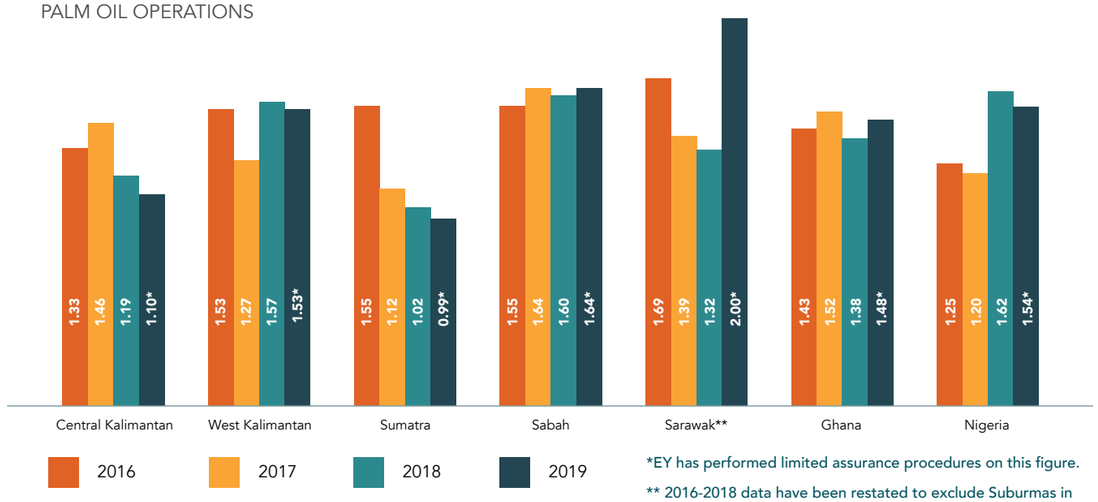
Wilmar diligently tracks and monitors our site water use. This includes the availability of water at given sources to measure and mitigate disruptions to our operations. We also collaborate with local authorities to understand their future water availability strategies.

We have been monitoring rainfall patterns at our palm oil plantations since the inception of each estate, resulting in records for at least 25 years in most of the regions where we operate. Based on these records and recent trends, water stress is still not a material issue for our oil palm estates. While we face reduction in rain during weather phenomena, such as El Niño, this is not significant. Land irrigation of POME, mainly done to help boost fertiliser, continues to be carried out during these periods. This land irrigation helps alleviate the impacts of the lack of rain during times of water scarcity.

Wilmar has implemented measures to increase water efficiency – especially for our most water intensive mills – followed by nursery irrigation and household use.

Water is an essential global resource and home to a vast array of aquatic life.

WATER CONSUMPTION INTENSITY 2016-2019 (M^3/MT FFB PROCESSED)
PALM OIL OPERATIONS



*EY has performed limited assurance procedures on this figure.

** 2016-2018 data have been restated to exclude Suburmas in the calculations.

Our 2019 mill water usage levels were in line with industry levels across all regions. Based on 2016 baselines, we target to reduce water consumption intensity to 1.2m³ per tonne of FFB processed (m³/MT FFB processed) for Indonesia and 1.3m³ / MT FFB processed for both Malaysia and Ghana by 2023. In 2019, these targets were achieved for Central Kalimantan and Sumatra in Indonesia. Our water consumption intensity in Sumatra has been steadily declining and is at two-thirds of its 2016 rate. Once our new mill in Nigeria is operating at full capacity, we will set a target supplemented with more robust data. Sarawak data has been updated to reflect the current reporting scope (excluding Suburmas mill from calculations) and the increase in 2019 intensity is due to lower efficiencies of the old boilers in Saremas 1 mill.

For our sugar operations, some of our estates are rain-fed while others are irrigated farms. In accordance with the Bonsucro Production Standard, we monitor net water consumed per unit mass of product for our sugarcane plantations and mills and in 2019 our consumption was well within the water usage limits. We also attempt to ensure that all irrigated water is efficiently used and applied to our fields. In 2019, we exceeded the Bonsucro threshold for our Burdekin operations due to low rainfall that resulted in increased water consumption.

NET WATER CONSUMED PER UNIT MASS PRODUCT AND WATER EFFICIENCY IN AUSTRALIA 2017–2019

	NET WATER CONSUMED PER UNIT MASS PRODUCT (kg of water of mass product)				EFFICIENT USE OF WATER (kg/ha)/mm			
	2017	2018	2019	Bonsucro limit	2017	2018	2019	Bonsucro limit
PLANTATIONS	97.89	107.35	81.84	130	95.90	88.43	115.19	90
MILLS (Burdekin only)	0.64	0.38	0.41	20	NOT APPLICABLE			

NOTE:

Efficient use of water only applies to fully irrigated sugarcane. Therefore, data is only representative for all farms in Burdekin where irrigation is used. Our remaining farms are rain-fed or supplemented with irrigation.

Sugar water initiatives

As one of the largest producers and buyers of sugarcane in Australia, Wilmar is a pioneer in implementing sustainable sugarcane growing practices. Wilmar is seeking consultation from customers during the initial stages of a programme designed to raise funds to support best practice implementation for sugarcane farms in the reef regions of Australia. Our aim is to comply with reef regulation to facilitate the protection of the Great Barrier Reef. The project is still in the early stages of development, much of which will depend on customer interest and potential demand.

As a founding member of the Baratta Creek Action Group (BCAG), Wilmar is active in its initiatives around improving water quality flowing to the Great Barrier Reef. We are also a member of the Cane Supply Improvement Programme (CSIP) in helping develop recommendations on the use of mill by-products for industry application.

Wilmar Sugar Agronomist measuring apparent electrical conductivity of the soil

WATER CONSUMPTION IN WATER-STRESSED AREAS

Wilmar has production sites in water-stressed areas in India and Australia. Based on the World Resources Institute's Aqueduct tool, [37] our refinery in Gujarat, India operates in an extremely high-stress water area. All other India-based mills across Maharasthra and Karnataka and one of our mills in Victoria, Australia operate in high-stress water areas.

All of the water sourced by our Australia refineries is from municipal sources, while our India operations heavily rely on the water contained within the cane they process. In Gujarat, we use surface water supplied by third party government agencies. This plant is a zero-discharge facility, where all water withdrawn is treated and re-used back in the operations. We have recently installed a secondary reverse osmosis plant to treat the rejected water from the primary plant to convert into raw water. We have also become member of Federation of Kutch Industries Association (FOKIA), a government aided organisation to support industries in the region to mitigate water scarcity issues by installing common desalination plants. In Maharasthra and Karnataka, mills that have distilleries and co-generation plants in their vicinity implement a zero-discharge approach, where the excess process condensate can be used for cooling towers after secondary treatment. The remainder discharge is mostly used for green belt irrigation within the mills' premises and supplied to neighbouring farmers.

[37] Aqueduct's tools map water risks such as floods, droughts, and stress, using open-source, peer reviewed data.

FACILITIES IN AREAS WITH WATER STRESS 2019

	VICTORIA, AUSTRALIA	GUJARAT, INDIA	MAHARASTHRA, INDIA	KARNATAKA, INDIA
WATER WITHDRAWAL (kL)	259,751	313,511	347,633	1,165,590
WATER CONSUMPTION (kL)	106,023	313,511	89,589	909,528

NOTE:

1 kilolitre = 0.001 megalitres (ML). Water consumption is calculated as total water withdrawal deducting total water discharge.

Cut sugar cane being transported to a Cane Train

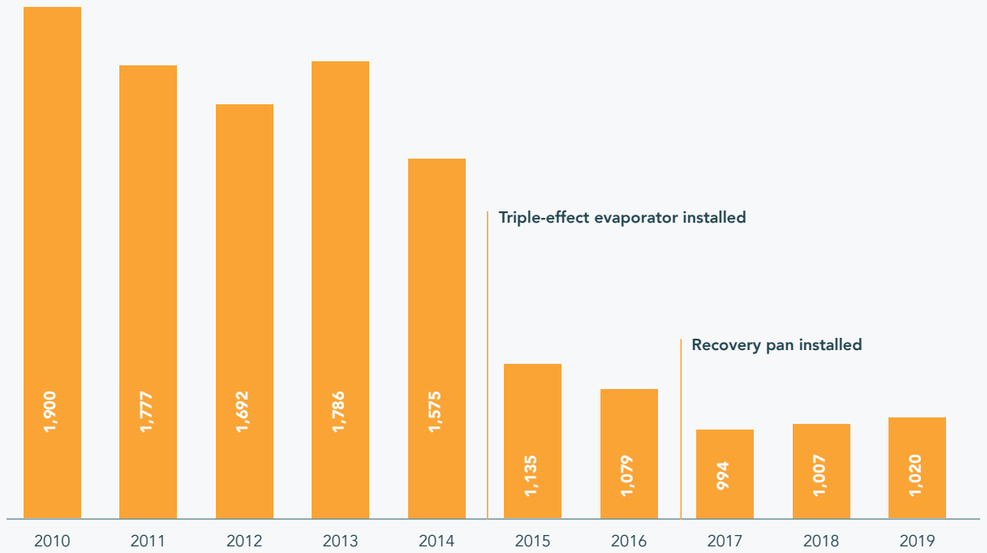
An example of how water is managed at our Yarraville refinery

The water used at our Yarraville refinery in Victoria is primarily for steam generation and for operations such as dissolving raw sugar and the de-sweetening processes.

The water leaves the refinery in its liquid products as trade waste or storm water to sewer and as condensed vapour in cooling water which is then returned to the adjacent river. Other smaller flows include amenity activities to sewer and direct vapour loss to the atmosphere. We continuously employ practices to minimise water use, thereby reducing our environmental footprint.

Water usage intensity at the Yaraville refinery has decreased by 46% over the last ten years. In 2014 we installed a triple-effect evaporator and in 2016 we implemented a new recovery pan. Both measures contributed to larger reductions in subsequent years. We intended these upgrades to recover condensed vapour for re-use in the refinery, also adding to a reduction in emissions and easing impacts on the surrounding environment. In 2021 we plan to install a pan calandria which will allow for an increase in condensate return to our boiler station, thereby reducing water usage by eliminating wastage of surplus hot water. When installed, we aim to further reduce water usage intensity to below 0.95 kL/MT.

YARRAVILLE REFINERY WATER USAGE INTENSITY 2010-2019 (L/MT)



MANAGING EFFLUENT

Wilmar has implemented comprehensive procedures to safeguard water quality. We regularly report our progress in monitoring and reducing significant pollutants.

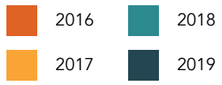
Palm oil mill effluent (POME) is wastewater from fresh fruit bunches (FFB) processing and palm oil refinery effluent (PORE) is wastewater from refining crude palm oil (CPO). While POME is mainly organic in nature, it is not discharged directly, as we repurpose it through land application or treat it via anaerobic digestion prior to local waterway discharge. The chemical oxygen demand (COD) content for PORE is much lower than POME but as the refining of CPO involves higher usage of chemical processes than the mill extraction process, PORE requires a chemical treatment step to remove the oil and grease and inorganic substances before further aerobic treatment prior to discharge. One refinery in Indonesia sends its effluent to a municipal treatment centre for external treatment. We have an ongoing target to maintain effluent discharge levels to be within local regulation thresholds for palm oil mills and refineries waterway discharge.

For our upstream and downstream sites, biological oxygen demand (BOD) and COD levels are monitored for both land application and river discharge. In 2019, Wilmar was within the legal limit for BOD levels for our upstream operations in Indonesia and Malaysia and because of low mill utilisation in Nigeria, there was no effluent discharge in 2019. For Ghana, a new effluent discharge standard was promulgated to Wilmar in August 2019 which stipulates a limit of 50 milligrams per litre (mg/L) for BOD discharge, regardless of river discharge or land application. These guidelines were developed based on Ghana's existing guidelines for the Oil and Fat Processing Sector and we are currently in discussion with the local authority to set a standard that will apply to the palm oil sector. We were also within legal limits for COD levels in our upstream and downstream operations.[38]

Co-gen facility at a Wilmar mill in Riau at dusk

[38] This covers our downstream operations within the scope of this report, which may include biodiesel and oleochemical plants.

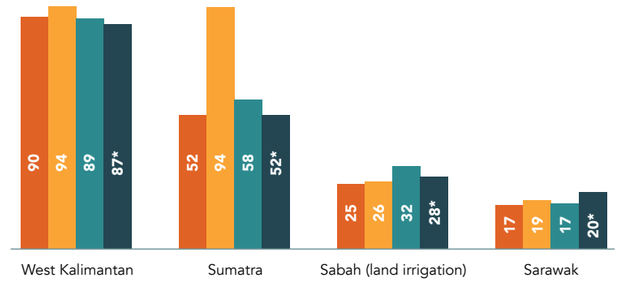
POME BOD LEVELS BY DISCHARGE DESTINATION BY REGION 2016-2019 (mg/L)



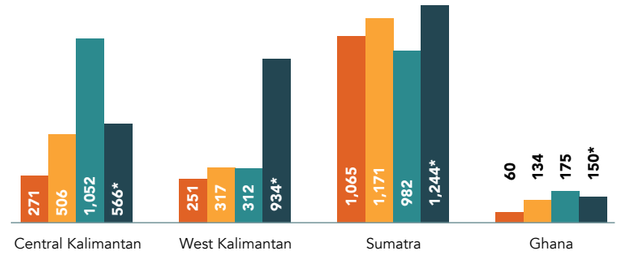
NOTE:

1. BOD legal limits for river discharge range from 20mg/L to 100mg/L across our various operations. For Sabah, limits may vary depending on the year a mill was constructed.
2. BOD legal limits for land application in Indonesia is 5,000 mg/L and are not applicable for Ghana.
3. The 2019 BOD data for Sarawak and Sumatra (land application) has been adjusted as compared to data reported in Wilmar's Annual Report 2019, following EY's limited assurance procedure.

RIVER DISCHARGE



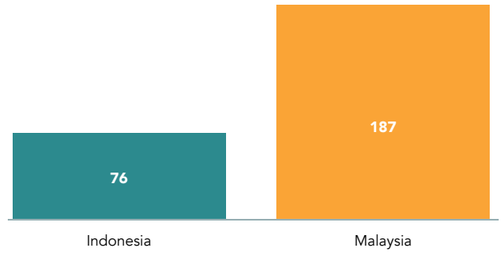
LAND APPLICATION



*EY has performed limited assurance procedures on this figure.

With water forming a big part of the sugarcane crop, sugar mills generate effluent water through its milling process. As the effluent does not contain high COD similar to POME, the water is suitable for re-use in irrigation systems after a simple treatment. During seasons of drought, effluent water discharged from sugar mills is diverted to rain-fed farms to supplement any further water needs. For our sugar operations in Australia, most effluent is discharged via land application for irrigation purposes on farms surrounding its mills and is not governed by a specific discharge limit. In Myanmar, we do not discharge via land application and were within BOD legal thresholds for river discharge in 2019. In India, due to the fact that our facilities are located in water-stressed areas, there is a heightened awareness on re-using water from the milling and distillery processes. Wastewater is treated and used at distillery and cogeneration plant cooling towers, for molasses dilution (following further ultraviolet treatment) and to irrigate the green belts within the mill compounds. Spent wash from distilleries is bio-digested and, along with other solid waste, re-used in incineration boilers and as compost or liquid fertiliser. We are implementing further measures with an aim of achieving zero liquid discharge for our distillery plants in India.

PORE EXTERNAL WATER BODIES COD LEVELS BY COUNTRY 2019 (mg/L)



NOTE:

COD regulatory limits range from 80 mg/L to 250 mg/L across our various operations depending on permits.

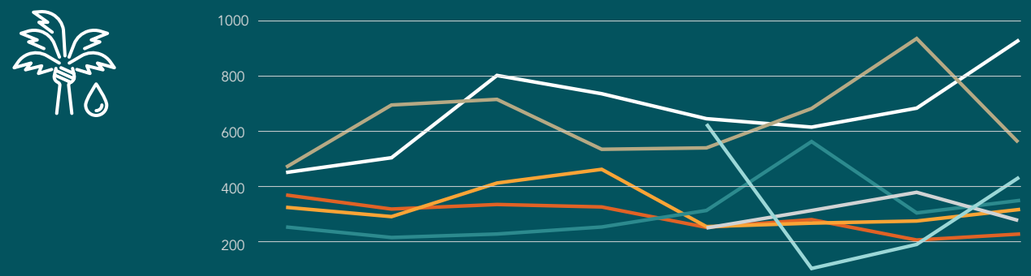
Optimising chemical use

We aim to minimise the use of chemicals, including pesticides and chemical fertilisers. Any fertiliser use is guided by a management plan and is included in our SOP. Safeguards are implemented to eliminate exposure to hazardous chemicals for workers, communities, and the environment. In India we have a programme for farmers to switch to manure or organic fertiliser to minimise the impact of salt pan formation due to high nitrogen use, and in Australia we provide farmers with mill mud to help with fertilising. For palm oil operations we work with our smallholder suppliers on appropriate use of pesticides to prevent overuse. This includes training on the types of pesticides for specific weeds and also to switch to path and circle spraying only—which largely reduces the overall use of pesticides.

World Health Organization (WHO) Class 1A or 1B and Stockholm or Rotterdam Conventions pesticides are strictly prohibited except for specific instances that follow WHO recommendations and guidelines. We only allow the use of paraquat in our sugar business due to an absence of viable alternatives. Its use is the most practical and may even curb overall environmental impacts in Australia as it is considered reef friendly. Workers are provided with adequate personal protective equipment and require specific licences to handle these chemicals.

For any substance that poses a potential hazard to workers to the environment, toxicity is closely monitored on a regular basis and risk assessments are carried out. As only a few oil palm plantation companies disclose toxicity levels, comparison can be difficult. However, we believe that our current range of below 1,000 units per hectare is largely in line with industry best practice.

TOXICITY UNITS PER HECTARE BY REGION (TOXICITY UNITS/HA) 2012-2019
PALM OIL OPERATIONS



	2012	2013	2014	2015	2016	2017	2018	2019
Central Kalimantan	367	318	337	328	253	283	209	218
West Kalimantan	327	296	416	464	256	271	277	306
Sumatra	258	219	231	257	317	563	304	320
Sabah	452	508	801	737	647	617	687	921
Sarawak	471	694	718	534	541	684	937	586
Ghana	-	-	-	-	259	316	382	261
Nigeria	-	-	-	-	629	111	193	410

We also conduct Integrated Pest Management (IPM) combining cultural, mechanical, biological and chemical strategies to control pests.

Our R&D teams in Indonesia continually attempt to develop and adopt environmentally friendly solutions. We also collaborate with local stakeholders to determine and implement alternative pest control strategies.

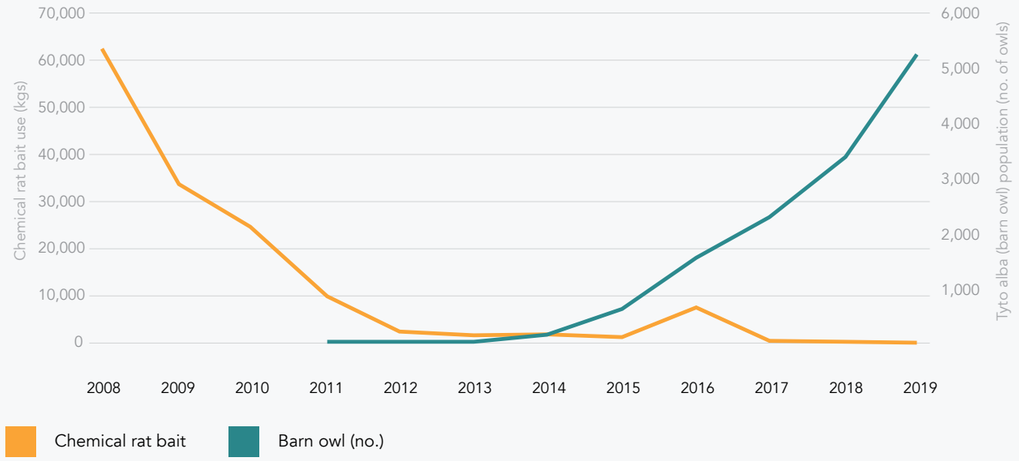
Using barn owls to control the rat population

Rats can consume food ± 10% of their body weight in a single day and bring food to their nests 40 times per day.

In oil palm plantations they contribute to the damaging of fronds, oil palm flowers, and fruits, thereby significantly affecting yield. While rodenticides (with active ingredients such as Brodifacoum and Bromadiolone) in ready-mix bait form has been effective in controlling the rat population, they can cause chemical pollution to the environment contributing to disturbances in the plantation area and the disruption of predators. Bait application and acceptance levels also require close supervision and monitoring.

As an IPM solution, we have been controlling the rat population by breeding and releasing barn owls. With high reproduction rates and a high dependency on rats as their main source of food, barn owls are natural predators and serve as an optimal solution. By applying this measure, we have been able to minimise chemical rat bait use in the plantation since 2011 at our Central Kalimantan estates. Apart from a slight increase in rodenticide usage in 2016, due to an outbreak in several blocks that could not be handled by the existing barn owl population in these areas, the amount of rat bait usage has drastically decreased.

CHEMICAL RAT BAIT USAGE VS. BARN OWL POPULATION AT WILMAR'S CENTRAL KALIMANTAN ESTATE 2008-SEPTEMBER 2019

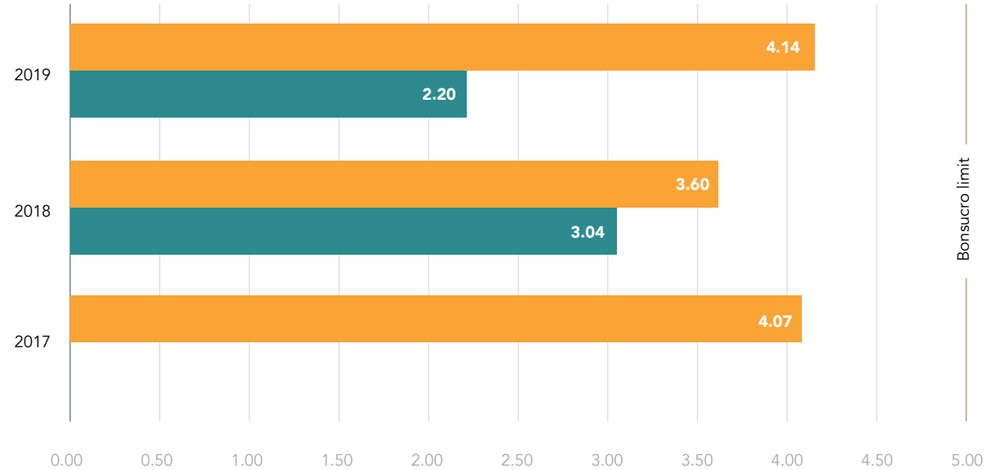


Owls are released to field nest boxes in planted oil palm blocks. Owl chicks from the boxes are nursed at our hatcheries before being sent back to the owl pairs in the field nest boxes. This helps to increase barn owl population in the fields.

Since 2013, the barn owl population has significantly increased in the fields, based on our monthly census on occupational nest box rates. In September it was recorded that 52.5% of the total existing 3,822 field nest boxes were occupied across the whole estate, signifying an effective and productive IPM method. We are currently looking into increasing the barn owl population and increasing the field nest box ratio from one box per 40 hectares to one box per 20 hectares ratio.

In accordance to the Bonsucro Production Standard we monitor the level of active ingredients per hectare for our sugar operations. This covers all applied agro-chemicals, including pesticides, herbicides, insecticides, fungicides and ripeners. In 2019, chemical usage at our Australia and Myanmar operations were within the Bonsucro limit.

TOTAL ACTIVE INGREDIENT PER HECTARE 2017-2019 (KG/HA)
SUGAR OPERATIONS



Australia Myanmar

NOTE:

While we have 2017 data for Myanmar, it is not comparable as reporting initially followed harvesting cycles and not calendar years.

Due to heavy rainfall in 2018 and 2019, there has been a rise in white grub (or root grub) in Belagavi, Karnataka. This pest feeds on sugarcane roots and subsequently damages the undersoil portion of the cane. SRSL operates four mills in Belagavi, which account for 20% of total cane crushing in the district. In 2019, we taught IPM to control the pest menace and prevent its spread to other areas. This was achieved by mapping the species across operational areas, followed by a series of workshops and demonstrations with technical experts. Farmers were taught to adopt integrated and community approaches through cultural, mechanical, physical, and biological methods for effective and efficient control of root grub menace in sugarcane cultivation. Such approaches have proven effective in controlling the target pest in an economical, environmentally friendly way and has set a benchmark for sustainable cultivation.

SEE BASE DATA SECTION FOR A LIST OF HERBICIDES USED IN WILMAR PLANTATIONS

Championing people

Wilmar is firmly committed towards respecting, protecting and upholding the human rights of people, communities and every worker associated with our business.

We are guided by international standards, including the United Nations (UN) Guiding Principles on Business and Human Rights, the conventions of the International Labour Organization (ILO), the Universal Declaration of Human Rights and its covenants, the UN Global Compact, the United Kingdom (UK) Modern Slavery Act as well as the Bonsucro Production Standards for respecting human rights and labour standards.

More importantly, Wilmar strives to support the empowerment and progress of our workers, local communities as well as scheme and independent smallholders.

Smallholder training and capacity building in Riau

Key milestones in 2019

GUIDANCE AND RECOGNITION	**New Human Rights Framework**	**Recognised by RSPO** for excellence in Human Rights and Labour Initiatives	
	Recognised by ASEAN-CSR Network on Human Rights Disclosure for reporting on human rights	**Recognised by Global Child Forum Benchmark** study as a global achiever in children's rights in business	
WOMEN	**New Women's Charter**	**Women's Working Groups** established in Nigeria, now available in all countries of palm oil operations	
CHILDREN	**143 crèches** built catering to 4,655 children	**92.2% of children** of school-going age attend schools	
	New collaboration for a Child Protection and Safeguarding Implementation Manual	**New collaboration** for a Children in Plantation Directory in Malaysia	
COLLECTIVE BARGAINING AGREEMENTS	**5 collective labour agreements** in Indonesia mills and plantations covering 7,730 employees; another 3,700 employees covered for downstream operations in Indonesia	**100%** of workers are covered under collective bargaining agreements in Malaysia, Ghana and Nigeria's mills & plantations	
OCCUPATIONAL SAFETY AND HEALTH	**Cane rail** accident simulations conducted in Australia	**Steady decline** of loss time injury frequency rates (LTIFR) at Central Kalimantan plantations and mills since 2016	**Support of the local chapter** of an Australian government mental health campaign: 'R U OK?'
SCHEME SMALLHOLDERS	**392,868 MT FFB** processed, 4.0% of total FFB supply	**100% covered** by smallholder programmes	**11.9%** RSPO-certified total hectarage
INDEPENDENT SMALLHOLDERS	**594,418 MT FFB** processed, 6.1% of total FFB supply	**5.4%** RSPO-certified volumes sourced	**About 94% covered** by smallholder programmes
WILMAR SCHOOLS FOR COMMUNITIES	**10/15** schools in Indonesia	**2/2** schools in Ghana	**5/6** schools in Nigeria

Our dedication to human rights

Wilmar's global palm oil and sugar businesses employ over 71,000 workers, provide economic opportunity to more than 15,000 smallholders, and support hundreds of rural communities surrounding our operations. Given that we have an impact on a vast number of lives, it is imperative that we champion and lead with measures that uphold our enduring respect for human rights.

On 1 May 2019, Wilmar launched a dedicated **Human Rights Framework** to better address emerging human rights challenges. In addition to advocating for human rights, the document embeds three pillars of Protect, Respect and Remedy as outlined in the United Nations Guiding Principles (UNGP) on Business and Human Rights. The Policy Statement in the framework applies to our operations and supply chain and is additional to the existing commitments in our No Deforestation, No Peat, No Exploitation (NDPE) policy and other sustainability policies on aspects such as equal opportunities, sexual harassment, violence and abuse, reproductive rights, child protection, whistleblowing, and modern slavery. Our framework outlines Wilmar's approach to implementing these commitments throughout our operations.

In 2019, our updated NDPE policy was better aligned with globally recognised frameworks and guidance for human rights, such as the Food and Agriculture Organization's Voluntary Guidelines on Responsible Governance of Tenure (VGGT), and the UN Global Compact and the International Labour Organization (ILO) conventions. Our updated Grievance Procedure is also in line with the UNGP to underpin an effective non-judicial mechanism and reflects our commitment to the protection of human rights defenders, whistleblowers, complainants, and community spokespersons—consistent with the guiding **RSPO Human Rights Defenders Policy**. We are also finalising a stand-alone protocol to address supplier non-compliance to the no exploitation aspect of our NDPE policy that warrants action and oversight, additional to that described in the **Grievance Procedure**. Once finalised it will be added to the procedure.

We are active participants in joint partnerships and various multi-stakeholder platforms to promote, respect and provide support for human rights.

SEE LIST OF STAKEHOLDER ENGAGEMENTS FOR MORE DETAIL

We are active participants in joint partnerships and various multi-stakeholder platforms to promote, respect and provide support for human rights. This includes consulting with human rights experts and civil society organisations to ensure feedback is received. Over the last three years we have collaborated with our technical partner and expert, Verité. During this time, we developed and are implementing robust solutions to address systemic labour issues in our operations, while simultaneously equipping our employees with the tools and knowledge to raise awareness on human rights and labour concerns.

Key human rights framework areas of focus

Respecting labour rights

- Child protection
- Women's rights
- Non-discrimination / equal opportunity
- Freedom of association
- No forced or bonded labour
- Occupational health & safety

Respecting indigenous & community rights

- Respecting community and indegenous land rights
- Supporting smallholders

Protecting the right to raise grievance and right to remedy

- Whistleblowing
- Grievance

ADDRESSING IMPACTS AND RISKS RELATED TO HUMAN AND LABOUR RIGHTS WITHIN OUR OPERATIONS

Through our collaboration with Verité, we explore systemic human rights and labour rights risks that can occur in plantations, specifically in the Indonesian context. Since we began the partnership in 2017, we have undergone a 12-month programme and developed a three-year strategy to change mindsets and entrench sustainability as a priority approach for our company. We have since improved worker pay and conditions at PT. Daya Labuhan Indah and PT. Perkebunan Milano in North Sumatra. We continue to raise awareness throughout our operations while we work to mitigate labour rights risks issues in priority areas, namely exploring possible root causes of child labour, understanding the link between work and pay practices, and screening for emergent labour issues.

We aim to launch the programme throughout Indonesia to both strengthen Wilmar's sustainability structure and design value-based labour and community engagement initiatives. This is expected to be rolled out in 2020 after completion of Verité's final assessment in North Sumatra. The Indonesia-wide roll out will be based on the model applied in North Sumatra.

Responsible employment

*In accordance with **SDG 8 (Decent work and economic growth),** we view it as our responsibility to provide a good livelihood and development opportunities for all our workers and their families.*

IMPLEMENTING BEST PRACTICE FOR FAIR WORKING CONDITIONS

We commit to ensuring international best practice for fair working conditions, particularly where legal frameworks are not yet in place, and will use the principles defined in the **Free and Fair Labor in Palm Oil Production: Principles and Implementation Guidance** as reference. All employees and workers are paid at least the applicable local minimum wage in line with legal regulations, and comprise basic pay as well as fixed and variable allowances. In Australia, wages are paid consistent with the sugar industry award agreement which are higher than the minimum requirements. In Ghana, our lowest monthly wage is 794 cedi, 60% more than minimum wage of 319 cedi.

At oil palm estates operating in remote areas with limited accessibility to urban areas we provide free housing, facilities, and benefits for those who choose to stay on site. As our operations are still developing in Nigeria, only 31% of permanent workers are currently provided access to accommodation within our estates, but 20% more than in 2018. We target to provide all workers in Nigeria with accommodation choices by 2025.

We also provide childcare facilities and access to schools, which are either Wilmar-run or government schools operated by Wilmar. Transportation to nearby schools is also provided to all children of school-going age. Workers are also provided a meal allowance and healthcare.

Before we implement any significant operational change, employees are given three to six months' notice. Notice periods leading up to termination and resignation is made clear to all employees and workers in employee handbooks and collective bargaining agreements (CBAs). These documents also include provisions for consultation and negotiation with employers. In employee contracts and CBAs, payment terms for overtime and official rest days for workers are explicitly outlined. In a language they understand, all workers are given information in writing details of their working conditions, including but not limited to the nature of the work that will be undertaken, rate of pay and pay arrangements, working hours, vacation and other leave, and all other employment benefits.

We provide free housing, facilities, and benefits for those who choose to stay on site. We also provide childcare facilities and access to schools.

Through our work with Verité, we are looking to calculate wages for work completed after regular hours for piece-rate workers with the aim of better compensating work rendered upon exceeding the minimum productivity output. We are also considering alternative measures to financial penalties for breaches in company regulations on discipline and performance. Such measures may include alternating our approach to positive reinforcement for any non-breaches.

Wilmar has been an active member of the RSPO Labour Task Force. Recently, we have contributed to the development of a first-of-its-kind guidance document for the oil palm industry regarding the payment of a decent living wage (DLW). The methodology adopted that from the global living wage

Isham Harris and Mare Habe work in our Sabahmas Estate

"We have been here for more than 25 years. The company provides us with everything – housing, schooling for the kids, and pays us the same as locals. We are happy here."

Isham Harris, and his wife **Mare Habe**, who are 52 and 48 years old respectively, have worked in Wilmar's Sabahmas estate since 1994. Isham is a driver, and Mare is a child minder at the crèche. Together they had all four of their children in Sabahmas. Two of their elder adult children are already working, and the third is studying for an undergraduate degree in a university in Jakarta. Their youngest attends a Wilmar-funded school in Sabahmas. Both Isham and Mare have applauded the company for their focus on prioritising education for migrant worker's children. Mare appreciates her role as she helps provide other working mothers – her neighbours in Sabahmas – support to allow them to go to work without worrying about the safety and security of their pre-school aged children.

coalition and was assisted with Wilmar's methodology to calculate whether prevailing wages were meeting the DLW benchmark in RSPO-certified units for all workers. As an important element of the recently adopted 2018 Principles and Criteria (P&C), this guide will assist members in assessing whether the remuneration provided to their workers is sufficient for the worker and his/her family to afford a basic but decent lifestyle. This approach takes into account family needs such as adequate housing, sanitation facilities, a clean water supply, medical care, and children's educational requirements.

A full list of our commitments on fair working conditions that apply to our operations and those of our suppliers can be found in the annex of our updated **NDPE policy.**

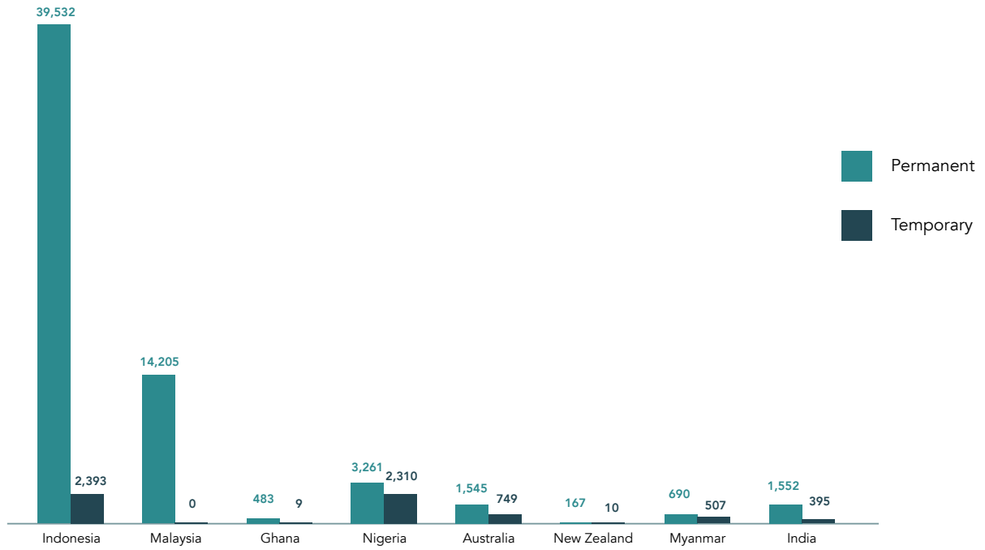
TEMPORARY WORKERS

Temporary workers play an important role, filling seasonal harvesting needs and specialist, timebound jobs in the palm oil and sugar industries. Of the total palm oil and sugar workers employed by the company, about 9.5% of these are temporary workers.

In Indonesia, not all temporary workers receive similar benefits to permanent workers. We have endeavoured to convert all temporary contracts to permanent ones. Since 2018, the following workers enjoy permanent status: Central Kalimantan (100%), Sumatra (93.2%), West Kalimantan (69.8%). The disparity in West Kalimantan is because many workers who are also smallholders prefer a more flexible work arrangement. We are working to address this concern in West Kalimantan, including exploring a pilot under the Decent Rural Living Initiative (DRLI).

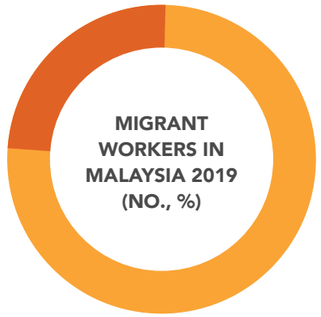
As sugarcane is a seasonal crop, all our sugar operations rely on seasonal and temporary workers during the main crop season. It is therefore not possible to have a 100% permanent workforce where we have sugar plantations and mills. In Myanmar, we rely on contractors to carry out our main sugarcane growing operations.

WORKER BY CONTRACT TYPE 2019 (NO.)



MIGRANT WORKERS IN WILMAR'S MALAYSIAN OPERATIONS

In recent years, the treatment of migrant workers in Malaysia has been subject to much scrutiny due to a general imbalance of benefits and safeguards with regard to human and labour rights. Migrant workers from Indonesia and the Philippines account for 76% of Wilmar's plantation operations in Sabah and Sarawak. All migrant workers employed by Wilmar are entitled to the same pay and benefits enjoyed by local workers, except for contributions to the Employees' Provident Fund—a mandatory, statutory requirement for local employees only. Migrant workers are also eligible to receive at least the minimum wage, in addition to free housing, healthcare, and education for their accompanying children. Wilmar also provides long-term employment contracts. Wilmar recruits and documents all our workers through the proper channels with no effect on their wages. We also ensure there are no language barriers when communicating to workers, whether verbally or through documentation.



2,795, 24%
Malaysian

8,899, 76%
Migrants

SEE MORE ON OUR LABOUR RELATIONS

IMPROVING WELFARE AND OPPORTUNITIES FOR WOMEN

Gender distribution within the Group significantly varies between the different countries and regions in which we operate. In many regions it is more prevalent for men to work in the agricultural industry and women may not have access to the formal labour market.

Nevertheless, all employees have the right to equal opportunity and treatment, regardless of race, colour, gender, age, social class, religion, sexual orientation, politics or disability. This is outlined in our **Equal Opportunity Policy** and in recruitment, training, and development. Regardless of gender, all employees and workers are paid equally based on the nature of their work—a ratio of one-to-one.

In 2019, Wilmar has focused on increasing women's representation and leadership in all levels of the workforce and we believe we have made good progress addressing key issues faced by women, particularly in the Indonesian and Malaysian palm oil industry. In our efforts to convert temporary contracts to permanent ones for our Indonesia oil palm estates, we have also ensured that all female workers are awarded similar opportunities to permanent ones, such as maternity leave and menstrual leave procedures. We have initiated women's sexual health awareness programmes for workers and the wives of workers who are not working in the plantation but living in the vicinity of Wilmar operations.

Since 2007, we have implemented stand-alone gender committees, or Women's Working Groups (WoW), in all of our oil palm estates. This is not limited to our RSPO-certified operations in Indonesia, Malaysia and Ghana but also includes Nigeria as of October 2019. 70% of our estates in Nigeria have established WoWs and we target to establish Women's Working Groups in 100% of Wilmar's oil palm estates by 2020. Core members of each WoW are made up of and led by women to empower female members in the workforce and promote their access to decision-making positions.

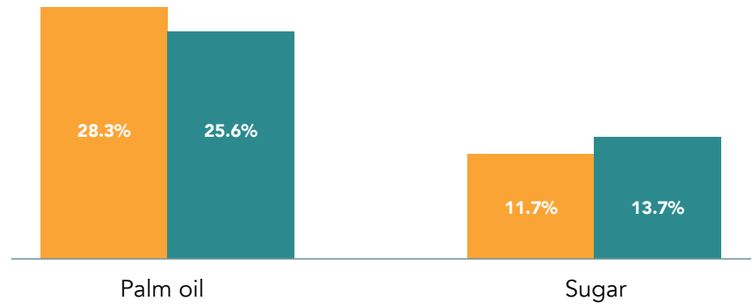
Wilmar has focused on increasing women's representation and leadership in all levels of the workforce

In April 2019, a Women's Committee Steering Group (WCSG), headed by Wilmar's General Manager – Group Sustainability, was established to ensure WoW consistency with the five key issue objectives. Membership of the WCSG is comprised of women leads representing specific geographical groups of operational units. Quarterly regional meetings will be held to report relevant issues.

Wilmar is also proud to be a part of Diversity Council Australia Limited, an independent organisation spearheading equitable diversity and inclusion in the workplace with a goal of developing or supporting initiatives to establish a diverse and accommodating workplace for all employees.

Recognising that sugar mills are important employers in the region, Wilmar has opened its doors to apprenticeships for young women in Queensland which will begin in 2020.

WOMEN IN OUR OPERATIONS 2018-2019 (%)



NOTE:

1. Data includes permanent workers, temporary workers, and/or workers hired through third parties.
2. Palm 2018 figure excludes data from Indonesia's palm oil downstream operations.

New Women's Charter

In May 2019, Wilmar launched its **Women's Charter** setting out core areas with an objective of ensuring a fairer and more inclusive workplace for women. The charter is Indonesia- and Malaysia-focused, outlining our approach to respecting and ensuring women's rights and the welfare of their families within Wilmar-owned operations. The charter incorporates five key objectives:

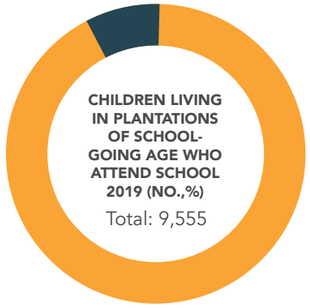
Protection from sexual harassment and violence

Protection and care of female health

Measures for non-discrimination, fair and equal opportunities at work and in worker representation

Continuing education for improvement of personal and family life

Better provisions for care of family life and welfare



8,807*, 92.2% Attending school

748, 7.8% Not attending school

NOTE:

School-going ages for children vary between countries, ranging from five to 18 years old.

[39] GCF Global Benchmark Study titled "The State of Children's Rights and Business: From Promise to Practice"

[40] GCF Report (September 2018) titled "Corporate Responses to Protecting Children's Rights in Southeast Asia"

* EY has performed limited assurance procedures on this figure

A HOLISTIC APPROACH TO CHILD PROTECTION

Protecting and safeguarding children's rights to education and growth has been at the forefront of our efforts since the 2017 launch of our **Child Protection Policy**. In accordance with **SDG 4 (Quality education)**, we have placed significant emphasis on providing children with access to education. Wilmar was recognised by the Global Child Forum (GCF) in a **benchmark study**[39] in 2019 to be among the top global achievers in creating a positive impact on children's rights. We were previously assessed as the best performing company in Southeast Asia for protecting children's rights in a report published by GCF in 2018[40].

Our estates are equipped with schools and crèches for children of all ages, which includes transportation and safe bus stops.

All children of compulsory school-going age that live in Wilmar plantations are required to attend full-time education programmes. In 2019, we supported 8,807* children of compulsory school-going age in their education through provision of school facilities within plantations, free transportation to schools, subsidies in school fees and uniforms. This translates to around 92.2% of such children at our plantations attending schools in 2019. This is monitored by a census at each estate. We also operate 143* crèche across our estates in Indonesia, Malaysia and Ghana. As of December 2019, these crèches tend to 4,655 children of Wilmar employees. In Ghana a further 18 children from surrounding communities attend Wilmar crèches.

In Australia, we have developed a series of child safety education programmes in schools and kindergartens. Called the 'Cane Train', this programme is aimed at educating children who live or go to school around sugar mills and distilleries. It outlines what sugar production looks like and how to stay safe in the surroundings.

We have conducted annual child safety assessments since 2018, and we report the results annually based on data from July in the preceding year to June in the current year. The focus on child safety and prevention of accidents involving children in our estates has been effective, with a reduction in serious incidents from 2018 to 2019. Measures that have contributed to this are:

Creating safer environments for children:

Road related incidents were the biggest threats to children on our estates. Wilmar has implemented safety measures to mitigate vehicles transporting heavy equipment, including gates, speed bumps and pedestrian paths around residential areas, creches, and schools. Trucks and heavy equipment must be placed in designated parking areas away from residents and children. For other risks we have also filled unused open ponds and erected warning signs around open bodies of water.

Educating caretakers and children:

Wilmar provided training to schools, parents and children on safety around plantations—especially in relation to food handling, fire, natural disasters, and haze. Furthermore, we educated students at Wilmar-owned schools on sexual harassment issues.

Protecting the health of children and families:

Wilmar implemented an immunisation programme for children at our Sabahmas Estate, and worm prevention medication was offered to children at our Kiabau estate. We also provided families of all employees with face masks as protection from haze pollution in Indonesia.

The focus on child safety and prevention of accidents involving children in our estates has been effective, with a reduction in serious incidents from 2018 to 2019.

New collaborations to improve children welfare

We have begun a collaboration with Business for Social Responsibility (BSR) and consumer companies including Nestlé, Colgate-Palmolive, PepsiCo, Neste and Procter & Gamble to develop a Child Protection and Safeguarding Implementation Manual. This is done alongside a series of capacity building workshops to enable suppliers to learn, discuss and adopt pragmatic measures to strengthen the rights and protection for children. We conducted the first workshop in November 2019 in Jakarta and 70 participants from supplier companies, government representative, trade unions, and civil society organisations attended. Amongst the speakers were the commissioner of the Indonesian Child Protection Commission (Komisi Nasional Perlindungan Anak (KPAI)) and representatives from the Indonesian Palm Oil Association (Gabungan Pengusaha Kelapa Sawit Indonesia (GAPKI)), the Palm Oil Labour Unions Network (Jaringan Serikat Pekerja dan Serikat Buruh Sawit Indonesia (JAPBUSI)) and the Centre for Child Rights and Corporate Social Responsibility (CCR CSR).

There is also a collaborative effort in Malaysia with Earthworm Foundation (EF), Archer Daniel Midland Company (ADM), Avon and Nestlé to develop a directory of social services to guide the private sector in improving the health, safety, and education of children living on or near plantations. The Children in Plantation (CiP) Directory—available in English and Bahasa Malaysia—is the first publication of its kind in the country. It contains four priority areas: education, community engagement, birth registration, and other child protection related services for children and youth living in rural areas of Sabah.

READ MORE ON THE CHILD PROTECTION AND SAFEGUARDING IMPLEMENTATION MANUAL

Leading the way with our work on children's rights

According to a 2019 independent benchmark international report on the state of children's rights and business published by the Global Child Forum (GCF), Wilmar ranked amongst the top global achievers in creating a positive impact on children's rights. Scoring 7.4 out of 10, Wilmar surpassed the industry and company average score of 5.6. Moreover, our scores have doubled since 2014 thanks to our intensified efforts in addressing children's rights and well-being in our operations and surrounding communities.

SEE THE GLOBAL CHILD FORUM BENCHMARK STUDY 2019 FOR MORE DETAIL

ETHICAL TREATMENT: ELIMINATING THE RISK OF FORCED, TRAFFICKED OR BONDED LABOUR

Wilmar forbids any form of forced, trafficked or bonded labour within our operations or supply chain. Wages, identification documents and personal belongings are not withheld from employees and workers, unless with their consent. Secure lockers are provided for workers to store their personal belongings.

At our Malaysian and Indonesian palm oil operations, Wilmar recruits personnel directly without engaging third-party agencies. This eliminates any risk of force, coercion or contract misrepresentation. In Nigeria and Ghana, we limit use of any contracted agent to logistical and administrative purposes. To prevent any risk of exploitation, all monetary transactions are directly between Wilmar and the workers.

WORKING WITH UNIONS AND ESTABLISHING COLLECTIVE BARGAINING AGREEMENTS

Wilmar respects collective bargaining, and the right of all employees to form and join trade unions. In the absence of a proper collective agreement or association, workers are free to join any other unions.

In Indonesia, our strong working relationship with labour unions helps ensure continuous improvement for our workers' quality of life at our oil palm estates. Wilmar's work on converting workers' employment status to permanent ones and providing subsidies and wages would not have been possible without collaboration with the unions. We also recognise that unions serve as effective mechanisms for raising grievances. To date, five collective bargaining agreements (CBAs) *(Perjanjian Kerja Bersama)* have been established in across several locations. These have been formed in partnership with Serbundo and HUKATAN-Konfederasi Serikat Buruh Sejahtera Indonesia (KSBSI). The agreements in West Sumatra and West Kalimantan cover multiple Wilmar sites.

While our Malaysian mills and plantations are not unionised due to a lack of union presence in Sabah and Sarawak, ongoing engagement with workers on pay and conditions has been established and all estates have dedicated social and welfare committees to address wages. In Ghana, managerial staff are precluded from union membership to prevent conflict of interest. However, in Nigeria all permanent staff and management are eligible for union membership. This is in line with the regulations set out in the respective countries.

In Australia, all waged employees are covered by an industrial agreement (Award or Enterprise Agreement), while the remaining staff and managerial employees are covered through stand-alone contracts. There is one major union association presence in Myanmar.

WORKERS UNIONISED OR COVERED BY CBAs BY COUNTRY AS AT DECEMBER 2019 (%)

REGION	PERCENTAGE OF WORKERS UNIONISED OR COVERED BY CBAs
Indonesia	27%
Malaysia	81%
Ghana	98%
Nigeria	31%
Australia	100%
New Zealand	100%
India	0%

NOTE:

1. All inclusive of permanent and part-time employees. Temporary workers generally do not join unions due to the monthly dues, but interests are protected as the agreements set the minimum conditions to be met.
2. Following local regulations in Ghana, management staff is excluded to prevent a conflict of interest.
3. Data on Myanmar is not disclosed for regulatory/sensitivity reasons.
4. As per India's Labour Law, there is no requirement to cover employees under CBAs.

IMPLEMENTING REPORTING MECHANISMS AT OUR SITES

Our Grievance Procedure is open to all external and internal stakeholders, but is primarily used by external stakeholders for cases related to our suppliers. All our employees, workers, and local communities have separate dedicated site-level remedial mechanisms and resolution processes for any complaints.

In 2016, BSR conducted an assessment that found workers in Indonesia had a low level of awareness of available grievance mechanisms. To facilitate a greater level of engagement, in 2019 Wilmar contributed to a programme organised by RSPO and Ulula—an organisation involved in transparency and accountability for social development—on trialling a mobile phone-based grievance reporting tool at our Sabahmas estate in Sabah, Malaysia. The tool allows workers to raise concerns anonymously, make enquiries, or provide feedback related to working conditions directly with RSPO. Ultimately, RSPO hopes to make more tools available to assist members in addressing and improving labour conditions.

Similarly, Wilmar has developed a customised reporting mobile phone application for our sugar mills, farms and bioethanol operations in Australia. The application can be used to report potential issues allowing for images to easily be attached thus eliminating the need for a paper-based reporting system and enabling Wilmar to swiftly allocate the appropriate resources to tackle any logged issues.

READ MORE ON THE ULULA PILOT PROJECT

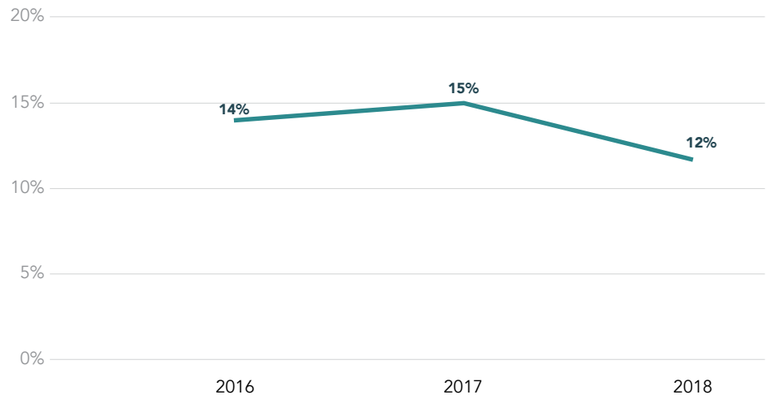
EMPLOYEE DEVELOPMENT AND RETENTION

Wilmar invests in the capabilities of our workforce. Workers and employees have access to leadership training programmes to further develop their managerial skills and to allow for better transitions into leading roles. Rather than limit these opportunities to single job categories, we provide job rotation to broaden exposure and develop wider skills. We provide long-term incentives for both senior and junior management. We also offer soft-skill management training programmes and personal development holistic growth initiatives for all employees in order to increase transferrable skills for future employment opportunities.

Wilmar's retention and development programmes are guided by our Equal Opportunity Policy. Besides rewarding performance, we encourage all our employees to approach their line manager or human resources department to discuss career prospects and potential training opportunities that may lead to career progression.

Since 2016, total Group turnover rates have been relatively low, signifying a consistent and satisfied workforce.

GROUP TURNOVER RATES 2016-2018 (%)



NOTE:

2019 data is being finalised at the time of publish and will be updated for our next report.

ENSURING SAFE AND HEALTHY ENVIRONMENTS

Providing a safe working environment and upholding high health and safety standards remains an ongoing priority. In accordance with health and safety policies, we ensure that all measures and facilities are up-to-date and conduct regular training for workers. All workers are provided with personal protective equipment (PPE) and share best practice between sites. Free medical care is also given to all workers and their families across all estates.

Indonesia

We have in place an air pollution and haze emergency response procedure that was established in 2018. This covers the provision of adequate PPE measures, such as the wearing of face masks, following procedures for workers with respiratory issues, issuing stop-work orders in dire situations, and following established procedures for medical treatment or evacuations. A similar haze response procedure is available in Malaysia.

In North Sumatra, we are undergoing trials to gather sufficient data around implementing mandatory rotation systems for workers handling pesticides. This rotational system will require these workers to switch roles every three months to work with no chemical exposure. This is to minimise prolonged exposure and maintain safe chemical levels for our workers. Once successfully implemented in North Sumatra, the rotation system will be scaled up and implemented throughout our plantation operations. As part of our partnership work with Verité, a review will be conducted in 2020.

India

In India, national safety weeks are organised by SRSL on health and safety programmes for employees. At the same time, awareness trainings are also conducted for housewives to understand better and safer utilisation of liquid petroleum gas (LPG) at their homes.

Australia

Wilmar Sugar Australia supports the national 'R U OK?' initiative through efforts to raise mental health awareness amongst employees. This encourages them to reach out and support colleagues who may be going through a difficult time.

In October 2019, there was a fire incident at one of our mills at Burdekin, which was quickly contained and extinguished. Our comprehensive safety and health procedures ensured a rapid response allowing all employees and workers to be safely evacuated.

Cane rail incident simulations

In Australia we continue to place a top priority on health and safety, including our 1,600-kilometre cane rail network.

Each year we simulate cane rail incidents in all four of our Queensland milling regions to better prepare crews for emergency situations. One of our new initiatives involved using GPS technology to help improve emergency service response times. A mock railway incident in the Herbert region in 2019 enabled us to trial Wilmar's new track layer over the Google Earth system. Cane train crews were able to provide police, fire and ambulance crews with exact GPS coordinates of the training incident, enabling the fastest possible emergency response time.

Lost time injury frequency rates

We work persistently to reduce the occurrence of workplace accidents and injuries. At our oil palm plantations, our lost time injury frequency rates (LTIFR) decreased by more than 50% in Sarawak compared to 2018. In Central Kalimantan, rates have been steadily declining over the past few years, now 70% less than 2016. However, we see increased rates at all other sites, almost double at Sabah and a 76% increase in Nigeria compared to 2018.

At our mills, LTIFR have decreased across all of our Indonesia operations. In Central Kalimantan and Sabah, rates have also been steadily declining since 2016. Our Nigeria mill also showed a 65% drop in the past year. With many workers joining the new mill with little prior safety experience, it took some time for the strict safety measures at our Nigeria mill to be fully implemented. Also, an experienced EHS officer was employed towards the end of 2018 and the changes implemented since has helped to improve safety. While these improved rates are a testament to our stricter health and safety measures, our Group-wide operational health and safety data collection system has improved which allows for more accurate reporting figures.

Rates remain relatively low at our palm refineries and there were no recorded accidents at our sugar plantations or Indonesia and India refineries in 2019.

LTIFR PER 200,000 WORKING HOURS 2016-2019

	COUNTRY OF OPERATION	2016	2017	2018	2019
PALM OIL OPERATIONS	**PLANTATIONS**				
	Sabah	1.01	0.54	0.56	0.97
	Sarawak	2.96	3.21	4.06	1.96
	Central Kalimantan	4.18	2.82	1.91	1.27
	West Sumatra	1.06	1.54	1.43	1.83
	Sumatra	6.10	5.90	6.03	6.23
	Ghana	0.47	0.23	0.17	0.30
	Nigeria	5.40	5.00	1.67	2.94
	MILLS				
	Sabah	2.66	1.99	1.79	1.37
	Sarawak	2.15	2.90	2.70	3.03
	Central Kalimantan	1.18	1.55	0.81	0.42
	West Sumatra	0.16	0.70	0.48	0.17
	Sumatra	0.67	0.32	0.31	0.27
	Ghana	0.53	0.78	0.00	1.13
	Nigeria			3.86	1.34
	REFINERIES				
	Indonesia			0.13	0.20
	Malaysia			0.42	0.69
SUGAR OPERATIONS	**PLANTATIONS**				
	Australia	0.00	2.30	0.00	0.00
	Myanmar			0.00	0.00
	MILLS				
	Australia		1.09	1.87	1.30
	Myanmar			0.10	0.10
	India				0.61
	REFINERIES				
	Australia	1.99	0.75	1.26	1.70
	New Zealand	2.70	0.56	1.64	1.10
	Indonesia		0.13	0.00	0.00
	India				0.00

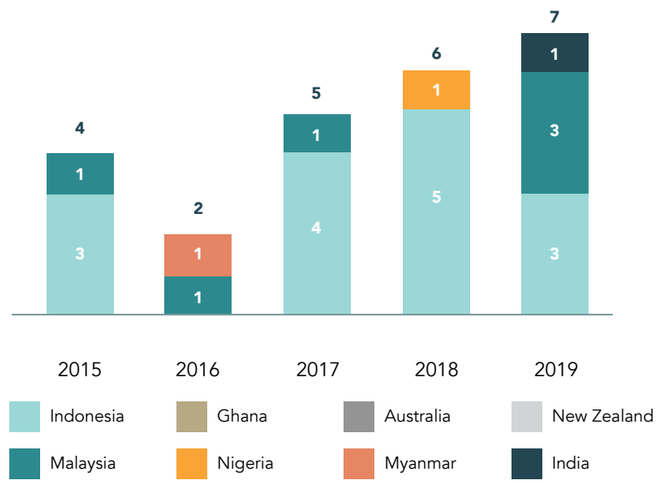
NOTE:

1. The 2019 LTIFR figures for Nigeria & Myanmar plantations and Australia & India mills have been updated from data presented in Wilmar's Annual Report 2019 after further review by site operations and are accurate as of 25 May 2020.
2. While we have data for Myanmar in 2016 and 2017, it is not comparable as reporting initially followed harvesting cycles and not calendar years.
3. As this is the first year of reporting for India, there is a need to review the robustness of their reporting systems and data.

Fatalities

We regret to report seven workplace-related fatalities in 2019. Three occurred in Indonesia, three were in Malaysia, and one fatality occured at one of our refineries in India. Two of the deaths were related to the employees' own pre-existing health conditions. One was a workplace accident involving a tractor, two were from falls, and one from entanglement in an empty fruit bunch (EFB) conveyor belt. One recorded fatality was linked to the use of a lathe machine for metalwork during an employee's personal day off.

FATALITIES 2015-2019 (NO.)



Structural conditions of equipment or work areas related to these incidents have been assessed and improved. Workplace standard operating procedures (SOP) have been updated to address tractor and conveyor belt safety, and trainings have been conducted on these safety measures. Safety barriers and sensors have now been installed on our lathe machines. To ensure that employees do not enter premises and use equipment on their days off, we now provide security guards with on-duty employee lists. Mill managers have also created related compliance procedures that will result in disciplinary action if not adhered to.

Recognising that we continue to see an unacceptably high number of fatalities, Wilmar implemented site-level reviews in 2019. The findings indicated that the standards aimed at improving planning and control of work and management of contractors at our sites were not adequately supported by senior site management. In January 2020, Wilmar formalised a Fatality and Permanent Disability Incident Process stipulating that disciplinary action will take place at the site's senior management level should systems and training fall short of required standards. Through this more stringent approach, we hope to avoid any repeat incidences which could have been reasonably avoided through proper execution of improvement plans.

Responsible sugar consumption

Sugar consumption is rising in many parts of the world, particularly in developing countries in tandem with lower domestic sugar prices.[41] We are aware that excessive sugar consumption can lead to adverse health effects and commit to full transparency by including nutritional labelling on all our products. As such, our CSR Sugar business has a range of products called 'Better for You' which contain alternative sugar products with a **naturally low glycemic index.**

Our operations in Australia and New Zealand also support a nutrition information website—**Sugar Nutrition Resource Centre**—which publishes sugar and nutrition facts, reviewed by a panel of independent scientific experts. The aim is to provide science-based information within the context of the region to help address issues around the role of sugar in nutrition. The information provided is in line with the Australian Dietary Guidelines. Newsletters and resources addressing topics such as obesity, dental health and sugar tax are also made available.

[41] 'Food Outlook – Biannual Report on Global Food Markets'. United Nations, Accessed 9 April 2020.

Working with communities

Wilmar respects the rights of Indigenous peoples and local communities' lands, territories and resources. This includes surrounding community members in the vicinity of our operations and smallholders who may also have rights to Indigenous or local territories and the explicit right to develop their own land.

ASSISTING SMALLHOLDERS

Smallholders account for 40% of the world's palm oil production and are a critical part of the palm oil industry. In comparison to companies with access to resource and agronomic expertise, smallholders are faced with unique challenges in meeting sustainability compliance. Smallholders account for 10.1% of Wilmar's supply base. In 2019, we received 392,868 metric tonnes (MT) of FFB from 16,064 scheme smallholders and 594,418 MT of FFB from 18,099 independent smallholders—4.0% and 6.1% of our total supply respectively.

Out of 42,849 total hectares (including 35,391 planted hectares) owned by scheme smallholders, 5,095 hectares (11.9%) in Indonesia and Ghana are RSPO certified. This contributed to 15,241 MT of CSPO and 3,843 MT of CSPK in production in 2019, about 2% of our total certified output. We also sourced 31,955 MT of FFB from independent smallholders that was RSPO certified, accounting for 5.4% of the total independent supply sourced.

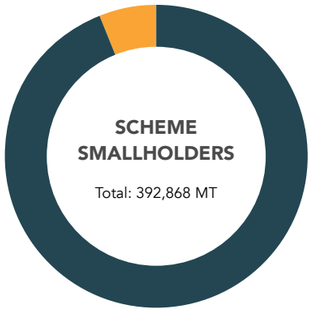
Smallholder programmes

We are committed to supporting the inclusion of smallholders into the supply chain. This is done through consultation and collaboration with the farmers, providing technical assistance, and supporting them in achieving compliance with our NDPE policy for palm oil smallholders. We are working to ensure that 100% of our smallholder suppliers are supported by smallholder programmes. This means that each scheme and independent smallholder linked to our supply chain will have access to a platform for expertise and the sharing of best practice in order to meet their targets for sustainable production and economic growth. We encourage our third-party suppliers to develop their own programmes and welcome support from governments, CSOs and customers to assist smallholders in reaching compliance.

100% of our scheme smallholders are covered by a Wilmar programme. We particularly strive to help our palm oil scheme smallholders achieve certification under applicable national certifications and, where relevant, RSPO guidance.

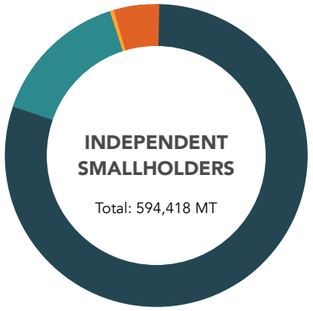
For our independent smallholders, we have programmes specific for each country to engage all smallholders. We target to benefit 100% of independent smallholder palm oil suppliers enrolled in/covered by our smallholder support programmes by 2020 for Ghana, 2023 for Nigeria, and 2025 for Indonesia. These programmes are sometimes linked to sustainable certification, but is not exclusively an objective for our independent smallholders.

SMALLHOLDER FFB VOLUMES SOURCED 2019 (MT, %)



368,684, 94% Indonesia

24,184, 6% Ghana



495,853, 83% Indonesia

75,088, 13% Malaysia

620, 0.1% Ghana

22,857, 4% Nigeria

GHANA

Target: 300 farmers by 2020
Covered: 0%

In 2018, we launched the Adum Smallholder Scheme designed to provide assistance to 300 smallholders in developing 1,400 hectares of their farmlands into a smallholder oil palm plantation by employing sustainable and best agricultural practices. The programme introduced an alternative livelihood scheme (ALS) to help diversify income through activities such as baking, poultry farming, and beekeeping.

In August 2019, the New Planting Procedure for the project area was completed and 20 hectares of planting was initiated but yet to allocate out. We are on track to complete all planting by 2020 before being allocated to all farmers. In the meantime, the farmers can benefit from the ALS trainings provided earlier.

NIGERIA

Target: 2,000 farmers by 2023
Covered: 0%

In 2017, we launched the Pilot Outgrower Scheme with four co-operatives from the surrounding areas of Wilmar's Biase Plantation Ltd. (BPL) at Cross River state. Under the programme, BPL works with outgrowers to establish their plantations during planting season, following our sustainable agricultural procedures. The company also provides low interest funding for the entire project. Since the start of the programme, we have provided agricultural assistance to 43 independent smallholders covering 150 hectares.

In 2019, we have been in discussions with the Central Bank of Nigeria to scale up the programme in Phase Two with hopes to cover 60 farmers by 2020 (200 hectares) and 400 farmers in 2021 (1500 hectares). We target to cover the remaining 1,540 farmers in Nigeria by 2023.

INDONESIA

Target: 24,218 farmers by 2025
Covered: 36%

Since the start of setting our target in 2018, 8,699 independent smallholders have participated in our ISPO certification training programme, collectively covering 9,389 hectares. The programme covers training on best management practices and sustainability requirements.

We particularly strive to help our palm oil scheme smallholders achieve certification under applicable national certifications

Throughout 2019, we also partnered with four co-operatives of independent smallholders in Riau and Jambi to achieve ISPO certification. The co-operatives consist of 735 smallholders who manage a total of almost 1,863 hectares of land. The smallholders received assistance on practices such as integrated farmer guidance programmes, farmer organisation empowerment, and implementing a traceability programme to help track palm oil from the plantations to the refinery. One co-operative achieved ISPO certification in 2019, with three more to follow in 2020.

We also have a voluntary fertiliser programme for our Indonesian independent smallholders which covers aspects of fertiliser, price incentives and best practice. Since 2017, participation has increased from 8,864 to 15,572, accounting for a 75% increase by 2019.

In Malaysia programmes are being implemented at three of our mills in Sabah until 2020 to assist independent smallholders. This is in collaboration with Wild Asia's smallholder programme and entails building capacity to achieve MSPO and RSPO certification, classroom training and a fertiliser credit scheme. Out of the 720 smallholders supplying our mills, 220 of them are covered by this programme.

In total, more than US$ 3.27 million was invested in smallholder engagements in 2019.

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FFB Grading at SSDP Mill

Building capacity with first-tier suppliers in Latin America

In Latin America, we are working with our first-tier palm oil suppliers to build capacity and provide training to their smallholder suppliers through innovative local partnership platforms.

In 2019 we began the second phase of our Wilmar Small Growers Support Colombia (WISSCo) programme, called WISSCo2. We plan to reach 437 smallholders in Colombia to enhance their sustainable practices and encourage them on their path to certification by training trainers, training smallholders, and implementing audit assessments. This follows the completion of our first two-year training programme under WISSCo. The programme is fully sponsored by our joint venture partner, Olenex, and customer, FrieslandCampina.

Through the Wilmar Supports Sustainable Entrepreneurs (WISSE) programme, we initially trained 3,300 smallholders as sustainable entrepreneurs. We are now training an additional 1,800 smallholders and began a follow-up programme in September 2019 to assist 900 of these scheme smallholders in becoming RSPO certified. In 2019, pre-audits of two mills were carried out and a 'toolbox' was created containing SOPs, templates and document appropriate for smallholder certification. We are scheduled to carry out training in 2020. The programme will take three years and is sponsored by Olenex and its customers, through a crowd funding scheme called Mariposa.

READ THE WISSCO2 DECEMBER 2019 PROGRESS REPORT FOR MORE INFORMATION

Supporting sugarcane outgrowers

We have implemented training programmes for sugar outgrowers in Myanmar covering good farming practices for land preparation, planting systems, cane nutrient requirements, fertiliser application, weed control, and the safe handling and application of chemicals.

In July 2019, our India sugar operations began a best management practice training programme for cane growers associated with SRSL in collaboration with Solidaridad Asia, which covers:

- Training and capacity building to create awareness about new cane varieties, innovative technologies of certain grub and weed menaces and mechanisation.
- Adopting wide-row planting to benefit from higher productivity, water saving, and raising intercrops for additional income.
- No-trash burning practices and using in-situ mulching to conserve moisture, control weeds, and enrich soil fertility. A unique audio tune has also been activated on mobiles phones of field staff to create mass awareness amongst supplying farmers, which can be heard when the farmers call Wilmar employees on their mobile phones.
- On-site production of vermi-compost to improve soil health through recycling farm waste and in-situ mulching of trash while avoiding burning. 2000 ready-made 'vermi-beds' have been supplied to farmers cost-free in the project area to date.

SEE MORE ON OUR SMALLHOLDER PROGRAMMES

COMMUNITY ENGAGEMENT, DEVELOPMENT AND EMPOWERMENT

Many of our operations are in rural areas of developing countries and our activities have direct and indirect impacts on the livelihoods of employees, their families, and the neighbouring communities. We want to ensure we contribute in a positive way as good corporate citizens in the rural communities where we operate.

Respecting community rights

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) and the High Carbon Stock Approach (HCSA) toolkit. We expect the same of our suppliers.

In land-related planning, participatory mapping is carried out to involve the communities, governments, and supporting NGOs. If a dispute or conflict arises, we will honour long-term relationships with the communities and amicably solve issues with all stakeholders, for example through mediation. Our operations teams will also work to identify and provide remediation whenever Wilmar has caused or contributed to negative human rights impacts, such as in relation to Indigenous and local communities' rights and labour rights.

While there are formal avenues to raise grievances through our grievance mechanism and via site-level complaints mechanisms, a dedicated protocol related to the no exploitation component of our NDPE policy will be published in 2020 to better address breaches of legal and customary Indigenous and community rights.

We also seek to support food security for local communities through assisting with crop diversity and/or security of food prices.

We are committed to respect and uphold legal and customary land tenure rights of communities and individual rights of Indigenous and local communities.

Community infrastructure and programmes

We provide infrastructure and programmes 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 2019, Wilmar invested US$ 10 million in community development initiatives and provisions. Some examples of community programmes are shown in page 108-109.

Update on the Pasaman Barat Community conflicts

Wilmar takes every allegation of human rights violations seriously and ensure follow up by a thorough investigation into the cause.

In September 2018, Wilmar commissioned Earthworm Foundation (EF) to conduct a comprehensive evaluation into issues raised against Wilmar's internal systems on social grievance and resolution at three of its subsidiaries in Pasaman Barat in West Sumatra, including that of our subsidiary PT. Primatama Mulia Jaya. These issues date back to a land acquisition in the 1990s and reflect the challenges of the complex land use and ownership matters with overlapping or un-delineated land rights in concessions in Indonesia. Hundreds of stakeholders in Pasaman Barat were engaged, including members of the affected community, village heads, community and customary leaders, smallholder co-operative units, local NGOs, and Wilmar management. Multiple specific community-related issues and recommendations were identified to address these concerns and achieve resolutions. We began working on implementing Earthworm Foundation's recommendations to address specific gaps while continuing engagement with the affected communities in an attempt to resolve the related conflicts in Pasaman Barat.

In November 2018, Wilmar explored a desktop-based risk assessment related to Wilmar in Pasaman Barat with the Forest Peoples Programme (FPP) and the RSPO Investigation Monitoring Unit. We communicated this position to FPP and the RSPO after we shared the report in March 2019.

There are currently three active RSPO complaint cases involving Wilmar and local communities in West Sumatra. In October 2019, we published the latest updates via our **Sustainability Brief** detailing the progress of conflict cases in Pasaman Barat. Wilmar continues to engage and work closely with the RSPO to ensure the cases are handled properly and with higher accountability and will transparently report bi-annually on our progress to resolve intrinsic issues within the region.

DETAILS ON RECOMMENDATIONS PUT FORWARD AND OUR PROGRESS AS AT OCTOBER 2019 CAN BE FOUND IN EF'S FIRST PHASE REPORT

Closed RSPO complaint case on PT. Permata Hijau Pasaman (PHP)

In April 2018, a complaint was submitted to the RSPO against one of Wilmar's subsidiaries, PT. PHP regarding plasma co-operation with the local community. The case was closed in September 2018, passing the case to RSPO's Investigation and Monitoring Unit (IMU) to monitor implementation of the action plan. The investigation by RSPO was concluded in January 2020 with the resolution agreement signed by all parties in April 2020.

Wilmar school upgrades

Wilmar has ongoing school redevelopment programmes in Indonesia, Nigeria and Ghana to ensure that schools are upgraded with adequate facilities including computer labs, science labs and libraries. We also aim to ensure that all settings are equipped for extracurricular activities, such as music, arts, sports and uniformed groups. The redevelopment programme annually benefits between 6,500 and 7,000 children from pre-primary school age through to secondary school age.

SCHOOL REDEVELOPMENT PROGRESS

10/15 SCHOOLS IN INDONESIA

5/6 SCHOOLS IN NIGERIA

2/2 SCHOOLS IN GHANA

Children's safety education programmes

Our operations in Australia are 100 years old with communities built around these areas to specifically support these operations. There is therefore a high dependence on our provisions. We have placed a significant focus on children's safety education programmes. We run 'Cane Train' safety awareness campaigns for the community. This includes our 'Cane Train' safety programmes in schools and kindergartens, multimedia advertising campaigns, and media releases highlighting the potential hazards of ignoring signals and warnings at cane train crossings. In 2019, we expanded our 'Use your Train Brain' campaign, with the development of print, TV and radio ads, postcards, billboards, and collateral for children.

Disaster relief

Wilmar provides in-kind contributions for disaster relief efforts in times of need, such as the unprecedented floods in North Queensland in February 2019. This is in addition to the ongoing support we provide to community festivals and events through our various sponsorships and donations. We are also proud supporters of youth programmes, including partnering with the North Queensland Cowboys National Rugby League team to host junior rugby league clinics in our milling regions.

In support of the 2019 Australia bushfires, Wilmar Sugar Australia donated AUS $20,000 to the Victorian Bushfire Appeal as monetary aid. We have also been approached to provide sugar to beekeepers in several states where bushfires have destroyed hives and natural vegetation. The Queensland government has purchased the first order of 35 pallets of sugar, which was delivered in March 2020. One of our employees was also a volunteer firefighter during this time to assist efforts in New South Wales.

Supporting local communities in Australia

We were honoured to be recognised for our continuous community support at the inaugural Hinchinbrook Business Awards, where we received the Heart of Hinchinbrook Community Spirit Award 2019. The judging panel commended Wilmar for our commitment to the local community, and the contribution made to the social fabric of the region.

Supporting local communities in India

In India, our SRSL operations have close relationships with surrounding communities. We have contributed to infrastructure by providing access to drinking water, office buildings, canteens and banking facilities. The operations provided drinking water and food provisions to the communities as well as monetary donations in the face of the massive flooding that took place in 2019. Medical check-ups and dispensaries are provided to employees, safety training programmes are given to homemakers who live in the area, mosquito fogging is implemented, and vaccinations are provided to local communities.

SEE MORE ON OUR COMMUNITY DEVELOPMENT WORK

Base data

INCOME STATEMENT – GROUP

US$ MILLION	FY2019	FY2018 [42]	FY2017	FY2016	FY2015
REVENUE	42,641	44,498	43,574	41,402	38,777
PROFIT BEFORE TAX	1,698	1,612	1,563	1,300	1,379
NET PROFIT	1,293	1,125	1,196	972	1,023

BALANCE SHEET - GROUP

US$ MILLION	FY2019	FY2018	FY2017	FY2016	FY2015
TOTAL ASSETS	47,049	45,713	40,933	37,032	36,926
TOTAL LIABILITIES	29,172	28,938	23,947	21,653	21,625
SHAREHOLDERS' FUNDS	16,763	16,046	15,964	14,435	14,394

SEGMENTAL SALES VOLUME - GROUP

MT '000	FY2019	FY2018	FY2017	FY2016	FY2015
TROPICAL OILS [43]	25,581	24,275	23,163	23,368	23,500
SUGAR	13,636	11,742	10,974	13,544	13,118

[42] FY2018 figures were restated subsequent to the finalisation of purchase price allocation exercise for the acquisition of Shree Renuka Sugars Limited (SRSL) and its subsidiaries.

[43] Excludes plantation volume.percent-of-indonesias-palm-oil-landbank-is-stranded/ Accessed 18 February 2020.

PRODUCTION – PALM OIL

	FY2019	FY2018	FY2017	FY2016	FY2015
FFB PRODUCTION (MT)	3,914,613	4,189,728	3,922,904	3,817,969	4,481,022
FFB YIELD (MT FFB/HA)	20.11	21.6	19.7	19.0	21.4
CPO (MT)	1,903,413	1,966,505	1,742,618	1,740,298	1,995,800
PK (MT)	467,064	482,977	421,574	424,913	472,968
CPO EXTRACTION RATE (%)	19.5	19.9	20.0	20.0	20.5
PK EXTRACTION RATE (%)	4.8	4.9	4.8	4.9	4.9

PRODUCTION – SUGARCANE (OWN FARMS ONLY)

	FY2019	FY2018	FY2017	FY2016
SUGARCANE PRODUCTION (MT) – AUSTRALIA	461,557	484,038	491,340	521,777
SUGARCANE PRODUCTION (MT) – MYANMAR [44]	28,434	21,325	29,146	13,979
SUGARCANE YIELD (MT/HA) – AUSTRALIA	87.6	91.4	94.0	102.0
SUGARCANE YIELD (MT/HA) – MYANMAR	51.2	69.4	64.8	73.1

[44] FY2018 Myanmar data is reported based on the calendar year (January to December 2018) due to unpredictable shifts in harvesting cycles and is not comparable to previous years' data, where they were first collated based on an April to March harvesting cycle. Moving forward, all sugarcane production data will be reported as at end-December of the reporting period.

SMALLHOLDERS – PALM OIL OPERATIONS

HECTARES	FY2019	FY2018	FY2017	FY2016	FY2015
TOTAL NO. OF SCHEME SMALLHOLDERS					
INDONESIA	15,583	15,402	7,527		
GHANA	438	438	438		
NIGERIA	43	43	43		
TOTAL	16,064	15,883	8,008		
TOTAL SCHEME SMALLHOLDER AREA (PLANTED)					
INDONESIA	33,742	34,149	32,874	29,634	31,428
GHANA	1,650	1,650	1,650		
NIGERIA[45]	0	0	0		
TOTAL	35,391	35,799	34,524		
TOTAL RSPO-CERTIFIED SMALLHOLDER AREA					
INDONESIA	3,445	2,040	4,012[46]		
GHANA	1,650	1,650	1,650		
NIGERIA	0	0	0		
TOTAL	5,095	3,690	5,662		

PROPORTION OF FFB PROCUREMENT BUDGET ALLOCATED FOR INDEPENDENT SMALLHOLDERS

COUNTRIES	FY2019	FY2018	FY2017	FY2016	FY2015
INDONESIA	7%				
MALAYSIA	9%				
GHANA	27%				
NIGERIA	34%				

[45] Nigeria scheme smallholder areas have been restated to align with Annual Report's categorisation.

[46] Certified smallholders planted area in Indonesia was restated. It was reported as 3,876 in SR2017.

CONSERVATION AREA (HA) – PALM OIL ESTATES

REGIONS	FY2019	FY2018	FY2017	FY2016	FY2015
CENTRAL KALIMANTAN	15,086	15,084	15,083	15,088	15,087
WEST KALIMANTAN	1,920	2,010	2,041	2,036	2,033
SUMATRA	3,009	3,011	3,114	3,128	3,043
SABAH	6,745	6,069	6,063	6,060	6,083
SARAWAK	1,725	1,722	1,705	1,721	1,658
GHANA	83	83	83	83	83
NIGERIA	2,807	1,633	1,653	1,635	1,635
TOTAL	31,375	29,613	29,742	29,751	29,622

CONSERVATION AREA (HA) – SUGARCANE FARMS

COUNTRIES	FY2019	FY2018	FY2017	FY2016	FY2015
AUSTRALIA	675	675	675	675	
MYANMAR	0	0	0	0	
INDIA	151				
TOTAL	826	675	675	675	

INFRASTRUCTURE AREA – PALM OIL OPERATIONS

REGIONS	FY2019[47]	FY2018	FY2017	FY2016	FY2015
CENTRAL KALIMANTAN	3,776	3,794			
WEST KALIMANTAN	1,221	1,236			
SUMATRA	2,232	2,173			
SABAH	3,570	3,396			
SARAWAK	2,461	2,403			
GHANA	145	135			
NIGERIA	974	870			
TOTAL	14,380	14,008			

[47] 2019 infrastructure data has been updated with inclusion of nursery areas on top of previous areas for mills, housings and roads.

FIRE INCIDENTS – PALM OIL AND SUGAR OPERATIONS

YEAR	ITEM	CENTRAL KALIMANTAN	WEST KALIMANTAN	SUMATRA	AUSTRALIA	MYANMAR
2015	PLANTED AREA BURNT (HA)	504.30	9.11	428.30	2,808	119
	UNPLANTED AREA BURNT (HA)	1,028.40	2.00	205.10	0	0
	TOTAL FIRES (NO.)	323	9	82	0	0
2016	PLANTED AREA BURNT (HA)	0	1.37	0.02	2,807	312
	UNPLANTED BURNT (HA)	82.88	0	0	0	0
	TOTAL FIRES (NO.)	17#	5#	1#	0	0
2017[48]	FIRES WITHIN CONCESSION (NO.)	20	1	2	1[49]	0
	AFFECTED AREA WITHIN CONCESSION (HA)	307.9	2.25	0.91		
	FIRES WITHIN 5KM RADIUS OF CONCESSION (NO.)	20	6	2		
	PLANTED AREA BURNT (HA)				2,859	0
	UNPLANTED BURNT (HA)				60	0
2018	FIRES WITHIN CONCESSION (NO.)	51	11	2	0	0
	AFFECTED AREA WITHIN CONCESSION (HA)	371.6	37.2	14.4		
	FIRES WITHIN 5KM RADIUS OF CONCESSION (HA)	40	16	42		
	PLANTED AREA BURNT (HA)				2,917	0
	UNPLANTED BURNT (HA)				0	0
2019[50]	HOTSPOTS WITHIN CONCESSION DETECTED (NO.)	83	48	12		
	FIRES WITHIN CONCESSION (NO.)	75*	27*	64*	1[51]	5[52]
	AFFECTED AREA WITHIN CONCESSION (HA)	713.42*	190.98*	49.52*		
	HOTSPOTS WITHIN 5KM RADIUS OF CONCESSION DETECTED (NO.)	497	439	671		
	FIRES WITHIN 5KM RADIUS OF CONCESSION (NO.)	101	37	76		
	PLANTED AREA BURNT (HA)				3044	90
	UNPLANTED AREA BURNT (HA)				0	0

EY has previously performed limited assurance on this figure as disclosed in Wilmar Sustainability Report 2016.

* EY has performed limited assurance procedures on this figure.

[48] Since 2017, reporting is based on area burnt within concession boundaries and area burnt outside concession boundaries (within 5km radius).

[49] Accidental fires.

[50] Beginning FY2019, fire incidents reporting includes hotspots detected to better reflect effectiveness of Wilmar's early detection system and rapid response team/instances of potential fires against actual fires.

[51] Accidental fires.

[52] Accidental fires.

CARBON EMISSIONS (RSPO PALMGHG) – PALM OIL MILLS

	FY2019	FY2018	FY2017	FY2016	FY2015
NET GHG EMISSIONS (MT CO_2e/YEAR)					
TOTAL	2,036,815	3,881,301	4,033,437	2,943,672	3,412,351
NET OUTGROWER EMISSIONS	1,178,589	2,128,775	1,916,554	1,079,983	1,724,430
NET GROUP EMISSIONS	849,226	1,752,526	2,116,883	1,863,689	1,687,921
EMISSION SOURCES AND SINKS (MT CO_2e/YEAR)					
LAND CLEARING	1,606,786	1,522,250	1,733,027	1,637,743	1,478,029
CROP SEQUESTRATION	-1,670,966	-1,604,662	-1,867,781	-1,738,834	-1,602,795
FERTILISER	196,027	145,909	183,310	143,267	137,170
N_2O	175,868	291,609	349,525	298,324	224,442
FIELD FUEL USE	51,071	55,287	60,822	57,606	61,127
PEAT	485,081	1,074,914	1,261,404	968,422	1,002,722
CONSERVATION AREA OFFSET	-77,562	-126,745	-58,718[53]	-62,170	
METHANE FROM POME	367,360	493,938	546,262	647,223	556,585
MILL FUEL USE	11,847	12,323	18,866	19,419	16,902
MILL ELECTRICITY CREDIT	-296,347	-112,367	-109,959	-107,450	-186,261
GRID ELECTRICITY UTILISATION	62	69	125	139	
NET GHG EMISSIONS BY COUNTRY (MT CO_2e/YEAR)					
MALAYSIA	225,124	291,285	324,651		
INDONESIA	1,785,814	3,577,717	3,681,437		
GHANA	25,877	12,299	27,346		
GHG EMISSION INTENSITY BY REGION (MT CO_2e/MT CPO)					
SABAH	0.51	0.73	0.81	0.74	0.87
SARAWAK	0.77	0.73	0.75	0.86	0.78
MALAYSIA	0.57	0.73	0.79	0.77	0.85
CENTRAL KALIMANTAN	0.26	0.92	1.17	1.46	0.86
WEST KALIMANTAN	8.06	22.47	16.04	7.5	10.41
SUMATRA	2.36	4.70	4.66	4.08	5.52
INDONESIA	1.92	3.68	3.83	3.03	3.36
GHANA	0.71	0.40	0.98	1.04	
GROUP	1.49	2.77	2.88	2.27	

[53] For our 2018 PalmGHG calculations we have included breakdown by area. Therefore, sequestration in conservation area figures are significantly higher than 2017 figures, due to the HCV area breakdown for Central Kalimantan.

WATER CONSUMPTION INTENSITY – PALM OIL OPERATIONS

WATER CONSUMPTION INTENSITY (M^3/MT FFB) – MILLS	FY2019	FY2018	FY2017	FY2016	FY2015
CENTRAL KALIMANTAN	1.10*	1.19	1.46	1.33	1.61
WEST KALIMANTAN	1.53*	1.57	1.27	1.53	1.49
SUMATRA	0.99*	1.02	1.12	1.55	1.40
SABAH	1.64*	1.60	1.64	1.55	1.68
SARAWAK[54]	2.00*	1.32	1.39	1.69	1.55
GHANA	1.48*	1.38	1.52	1.43	1.63
NIGERIA	1.54*	1.62	1.20	1.25	1.00

* EY has performed limited assurance procedures on this figure.

WATER WITHDRAWAL – PALM OIL OPERATIONS

WATER WITHDRAWN (M^3) – MILLS AND PLANTATIONS	FY2019	FY2018	FY2017	FY2016	FY2015
CENTRAL KALIMANTAN	1,954,075	2,406,110	3,042,559		
WEST KALIMANTAN	1,102,164	1,091,947	3,871,662		
SUMATRA	5,584,614	6,002,148	5,565,308		
SABAH	993,299	1,077,822	1,061,177		
SARAWAK	349,664	403,286	351,789		
GHANA	361,265				
NIGERIA	198,923				

[54] 2016-2018 data have been restated to exclude Suburmas mill in the calculations.

WATER WITHDRAWAL – SUGAR OPERATIONS

	FY2019	FY2018	FY2017	FY2016	FY2015
WATER WITHDRAWN (M^3) – PLANTATIONS					
AUSTRALIA	28,148,340	37,134,908	32,673,000	31,708,000	34,596,000
MYANMAR	162,874	77,174	57,412	52,782	
WATER WITHDRAWN (M^3) – MILLS					
AUSTRALIA	6,121,412	5,826,354			
MYANMAR	11,970,552				
INDIA	1,513,223				

EFFLUENT DISCHARGE BY REGION AND DISCHARGE DESTINATION – PALM OIL OPERATIONS

	FY2019	FY2018	FY2017	FY2016	FY2015
EFFLUENT DISCHARGE TO RIVER (M^3) – MILLS					
WEST KALIMANTAN	68,111	40,512	35,177		
SUMATRA	133,004	181,900	144,392		
SABAH	1,126,502	1,460,791	1,404,832		
SARAWAK	504,662	670,102	819,249		
EFFLUENT DISCHARGE TO LAND APPLICATION (M^3) – MILLS					
CENTRAL KALIMANTAN	167,099	155,747	256,042		
WEST KALIMANTAN	155,641	178,493	82,536		
SUMATRA	175,121	146,692	122,720		
GHANA	98,324				

POME BOD LEVELS BY REGION AND DISCHARGE DESTINATION (mg/L) – PALM OIL OPERATIONS

	FY2019	FY2018	FY2017	FY2016	FY2015
RIVER DISCHARGE					
WEST KALIMANTAN	87*	89	94	90#	83
SUMATRA	52*	58	94	52#	79
SABAH	28*	32	26	25#	32
SARAWAK	20*	17	19	17#	16
LAND APPLICATION					
CENTRAL KALIMANTAN	566*	1,052	506	271#	363
WEST KALIMANTAN	934*	312	317	251#	169
SUMATRA	1,244*	982	1,171	1,065#	928
GHANA	150*	175	134	60	77

* EY has performed limited assurance procedures on this figure.
# EY has previously performed limited assurance on this figure as disclosed in Wilmar Sustainability Report 2016.

PORE COD LEVELS BY COUNTRY (mg/L) – PALM OIL OPERATIONS

COUNTRY	FY2019	FY2018	FY2017	FY2016	FY2015
INDONESIA	76				
MALAYSIA	187				

WATER DISCHARGE BY REGION AND DISCHARGE DESTINATION – SUGAR OPERATIONS

	FY2019	FY2018	FY2017	FY2016	FY2015
WATER DISCHARGE TO SURFACE WATER (M^3) – MILLS					
AUSTRALIA	30,000				
MYANMAR	7,092,425	7,279,166			
WATER DISCHARGE TO THIRD PARTY (RECYCLED TO CANE LAND IRRIGATION) (M^3) – MILLS					
AUSTRALIA	4,522,329				
INDIA[55]	514,106				

HERBICIDE USAGE

	FY2019	FY2018	FY2017	FY2016	FY2015
HERBICIDE USAGE (TOXICITY UNITS/HA) – PALM OIL OPERATIONS					
SABAH	921	687	617	647	737
SARAWAK	586	937	684	541	534
CENTRAL KALIMANTAN	218	209	283	253	328
WEST KALIMANTAN	306	277	271	256	464
SUMATRA	320	304	563	317	257
GHANA	261	382	316	259	
NIGERIA	410	193	111	629	
HERBICIDE USAGE (TOTAL ACTIVE INGREDIENT/HA) – SUGAR OPERATIONS					
AUSTRALIA	4.14	3.60	4.07		
MYANMAR	2.20	3.05	2.65		

[55] India's discharge volume is mostly to cane land irrigation with some being used for green belt irrigation within mill compounds.

HERBICIDE TYPES – PALM OIL PLANTATIONS AND SUGAR ESTATES

HERBICIDES CURRENTLY USED IN WILMAR PLANTATIONS	USAGE	PALM	SUGAR
Glyphosate (isopropylamine/ isopropylammonium)	Systemic and non-selective herbicide to control Imperata cylindrical, Paspalum conjugatum and Ottochloa nodosa.	X	X[56]
Paraquat	Non-selective contact herbicide used to control a wide range of annual grasses and broad-leaved weeds and the tips of established perennial weeds. Paraquat is not systemic so it can be applied up to the four-leaf stage of sugarcane without lasting damage.		X
Pendimethalin	Herbicide used in pre-mergence and post-emergence applications to control annual grasses and certain broadleaf weeds. It inhibits cell division and cell elongation.		X
Metsulfuron-methyl	Systemic herbicide used to control both narrow and broad leaf weeds when mixed with glyphosate isopropylamine.	X	X
Isoxaflutole	Selective herbicide used to control certain broad leaf and grass weeds.		X
S-metolachlor	Isomer herbicide mixture used to control grasses and some broad-leaved weeds in a wide range of crops.		X
Haloxyfop	Selective herbicide for the control of grass weeds in broad leaf crops. Originally it was produced as a racemic mixture.		X
Flumioxazin	Broad-spectrum contact herbicide, which works by interfering with the plants' production of chlorophyll.		X
MCPA	Herbicide used in sugarcane production to control: Blue Top, Chinese Burr, Flannel Weed, Gambia Pea, Bell Vine, Streaked Rattle Pod, Bindweed, Pink Convolvulus, Cupids Flower, Merremia Vine, Morning Glory.		X
Triclopyr butotyl (triclopyr butoxy ethyl ester)	Systemic and selective broad leaf weeds used to control Asystasia intrusa, Mikania micrantha, Clidemia hirta and Melostoma malabathricum.	X	
Glufosinate ammonium	Used as a general narrow leaf weed control such as Paspalum conjugatum, Ottochloa nodosa, Fimbristylis miliacea and Borreria latifolia.	X	X
2,4-D-(dimethylamine/ dimethylammonium)	2,4-D- (dimethylamine/dimethylammonium) is a systemic and selective herbicide from the group of aryloxyalkanoic acids. This herbicide is used to control Mikania micrantha, Borreria latifolia, Ageratum conyzoides, Paspalum conjagatum, Ottochloa nodosa and Nephrolipis bisserata.	X	X
Fluroxypyr-meptyl	Used to control broad leaf and common weeds such as Asystasia intrusa, Mikania micrantha, Melostoma malabathricum, Ottochloa nodosa, Paspalum conjagatum and Axonopus compressus	X	X

[56] For our sugarcane operations, Glyphosate is only used for managing weeds in fallow, end of row and headlands areas. Glyphosate is not applied in sugarcane crop.

HERBICIDES CURRENTLY USED IN WILMAR PLANTATIONS	USAGE	PALM	SUGAR
Sodium chlorate	Non-organic and selective herbicide used for general weeds control, such as Ottochloa nodosa, Paspalum conjagatum, Axonopus compressus, Mikania micrantha and Gingantochloa levi.	X	
Clethodim	Selective post-emergence herbicide. Systemic, rapidly absorbed and translocated from treated foliage to the root system and growing parts of the plant. Mostly used to control Eleusine indica.	X	
Monosodium Methanearsonate (MSMA)	Broad-spectrum herbicide used to control grasses and broad leaf weeds.	X	
Fluazifop-p-butyl	Selective phenoxy herbicide used for post-emergence control of annual and perennial grass weeds.	X	
Indaziflam	Pre- and post-emergence herbicide. Often mixed with Glyphosate isopropylammonium to prevent or control common and major weeds in plantation such as Paspalum conjagatum, Axonopus compressus, Ottochloa nodosa, Hedyotis verticillata, Asystasia intrusa, Ageratum conyzoides, Cyperus rotundus and Digitaria ciliaris.	X	
Imazapic	Selective herbicide for both the pre and post-emergent control of some annual and perennial grasses and some broad leaf weeds.		X
Imazethapyr (ammonium/ isopropylammonium)	Non-selective herbicide used for the control of a broad range of weeds including terrestrial annual and perennial grasses and broad leaf weeds.	X	
Diuron[57]	Selective systemic herbicide used to control broad leaf weeds and grasses.	X	X
Metribuzin	Herbicide used to control certain broadleaf weeds and grassy weed species.		X
Ametryn	Herbicide which inhibits photosynthesis and other enzymatic processes. It is used to control broad leaf weeds and annual grasses in pineapple, sugarcane and bananas.		X
Acifluorfen	Contact diphenolic ether herbicide used to control broad leaf weeds and grasses, which can be applied before or after crop emergence.		X
Atrazine	Herbicide of the triazine class, used to prevent pre- and post-emergence broad leaf weeds in crops such as maize (corn) and sugarcane.		X
Asulam	Broad-spectrum herbicide used for post-emergent weed control in sugarcane.		X

[57] Strict controls in place for when and how much can be applied for Australia operations.

WILMAR'S LOWEST WAGE RATES AND LEGAL MINIMUM WAGE BY COUNTRY – PALM OIL AND SUGAR OPERATIONS

PALM OIL OPERATIONS	WILMAR LOWEST MONTHLY WAGE (EXCL. PIECE-RATE)	LEGAL MINIMUM WAGE
Indonesia (Rupiah)[58]	2,040,407/ month	2,040,407 [59]/month
Malaysia (Ringgit)	1,100/month	1,100/month
Ghana (Cedi)	794/month	319/month
Nigeria (Naira)	30,000/month	30,000/month
SUGAR OPERATIONS	**WILMAR LOWEST WAGE**	**LEGAL MINIMUM WAGE**
Australia (AUD) – farms and mills	26.81 hour	19.49/hour
Australia (AUD) - refineries	26.20/hour	19.49/hour
New Zealand (NZD)	24.14/hour	17.70 / hour
Myanmar (Burmese Kyat)	144,000/month	144,000/month
Indonesia (Rupiah)	3,932,193/month	3,932,193/month
India (INR)	9,530/month	8,213.4/month

[58] Indonesia's 2019 list of legal minimum wages in different provinces can be accessed at wageindicator.org

[59] This refers to the lowest legal minimum wage listed among the provinces where Wilmar has oil palm operations

BREAKDOWN OF WILMAR EMPLOYEES BY GENDER – PALM OIL AND SUGAR OPERATIONS – PLANTATIONS, MILLS, REFINERIES

		FY2019		FY2018		FY2017		FY2016		FY2015	
		Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Number of male and female employees (PALM OIL OPERATIONS)	SABAH	5,396	3,143	5,410	3,243	3,968[60]	2,414[59]	3,649	2,157	4,053	2,155
	SARAWAK	1,976	1,179	2,121	1,248	1,601	1,028	1,560	1,057	1,808	1,137
	MALAYSIA (DOWNSTREAM)	2,013	498	1,777	413						
	CENTRAL KALIMANTAN	11,734	4,160	10,952	4,170	10,604	3,984	9,689	3,923	11,223	4,694
	WEST KALIMANTAN	4,515	1,096	4,444	1,405	4,478	1,280	4,105	1,478	4,974	1,628
	SUMATRA	9,519	2,823	10,552	3,150	10,590	3,365	8,543	2,760	9,928	3,771
	INDONESIA (DOWNSTREAM)	8,251	1,463								
	GHANA	1,051	457	1,151	496	1,035*	739*			1,808	1,137
	NIGERIA	3,819	1,821	3,939	1,827	1,604	821			898	463
Number of male and female employees (SUGAR OPERATIONS)	AUSTRALIA	1,860	455	1,868	452	1,717 [61]	342 [60]				
	NEW ZEALAND	167	36	146	41	185	39				
	INDONESIA	580	19	612	22						
	MYANMAR [62]	431	259	542	172	843	255				
	INDIA [63]	1,925	22								

* Figures reported in Sustainability Report 2018 excluded number of women and men in temporary workforce as gender data was not available for temporary workers. This has been restated to now include temporary workers.

[60] Restated for 2017

[61] Excludes data from refinery operations as gender data was not available.

[62] Figures exclude women and men in temporary workforce as gender data was not available for temporary workers.

[63] Figures exclude number of women and men hired through third party agents.

LOST TIME INJURY FREQUENCY RATE (LTIFR) PER 200,000 WORKING HOURS - PLANTATIONS

	FY2019	FY2018	FY2017	FY2016	FY2015 [63]
OIL PALM PLANTATIONS					
Central Kalimantan	1.27	1.91	2.82	4.18	
West Kalimantan	1.83	1.43	1.54	1.06	
Sumatra	6.23	6.03	5.90	6.10	
Sabah	0.97	0.56	0.54	1.01	
Sarawak	1.96	4.06	3.21	2.96	
Ghana	0.30	0.17	0.23	0.47	
Nigeria	2.94	1.67	5.00	5.40	
SUGARCANE PLANTATIONS					
Australia	0	0	2.3		
Myanmar	0	0	0		

LTIFR PER 200,000 WORKING HOURS – MILLS

	FY2019	FY2018	FY2017	FY2016	FY2015
PALM OIL MILLS					
Central Kalimantan	0.42	0.81	1.55	1.18	
West Kalimantan	0.17	0.48	0.70	0.16	
Sumatra	0.27	0.31	0.32	0.67	
Sabah	1.37	1.79	1.99	2.66	
Sarawak	3.03	2.70	2.90	2.15	
Ghana	1.13	0.00	0.78	0.53	
Nigeria [64]	1.34	3.86			
SUGAR MILLS					
Australia	1.3	1.87	1.09		
Myanmar	0.10	0.10	0.12		
India	0.61				

[63] In the course of compiling data for our 2015 Sustainability Report, we discovered that methodology for collating incidents differed across our sites, with some sites using national or regional thresholds for reporting, and others using international Occupational Safety and Health Administration (OSHA) standards. Due to these inconsistencies, we have excluded LTIR reporting in our 2015 report. We resumed LTIR reporting in our 2016 Sustainability Report after setting a more consistent reporting standard across the Group.

[64] Robust systems for our accident reporting for our Nigeria mills were still being established prior to 2018. We will now include accident reporting moving forward.

LOST TIME INJURY FREQUENCY RATE (LTIFR) PER 200,000 WORKING HOURS - REFINERIES

	FY2019	FY2018	FY2017	FY2016	FY2015
PALM OIL REFINERIES					
Malaysia	0.69	0.42			
Indonesia	0.20	0.13			
SUGAR REFINERIES					
Australia	1.70	1.26	0.75	1.99	1.82
New Zealand	1.10	1.64	0.56	2.70	0
Indonesia	0	0	0.13		
India	0				

FATALITIES

	FY2019	FY2018	FY2017	FY2016	FY2015
FATALITIES – PLANTATIONS (PALM OIL AND SUGARCANE)					
Central Kalimantan	0	2	0	0	1
West Kalimantan	1	0	0	0	0
Sumatra	1	2	2	0	0
Sabah	1	0	1	1	1
Sarawak	0	0	0	0	0
Ghana	0	0	0	0	0
Nigeria	0	1	0	0	0
Australia	0	0	0	0	0
Myanmar	0	0	0	0	0
FATALITIES – MILLS (PALM OIL AND SUGAR)					
Central Kalimantan	1	0	1	0	0
West Kalimantan	0	0	0	0	0
Sumatra	0	1	1	0	2
Sabah	2	0	0	0	0
Sarawak	0	0	0	0	0
Ghana	0	0	0	0	0
Nigeria	0	0	0	0	0
Australia	0	0	0	0	0
Myanmar	0	0	0	1	0
India	0				
FATALITIES – REFINERIES (PALM OIL AND SUGAR)					
Indonesia	0	0	0	0	0
Malaysia	0	0	0	0	0
Australia	0	0	0	0	0
New Zealand	0	0	0	0	0
India	1				

GRI content index

The Global Reporting Initiative (GRI) is a multi-stakeholder standard for sustainability reporting, providing guidance on determining report content and indicators. GRI is the first and most widely adopted global standard for sustainability reporting and has been designed to enhance the global comparability and quality of information on environmental and social impacts, thereby enabling greater transparency and accountability of organisations. Sustainability reporting based on the GRI Standards should provide a balanced and reasonable representation of an organisation's positive and negative contributions towards the goal of sustainable development.

This report has been prepared in accordance with the latest version of the GRI Standards: Core option.

GRI 102: GENERAL DISCLOSURES 2016

DISCLOSURE		PAGE OR REASON FOR OMISSION	
ORGANISATIONAL PROFILE			
102-1	Name of organisation	About this report	1
102-2	Activities, brands, products, and services	• About Wilmar • **Annual Report 2019**	16 16-17
102-3	Location of headquarters	About Wilmar	16
102-4	Location of operations	• About Wilmar • Our operations	16 19
102-5	Ownership and legal form	About Wilmar	16
102-6	Markets served	• About Wilmar • **Annual Report 2019**	16 10
102-7	Scale of the organisation	• About Wilmar • Our operations • **Annual Report 2019**	16 19 10-15
102-8	Information on employees and other workers	• About Wilmar • Implementing best practice for fair working conditions • Base data	18 88-93 123
102-9	Supply chain	• Integrated agribusiness • Our operations • Overview of our supply chains • Assisting smallholders	18 19 38 102
102-10	Significant changes to the organisation and its supply chain	Scope and boundaries	1

DISCLOSURE		PAGE OR REASON FOR OMISSION	
102-11	Precautionary Principle or approach	Our approach to sustainability Note: Wilmar adopts a precautionary approach through platforms such as the HCS Approach and RSPO	28
102-12	External initiatives	• Our approach to sustainability • **Stakeholder Engagement**	28
102-13	Membership of associations	• **Partnerships and Collaborations** • **Stakeholder Engagement**	
STRATEGY			
102-14	Statement from senior decision-maker	• Statement from the Board • **Annual Report 2019**	6 2
102-15	Key impacts, risks, and opportunities	• Focus on ESG materiality • Sustainability governance and management • Our approach to sustainability	2 25 28
ETHICS AND INTEGRITY			
102-16	Values, principles, standards, and norms of behaviour	• Upholding ethics and integrity • Our approach to sustainability	27 28
102-17	Mechanisms for advice and concerns about ethics	• Upholding ethics and integrity • Key Human Rights Framework areas of focus • Implementing reporting mechanisms at our sites • Respecting community rights	27 87 98 106
GOVERNANCE			
102-18	Governance structure	• Sustainability governance and management • **Sustainability Governance Structure**	25
102-19	Delegating authority	Governance and management	24
102-20	Executive-level responsibility for economic, environmental, and social topics	Governance and management	24
102-21	Consulting stakeholders on economic, environmental, and social topics	• Our approach to sustainability • **Stakeholder Engagement**	28
102-22	Composition of the highest governance body and its committees	• Governance and management • **Annual Report 2019**	24 56
102-23	Chair of the highest governance body	Governance and management	24

DISCLOSURE		PAGE OR REASON FOR OMISSION	
102-24	Nominating and selecting the highest governance body	**Annual Report 2019**	63-64
102-25	Conflicts of interest	**Annual Report 2019**	48-51
102-26	Role of highest governance body in setting purpose, values, and strategy	• Governance and management • **Annual Report 2019**	24 57
102-28	Evaluating the highest governance body's performance	**Annual Report 2019**	65
102-30	Effectiveness of risk management processes	**Annual Report 2019**	69
102-31	Review of economic, environmental, and social topics	Governance and management	24
102-32	Highest governance body's role in sustainability reporting	Governance and management	24
102-35	Remuneration policies	**Annual Report 2019**	66
102-36	Process for determining remuneration	**Annual Report 2019**	66
STAKEHOLDER ENGAGEMENT			
102-40	List of stakeholder groups	**Stakeholder Engagement**	
102-41	Collective bargaining agreements	Working with unions and establishing collective bargaining agreements	97
102-42	Identifying and selecting stakeholders	• About this report • Striving for sustainability in our supply chains • Working with communities • **Stakeholder Engagement**	1 38 102-109
102-43	Approach to stakeholder engagement	• Focus on ESG materiality • Statement from the Board • Engaging suppliers on our NDPE commitments • Working with unions and establishing collective bargaining agreements • Assisting smallholders • Community engagement, development and empowerment • **Stakeholder Engagement**	2-3 6 42 97 102 106
102-44	Key topics and concerns raised	• Focus on ESG materiality • **Stakeholder Engagement**	2-5

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REPORTING PRACTICE			
102-45	Entities included in the consolidated financial statements	• Scope and boundaries • **Annual Report 2019**	1-2 183
102-46	Defining report content and topic Boundaries	• Scope and boundaries • Focus on ESG materiality	1-2 2-5
102-47	List of material topics	Focus on ESG materiality	2-5
102-48	Restatements of information	Where necessary and possible, restatements are explained in footnotes to the respective information.	
102-49	Changes in reporting	Scope and boundaries	1-2
102-50	Reporting period	Scope and boundaries	1-2
102-51	Date of most recent report	Our most recent previous report, the Sustainability Report 2018 was published on 28 May 2019	
102-52	Reporting cycle	Annually	
102-53	Contact point for questions regarding the report	Contact us	157
102-54	Claims of reporting in accordance with the GRI Standards	• About this report • GRI Content Index	1 128
102-55	GRI content index	GRI Content Index	128
102-56	External assurance	Assurance statement	147

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Economic

GRI STANDARD	DISCLOSURE		PAGE OR REASON FOR OMISSION
ORGANISATIONAL PROFILE			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	• About Wilmar 16 • **Annual Report 2019** 9
	103-2	The management approach and its components	• About Wilmar 16 • **Annual Report 2019** 9
	103-3	Evaluation of the management approach	• About Wilmar 16 • **Annual Report 2019** 9
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	• Financial and employee highlights 18 • **Annual Report 2019** 15
	201-2	Financial implications and other risks and opportunities due to climate change	• Managing climate change risks 55 • **CDP submission 2019**
MARKET PRESENCE			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	• Global presence 16 • Our operations 19 • Overview of our supply chains 38
	103-2	The management approach and its components	• Striving for sustainability in our supply chains 38 • Implementing best practice for fair working conditions 88 • Assisting smallholders 102
	103-3	Evaluation of the management approach	• Striving for sustainability in our supply chains 38 • Implementing best practice for fair working conditions 88 • Assisting smallholders 102
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	• Implementing best practice for fair working conditions 88 • Improving welfare and opportunities for women 92

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Economic

GRI STANDARD	DISCLOSURE		PAGE OR REASON FOR OMISSION
INDIRECT ECONOMIC IMPACTS			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	• Striving for sustainability in our supply chains 38 • Working with communities 102
	103-2	The management approach and its components	• Striving for sustainability in our supply chains 38 • Working with communities 102
	103-3	Evaluation of the management approach	• Striving for sustainability in our supply chains 38 • Working with communities 102
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	• Community infrastructure and programmes 106 • Base data 113
	203-2	Significant indirect economic impacts	• Striving for sustainability in our supply chains 38 • A holistic approach to child protection 94 • Working with communities 102
PROCUREMENT PRACTICES			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	• Overview of our supply chains 38 • Assisting smallholders 102
	103-2	The management approach and its components	• Striving for sustainability in our supply chains 38 • Assisting smallholders 102
	103-3	Evaluation of the management approach	• Striving for sustainability in our supply chains 38 • Assisting smallholders 102
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	• Overview of our supply chains 38 • Assisting smallholders 102 • Base data 112

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GRI STANDARD	DISCLOSURE		PAGE OR REASON FOR OMISSION	
ANTI-CORRUPTION				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Upholding ethics and integrity	27
	103-2	The management approach and its components	Upholding ethics and integrity	27
	103-3	Evaluation of the management approach	Upholding ethics and integrity	27
GRI 205: Anti-Corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	• Upholding ethics and integrity • Engaging suppliers on our NDPE commitments	27 42
	205-3	Confirmed incidents of corruption and actions taken	Upholding ethics and integrity	27

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Environmental

GRI STANDARD	DISCLOSURE		PAGE OR REASON FOR OMISSION	
ORGANISATIONAL PROFILE				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	• Managing climate change risks • Energy consumption	55 64
	103-2	The management approach and its components	• Managing climate change risks • Energy consumption	55 64
	103-3	Evaluation of the management approach	• Managing climate change risks • Energy consumption	55 64
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	Energy consumption	64
WATER AND EFFLUENTS (SEE ALSO GRI 306)				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Increasing water efficiency and protecting waterways	73
	103-2	The management approach and its components	Increasing water efficiency and protecting waterways	73
	103-3	Evaluation of the management approach	Increasing water efficiency and protecting waterways	73
GRI 303: Water 2018	303-1	Interactions with water as a shared resource	Increasing water efficiency and protecting waterways	73
	303-2	Management of water discharge-related impacts	Increasing water efficiency and protecting waterways	73
	303-3	Water withdrawal	• Water consumption in water-stressed areas • Base data	75 116
	303-4	Water discharge	Base data	117

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GRI STANDARD	DISCLOSURE		PAGE OR REASON FOR OMISSION	
BIODIVERSITY				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Protecting, conserving, restoring and enhancing biodiversity	56
	103-2	The management approach and its components	Protecting, conserving, restoring and enhancing biodiversity	56
	103-3	Evaluation of the management approach	Protecting, conserving, restoring and enhancing biodiversity	56
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Protecting, conserving, restoring and enhancing biodiversity	56
	304-2	Significant impacts of activities, products, and services on biodiversity	Protecting, conserving, restoring and enhancing biodiversity	56
	304-3	Habitats protected or restored	Protecting, conserving, restoring and enhancing biodiversity	56
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	**Biodiversity**	
EMISSIONS				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	• Managing climate change risks • Reducing GHG emissions	55 60
	103-2	The management approach and its components	• Managing climate change risks • Reducing GHG emissions	55 60
	103-3	Evaluation of the management approach	• Managing climate change risks • Reducing GHG emissions	55 60

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Environmental

GRI STANDARD	DISCLOSURE		PAGE OR REASON FOR OMISSION	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	• Reducing GHG emissions • CDP submission 2019	60
	305-2	Energy indirect (Scope 2) GHG emissions	• Reducing GHG emissions • **CDP submission 2019**	60
	305-4	GHG emissions intensity	Reducing GHG emissions	60
	305-5	Reduction of GHG emissions	Reducing emissions through methane capture facilities	61
EFFLUENTS AND WASTE				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	• Managing waste • Managing effluent	70 78
	103-2	The management approach and its components	• Managing climate change risks • Managing waste • Managing effluent	55 70 78
	103-3	Evaluation of the management approach	• Managing waste • Managing effluent	70 78
GRI 306: Effluents and Waste 2016	306-1	Water discharge by quality and destination	• Managing effluent • Base data	78 117
	306-2	Waste by type and disposal method	• Managing waste • Managing effluent	70 78
	306-5	Water bodies affected by water discharges and/or runoff	Managing effluent	78
ENVIRONMENTAL COMPLIANCE				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Our approach to sustainability	28
	103-2	The management approach and its components	Strengthening policies and guidance	28
	103-3	Evaluation of the management approach	Sustainability in Wilmar's operations	33
GRI 307: Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	Upholding ethics and integrity	27

MATERIAL TOPICS

Environmental

GRI STANDARD	DISCLOSURE		PAGE OR REASON FOR OMISSION	
SUPPLIER ENVIRONMENTAL ASSESSMENT				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Our approach to sustainability	28
	103-2	The management approach and its components	• Engaging suppliers on our NDPE commitments • Our revised Grievance Procedure • Proactively monitoring deforestation within the supply chain	42 46 51
	103-3	Evaluation of the management approach	Engaging suppliers post suspension	47
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Due diligence for potential new suppliers	43
	308-2	Negative environmental impacts in the supply chain and actions taken	Assessing existing suppliers with the Supplier Reporting Tool	43-45

MATERIAL TOPICS

Social

GRI STANDARD	DISCLOSURE		PAGE OR REASON FOR OMISSION	
EMPLOYMENT				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Implementing best practice for fair working conditions	88
	103-2	The management approach and its components	Implementing best practice for fair working conditions	88
	103-3	Evaluation of the management approach	Implementing best practice for fair working conditions	88
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Employee development and retention	98
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Implementing best practice for fair working conditions	88
LABOUR / MANAGEMENT RELATIONS				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	• Implementing best practice for fair working conditions • Implementing reporting mechanisms at sites	88 98
	103-2	The management approach and its components	• Implementing best practice for fair working conditions • Implementing reporting mechanisms at sites	88 98
	103-3	Evaluation of the management approach	Implementing best practice for fair working conditions	88
GRI 402: Labor/ Management Relations 2016	402-1	Minimum notice periods regarding operational changes	• Implementing best practice for fair working conditions • Working with unions and establishing collective bargaining agreements	88 97

MATERIAL TOPICS

Social

GRI STANDARD	DISCLOSURE		PAGE OR REASON FOR OMISSION
OCCUPATIONAL HEALTH AND SAFETY			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	• ESG practices and contributing to the SDGs 26 • Ensuring safe and healthy environments 99
	103-2	The management approach and its components	• Ensuring safe and healthy environments 99 • **Occupational Health & Safety Policy** • **Wilmar Sugar Environment, Health & Safety Policy** • **Wilmar Sugar Injury Management Policy**
	103-3	Evaluation of the management approach	Ensuring safe and healthy environments 99
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Ensuring safe and healthy environments 99
	403-2	Hazard identification, risk assessment, and incident investigation	• Ensuring safe and healthy environments 99 • **Occupational Health & Safety Policy** • **Wilmar Sugar Environment, Health & Safety Policy** • **Wilmar Sugar Injury Management Policy**
	403-3	Occupational health services	Ensuring safe and healthy environments 99
	403-5	Worker training on occupational health and safety	Ensuring safe and healthy environments 99
	403-9	Work-related injuries	• Ensuring safe and healthy environments 99 • Base data 124-126

MATERIAL TOPICS

Social

GRI STANDARD	DISCLOSURE		PAGE OR REASON FOR OMISSION
DIVERSITY AND EQUAL OPPORTUNITY			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Improving welfare and opportunities for women 92
	103-2	The management approach and its components	• Improving welfare and opportunities for women 92 • **Equal Opportunity Policy** • **Women's Charter**
	103-3	Evaluation of the management approach	Improving welfare and opportunities for women 92
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	• Governance and management 24 • Improving welfare and opportunities for women 92 • **Annual Report 2019** 61
	405-2	Ratio of basic salary and remuneration of women to men	Implementing best practice for fair working conditions 88
NON-DISCRIMINATION			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Championing people 84
	103-2	The management approach and its components	Championing people 84
	103-3	Evaluation of the management approach	Championing people 84
GRI 406: Non-Discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	No incidents of discrimination reported in 2019 for operations covered under this report's scope.

MATERIAL TOPICS

Social

GRI STANDARD	DISCLOSURE		PAGE OR REASON FOR OMISSION
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Working with unions and establishing collective bargaining agreements 97
	103-2	The management approach and its components	• Working with unions and establishing collective bargaining agreements 97 • Implementing reporting mechanisms at sites 98
	103-3	Evaluation of the management approach	Working with unions and establishing collective bargaining agreements 97
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Working with unions and establishing collective bargaining agreements 97
CHILD LABOUR			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	A holistic approach to child protection 94
	103-2	The management approach and its components	• Assessing risks related to supply chain human rights through the SRT 45 • Addressing impacts and risks related to human and labour rights within our operations 87 • A holistic approach to child protection 94 • **Child Protection Policy**
	103-3	Evaluation of the management approach	A holistic approach to child protection 94
GRI 408: Child Labour 2016	408-1	Operations and suppliers at significant risk for incidents of child labour	A holistic approach to child protection 94

MATERIAL TOPICS

Social

GRI STANDARD	DISCLOSURE		PAGE OR REASON FOR OMISSION
FORCED OR COMPULSORY LABOUR			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	• Championing people 84 • Ethical treatment: eliminating the risk of forced, trafficked or bonded labour 97
	103-2	The management approach and its components	• Key Human Rights Framework areas of focus 87 • Ethical treatment: eliminating the risk of forced, trafficked or bonded labour 97 • **Human Rights Policy**
	103-3	Evaluation of the management approach	Ethical treatment: eliminating the risk of forced, trafficked or bonded labour 97
GRI 409: Forced or Compulsory Labour 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	• Migrant workers in Wilmar's Malaysian Operations 91 • Ethical treatment: eliminating the risk of forced, trafficked or bonded labour 97
RIGHTS OF INDIGENOUS PEOPLES			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Respecting community rights 106
	103-2	The management approach and its components	• Respecting community rights 106 • **NDPE Policy**
	103-3	Evaluation of the management approach	Respecting community rights 106
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	• Grievance cases as of December 2019 47 • Respecting community rights 106

MATERIAL TOPICS

Social

GRI STANDARD	DISCLOSURE		PAGE OR REASON FOR OMISSION	
HUMAN RIGHTS ASSESSMENT				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Championing people	84
	103-2	The management approach and its components	• Assessing risks related to supply chain human rights through the SRT • Addressing impacts and risks related to human and labour rights within our operations • **Human Rights Policy**	45 87
	103-3	Evaluation of the management approach	• Assessing risks related to supply chain human rights through the SRT • Addressing impacts and risks related to human and labour rights within our operations	45 87
GRI 412: Human Rights Assessment 2016	412-1	Operations that have been subject to human rights reviews or impact assessments	Assessing risks related to supply chain human rights through the SRT	45
LOCAL COMMUNITIES				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	• Assisting smallholders • Working with communities	102 102
	103-2	The management approach and its components	• Assisting smallholders • Community engagement, development and empowerment	102 106
	103-3	Evaluation of the management approach	• Assisting smallholders • Community engagement, development and empowerment	102 106
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	• Assisting smallholders • Community engagement, development and empowerment	102 106

MATERIAL TOPICS

Social

GRI STANDARD	DISCLOSURE		PAGE OR REASON FOR OMISSION	
SUPPLIER SOCIAL ASSESSMENT				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Engaging suppliers on our NDPE commitments	42
	103-2	The management approach and its components	• Engaging suppliers on our NDPE commitments • Assessing risks related to supply chain human rights through the SRT	42 45
	103-3	Evaluation of the management approach	Assessing existing suppliers with the Supplier Reporting Tool	43
GRI 414: Supplier Social Assessment 2016	414-2	Negative social impacts in the supply chain and actions taken	• Assessing existing suppliers with the Supplier Reporting Tool • Grievance cases as of December 2019	43 47
PUBLIC POLICY				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Upholding ethics and integrity	27
	103-2	The management approach and its components	Upholding ethics and integrity	27
	103-3	Evaluation of the management approach	Upholding ethics and integrity	27
GRI 415: Public Policy 2016	415-1	Political contributions	Upholding ethics and integrity	27

MATERIAL TOPICS

Social

GRI STANDARD	DISCLOSURE		PAGE OR REASON FOR OMISSION	
SOCIOECONOMIC COMPLIANCE				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Upholding ethics and integrity	27
	103-2	The management approach and its components	Upholding ethics and integrity	27
	103-3	Evaluation of the management approach	Upholding ethics and integrity	27
GRI 419: Socio-economic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	Upholding ethics and integrity	27

Assurance statement

Independent Limited Assurance Statement in connection with the Subject Matters included in the Sustainability Report of Wilmar International Limited for the year ended 31 December 2019

In connection with our Engagement Letter dated 4th December 2019 and our addendum dated 29th April 2020, we have performed a limited assurance engagement on the Subject Matters set out in the *Subject Matters* section below. These Subject Matters are included in the attached Sustainability Report of Wilmar International Limited ('Wilmar') for the financial year ended 31 December 2019 ('the Sustainability Report').

Subject matters

Our limited assurance engagement covers the following Subject Matters for the above mentioned period

NO	MATERIAL MATTER	INFORMATION FOR ASSURANCE	SCOPE FOR PALM OIL SEGMENT	
1	**Supply Chain Monitoring & Transformation**	Number of suppliers assessed through Supplier Reporting Tool (SRT) as of 31 December 2019	Suppliers to Wilmar's Mills and Refineries	Malaysia, Indonesia, Latin America
2	**Supply Chain Monitoring & Transformation**	Total hectares monitored under Supplier Group Compliance Program (SGCP) as of 31 December 2019 i.e. Extent of deforestation (ha) detected in concessions owned by suppliers (group-level)	Concession land owned by monitored Suppliers	Indonesia, Malaysia
3	**Transparency & accountability**	Number of grievance cases by nature / status (e.g. in progress, pending, closed, etc.) on Wilmar Grievance List*. The grievances listed are as defined in Wilmar Grievance Procedure.	Scoped-in Plantations, Mills and Refineries	Group-level
4a	**Child Protection**	Number of compulsory school-going age children whose education is supported by Wilmar for the above mentioned period	Scoped-in Plantations	Indonesia, Malaysia, Ghana and Nigeria
4b		Number of creches provided by Wilmar at the plantations as of 31 December 2019	Scoped-in Plantations	Indonesia, Malaysia, Ghana and Nigeria
5	**Fire & Haze**	Total number of fires & affected area within concession (ha) for the above mentioned period	Scoped-in Plantations	Indonesia
6	**Sustainability Certification**	Total production volume of CPO and PK certified under RSPO, ISPO and MSPO as of December 2019	Scoped in Mills, Kernel Crushers	Indonesia, Malaysia, Ghana
7	**Water Impacts**	Water use intensity (m^3/ MT FFB processed) for the above mentioned period	Scoped-in Mills	Malaysia, Indonesia, Ghana and Nigeria
8	**Water Impacts**	Treatment of POME and BOD quality (mg/L) for the above mentioned period	Scoped-in Mills	Malaysia, Indonesia, Ghana and Nigeria

(*) The Wilmar Grievance list includes the grievances up until 31st December 2019. The last grievance was registered on 06 November 2019. The scope of work does not cover the assessment of grievance eligibility.

An asterisk symbol (*) in the Sustainability Report denotes statements and claims on which we have performed limited assurance procedures.

Management's and Board of Directors' responsibility

The Management is responsible for the preparation of the Subject Matters in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards. The Board has ultimate responsibility for the company's sustainability reporting.

The Management is responsible for the collection and presentation of the information and for maintaining adequate records and internal controls that are designed to support the sustainability reporting process. For the purpose of the Sustainability Report 2019, there are no legally prescribed requirements relating to the verification of sustainability reports.

Auditor's independence and quality control

We have complied with the independence and other ethical requirements of the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code)*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Singapore Standards on Quality Control 1 of the Institute of Singapore Chartered Accountants and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have the required competencies and experience to conduct this assurance engagement. Our professionals have both the required assurance skills and experience in the applicable subject matters including environmental, social and financial aspects

Auditor's responsibility

Our responsibility is to form a conclusion on Wilmar's preparation of the Subject Matters based on our work. We performed our work in accordance with International Standard on Assurance Engagements 3000 (ISAE 3000) (Revised) – *Assurance Engagements other than Audits or Reviews of Historical Financial Information* (the "Standard"). This Standard requires that we plan and perform our work to form the conclusion. The extent of our work performed depends on our professional judgment and our assessment of the engagement risk.

Our review was limited to the information on the select indicators set out within the Report from 01 January 2019 to 31 December 2019 and our responsibility does not include:

Our review was limited to the information on the select indicators set out within the Report from 01 January 2019 to 31 December 2019 and our responsibility does not include:

- Any work in respect of sustainability information published elsewhere in Wilmar's annual report, website and other publications,
- Sustainability information prior to 01 January 2019 and subsequent to 31 December 2019, and
- Management's forward looking statements such as targets, plans and intentions.

Reporting criteria

As a basis for the assurance engagement, we have used the criterion of "Accuracy" as defined by GRI and specific criteria determined by Wilmar as being relevant for its sustainability performance. We consider these reporting criteria to be relevant and appropriate to review the Report.

Assurance standard used and level of assurance

Our limited assurance engagement has been planned and performed in accordance with the ISAE 3000[65] Assurance Engagement Other Than Audits or Reviews of Historical Financial Information.

A limited assurance engagement consists of making enquiries and applying analytical and other review procedures. Our procedures were designed to provide a limited level of assurance and as such do not provide all the evidence that would be required to provide a reasonable level of assurance.

The procedures performed depend on our judgement including the risk of material misstatement of the specific activity data, whether due to fraud or error. While we considered the effectiveness of Management's internal controls when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

[65] International Federation of Accountants' International Standard on Assurance Engagements for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE3000)

What we did to form our conclusions

We designed our procedures in order to state whether anything has come to our attention to suggest that the Subject Matters detailed above has not been reported in accordance with the reporting criteria cited earlier. In order to form our conclusions, we undertook the steps below:

1 Inquiries with Wilmar's Sustainability team to:

- Understand principal business operations,
- Appreciate key sustainability issues and developments,
- Map out information flow for sustainability reporting and the relevant controls,
- Identify data providers with their responsibilities, and
- Recognise the likelihood of fraud on the sustainability information.

2 Perform site visits to:

- Wilmar's headquarters in Singapore,
- Wilmar's offices in Jakarta and Kuala Lumpur
- Wilmar's selected palm oil plantations and mills in Central Kalimantan, Indonesia, and Sabah, Malaysia

3 Conduct interviews with and clarifications
sought from employees and Management in Singapore, Indonesia, Malaysia, Ghana, Nigeria (e.g. Sustainability team, Human Resources, Estate Managers, Mill Managers) to understand key sustainability issues related to the selected indicators, collection processes and accuracy of reporting.

4 Conduct process walk-through of systems and processes
for data aggregation and reporting, with relevant personnel to understand the quality of checks and control mechanisms, assessing and testing the controls in relation to the concerned subject matters.

5 Obtain documentation through sampling methods
to verify assumptions, estimations and computations made by Management in relation to the concerned subject matters.

6 Check that data and statements
had been correctly transcribed from corporate systems and / or supporting evidence, in relation to concerned subject matters.

7 Obtain relevant certifications and audit reports
in relation to the concerned Subject Matters in the Report

Observations and areas for improvement

Our observations and areas for improvement will be raised in a separate report to Wilmar's Board of Directors and Management. These observations and areas for improvement do not affect our conclusion on the aforementioned Subject Matters included in the Sustainability Report.

Other matters

Our responsibility in performing our limited assurance activities is to the Management of Wilmar only and in accordance with the terms of reference agreed with them. We do not accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance any such third party may place on the Report is entirely at their own risk.

Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the information related to the Subject Matters were not presented fairly, and calculated in all material respects in accordance with the reporting criteria detailed above.

Ernst & Young LLP

Signed for Ernst & Young LLP by
Simon Yeo
Partner, Climate Change and Sustainability Services
Singapore

EY Building a better working world

Glossary

BAGASSE	a dry, fibrous matter remaining after the extraction of juice from the sugarcane.
BIODIVERSITY	the variety of plant and animal life in a particular habitat or ecosystem.
BIOLOGICAL OXYGEN DEMAND (BOD)	the amount of oxygen exerted when organic matter undergoes decomposition by micro-organisms. BOD testing is done to assess the amount of organic matter in the water.
BONSUCRO	a voluntary global standard for responsible sugarcane production. The Bonsucro Production Standard applies to mills and supply operations, while the Bonsucro Chain of Custody Standard applies to all products handled above mill level.
CARBON DIOXIDE EQUIVALENTS (CO_2e)	these provide a universal measurement standard by which the impacts of releasing (or avoiding the release of) different greenhouse gases can be evaluated.
CERTIFIED SUSTAINABLE PALM OIL (CSPO)	Palm oil produced by palm oil plantations and mills which have been independently audited and certified against the Roundtable on Sustainable Palm Oil (RSPO) standard.
COMPOST	organic waste matter, naturally decomposed and recycled as soil conditioner.
CROP SEQUESTRATION	captured and securely stored carbon that would otherwise be emitted to or remain in the atmosphere.
EFFLUENTS	water, such as mill processed, discharged from one source into a separate body of water.
EMPTY FRUIT BUNCHES (EFB)	FFB remains once the fruit has been removed for oil pressing.
EXTRACTION RATE	an amount of oil extracted in a mill from oil palm fruit. Crude palm oil (CPO) is derived from the flesh; palm kernel oil (PKO) from the nut.
FIRE FREE ALLIANCE (FFA)	a multi-stakeholder group initiated for the management of recurrent haze and fire problems in Indonesia. Under its auspices, the Fire-Free Village Programme (FFVP) is a community-based incentive scheme to help reduce the incidence of fires.
FOOD AND AGRICULTURE ORGANIZATION'S (FAO) VOLUNTARY GUIDELINES ON RESPONSIBLE GOVERNANCE OF TENURE (VGGT)	voluntary guidelines that promote secure tenure rights and equitable access to land, fisheries and forests as a means of eradicating hunger and poverty, supporting sustainable development and enhancing the environment.
FREE, PRIOR AND INFORMED CONSENT (FPIC)	FPIC is the principle that a community has the right to give or withhold its consent to proposed projects that may affect the lands they customarily own, occupy, or otherwise use.

FRESH FRUIT BUNCH (FFB)	bunch harvested from the oil palm tree. The fruit bunch weight can range from 10kg to 40kg, depending on size and age.
GREENHOUSE GAS EMISSIONS (GHG)	Scope 1 GHG emissions are discharges released into the atmosphere as a direct result of an activity, or series of activities, at facility level. Scope 2 GHG emissions are releases into the atmosphere from the indirect consumption of an energy commodity.
HIGH CONSERVATION VALUES (HCVS)	biological, ecological, social or cultural values considered outstandingly significant or critically important, at the national, regional or global level.
HIGH CARBON STOCK	the four classes of land area differentiated by the type of vegetative cover (High Density Forest, Medium Density Forest, Low Density Forest and Young Regenerating Forest) that have been identified to contain reasonable amount of carbon and biodiversity.
HIGH CARBON STOCK APPROACH (HCS APPROACH)	a global methodology used in agricultural land development planning that distinguishes HCS forest areas for protection from degraded lands with low carbon and biodiversity values.
INDEPENDENT SMALLHOLDER	small growers with less than 50 hectares of land (with the exception of Indonesia, with less than 25 hectares of land), which are self-financed, managed, and equipped, but not bound to a particular mill. They may deal directly with local mill operators of their choice or process their own palm oil using personal or community manual palm oil presses.
INDONESIAN SUSTAINABLE PALM OWIL (ISPO) STANDARD	a mandatory requirement for all oil palm growers and millers operating in Indonesia. The objective is to holistically address environmental issues within the oil palm industry thereby improving the competitiveness of Indonesian palm oil in the global market.
INTEGRATED PEST MANAGEMENT (IPM)	the careful consideration of all available pest control techniques and subsequent integration of appropriate measures to discourage the encroachment of pest populations. This is intended to keep pesticides and other interventions to levels that are economically justified and reduce or minimise risks to human health and the environment. IPM emphasises the growth of a healthy crop with the least possible disruption to agro-ecosystems and encourages natural pest control mechanisms.
INTERNATIONAL LABOUR ORGANIZATION (ILO)	a tripartite United Nations agency that is representative of labour, management, and government. It disseminates labour information and sets minimum international labour standards, called 'conventions', that are offered to member nations for adoption.

INTERNATIONAL SUSTAINABILITY AND CARBON CERTIFICATE (ISCC)	a voluntary global sustainability certification system covering the entire supply chain and all kinds of bio-based feedstocks and renewables.
MALAYSIAN SUSTAINABLE PALM OIL (MSPO) STANDARD	a national certification requirement applicable to all Malaysia-based palm oil operations.
NEW PLANTING PROCEDURE (NPP)	RSPO's NPP consists of a set of assessments and verification activities to be conducted by RSPO grower members and certification bodies prior to a new oil palm development, in order to help guide responsible planting and ensure that social and environmental requirements have been met.
INTERNATIONAL UNION FOR CONSERVATION OF NATURE AND NATURAL RESOURCES (IUCN) RED LIST OF THREATENED SPECIES	the world's most comprehensive information source on the global extinction risk status for animal, fungi and plant species.
MESOCARP	the middle layer of pericarp, the fleshy part of a palm fruit.
MULCHING	a layer of material applied to the soil surface to improve its fertility and health. Mulch is usually organic.
NO DEFORESTATION, NO PEAT, NO EXPLOITATION (NDPE) POLICY	commitment to adopt measures and actions to achieve no deforestation, no peat development and no exploitation within the company's operations and supply chain.
PALM OIL MILL EFFLUENT (POME)	by-product of processed FFB.
PALM OIL REFINERY EFFLUENT (PORE)	wastewater produced by processing crude palm oil in a palm oil refinery.
PEAT AND PEATLAND	accumulation of partially decayed vegetation matter. Peat forms in wetlands or peatlands.This can include bogs, moors, muskegs, pocosins, mires, and peat swamp forests. Land with soil consisting of over 65% organic matter is considered peatland.
PRESS MUD	sugarcane press mud is the residue of sugarcane juice filtration.

ROUNDTABLE ON SUSTAINABLE PALM OIL (RSPO)	a global certification scheme promoting the growth and usage of sustainable palm oil products according to international standards.
SCHEME SMALLHOLDERS (OR PLASMA SCHEMES)	a programme initiated by the Indonesian government to encourage the development of smallholder plantations with the assistance and co-operation of plantation companies (the nucleus) which assist and support the surrounding community plantations (the plasma).
SINGAPORE EXCHANGE (SGX)	Asia's leading market infrastructure, operating equity, fixed income, and derivatives markets to the highest regulatory standards. SGX is a member of the World Federation of Exchanges and the Asian and Oceanian Stock Exchanges Federation.
SMARTCANE BMP	a Queensland-focused voluntary accreditation system providing best practice guidance for cultivating sugarcane.
SPENT WASH	distillery spent wash is the unwanted residual liquid waste generated during production. It is a dark brown, highly organic effluent.
SUSTAINABLE DEVELOPMENT GOALS (SDGS)	SDGs build on the Millennium Development Goals and are a set of 17 global goals with an objective of ending poverty, protecting the planet and ensuring that all people enjoy peace and prosperity with a goal of achieving specific targets by 2030.
SUSTAINABILITY	a term expressing a long-term balance between social, economic and environmental objectives. It is often linked to sustainable development, which is defined as 'development that meets the need of current generations without compromising the needs of future generations'.
TROPICAL FOREST ALLIANCE (TFA)	a multi-stakeholder partnership platform hosted by the World Economic Forum and initiated to support the implementation of private-sector commitments to remove deforestation from various commodities from their supply chains.
UNITED NATIONS GLOBAL COMPACT	a United Nations pact to encourage worldwide businesses to adopt sustainable and socially responsible policies, and to report on their implementation.

Contact us

We strive to remain cognisant, responsive and inclusive. We welcome any comments, questions, or suggestions regarding our sustainability performance.

EMAIL csr@wilmar.com.sg

POST **Wilmar International Limited**
56 Neil Road, Singapore 088830
Attention: Sustainability Department

To report a grievance or complaint, please refer to
https://www.wilmar-international.com/sustainability/grievance-procedure

wilmar

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温室气体核查陈述

VERIFICATION STATEMENT OF GREENHOUSE GAS EMISSION

No. INV-2020-HXYL-0036

本核查陈述针对：

This is to verify that:

丰益高分子材料（连云港）有限公司

Wilmar HighPolymer Material (Lianyungang) Co., Ltd.

地址：江苏省连云港市连云区板桥工业园祥和路 16 号

Add: Xianghe Road No. 16, BanQiao Industries Park, Lianyungang City, Jiangsu Province, P.R.China

中国质量认证中心根据相关核查程序发布本核查陈述。

CQC issues a verification statement according to related verification procedures.

中国质量认证中心认为：

CQC here confirms that:

- **2020** 年 **4** 月 **24** 日发布的丰益高分子材料（连云港）有限公司温室气体排放报告（版本：**V01**）表明丰益高分子材料（连云港）有限公司在 **2019** 年 **1** 月 **1** 日到 **2019** 年 **12** 月 **31** 日之间温室气体排放量为 **430288** 吨 CO_2 当量，温室气体清除量为 **0** 吨 CO_2 当量。

  It's asserted in Wilmar HighPolymer Material (Lianyungang) Co., Ltd. Greenhouse Gas Emission Report (Version: **V01**) published on **Apr. 24th, 2020** that Wilmar HighPolymer Material (Lianyungang) Co., Ltd. Greenhouse Gas Emission was **430288** tonnes CO_2 Equivalent and Greenhouse Gas Removal was **0** tonnes CO_2 Equivalent from **Jan. 1st, 2019** to **Dec. 31st, 2019**.

- 丰益高分子材料（连云港）有限公司温室气体排放和清除的量化、监测和报告遵从 **ISO 14064-1:2006** 的相关要求。

  The quantification, monitoring and reporting of Wilmar HighPolymer Material (Lianyungang) Co., Ltd. Greenhouse Gas emissions and removals comply with the requirement of **ISO 14064-1:2006.**

- 该声明不存在实质性偏差，达到了预先商定的合理保证等级。

  The assertion has no material errors and reaches the reasonable level of assurance which was prior negotiated.

主 任
President

Lu Mei

中国质量认证中心

CHINA QUALITY CERTIFICATION CENTRE

http://www.cqc.com.cn
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Section 9, No. 188, Nansihuan Xilu, Beijing 100070 P. R. China
电话(Tel): +86 10 83886666

受丰益高分子材料（连云港）有限公司的委托，中国质量认证中心(CQC)在2020年4月17日到2020年6月11日期间根据 ISO14064-1：2006和 ISO14064-3：2006对丰益高分子材料（连云港）有限公司温室气体排放报告进行了独立的第三方核查。丰益高分子材料（连云港）有限公司是一家专业生产癸二酸、精炼甘油等产品的企业，位于江苏省连云港市连云区板桥工业园祥和路16号。本次核查的温室气体报告覆盖时间段为2019年1月1日至2019年12月31日，该报告中的温室气体声明是基于适用的技术文献和丰益高分子材料（连云港）有限公司的历史活动数据所做出的。丰益高分子材料（连云港）有限公司负责本覆盖时间段内的温室气体信息系统，包括资料的记录和报告程序的运行。

本次核查服务的范围、目的、准则和保证等级是建立在丰益高分子材料（连云港）有限公司和中国质量认证中心达成共识的基础之上：

核查范围

中国质量认证中心对丰益高分子材料（连云港）有限公司的温室气体报告以及温室气体信息、监测、量化、相关程序进行核查，包括组织对于参考文件中信息的合理使用。

组织边界	丰益高分子材料（连云港）有限公司 (江苏省连云港市连云区板桥工业园祥和路 16 号）
运行边界	丰益高分子材料（连云港）有限公司在癸二酸和精炼甘油等产品的生产和管理过程中产生的直接温室气体排放、能源间接温室气体排放
温室气体源、汇和库	仅有温室气体源，参见 2020 年 4 月 24 日发布的丰益高分子材料（连云港）有限公司温室气体排放报告书(版本：V01)
量化的温室气体种类和排放量	二氧化碳(CO_2)：428599 吨 CO_2 当量 甲烷(CH_4)：1689 吨 CO_2 当量 氧化亚氮(N_2O)：1 吨 CO_2 当量
覆盖时间段	2019 年 1 月 1 日至 2019 年 12 月 31 日
基准年信息	本次为丰益高分子材料（连云港）有限公司第 1 次进行温室气体量化和报告的年份， 2019 年为丰益高分子材料（连云港）有限公司进行温室气体量化和报告的基准年。
证书发布时间	2020 年 6 月 11 日

核查目的

本次核查工作旨在通过客观的证据，对相关信息提供独立的评价，包括：

- 温室气体报告中的信息是否符合相关性、完整性、一致性、准确性、透明性的原则；
- 所报告的数据结果是否存在实质性的错误和遗漏；
- 是否满足预定的保证等级。

核查准则

本次核查工作的准则为 ISO14064-1：2006 和 ISO14064-3：2006。

保证等级

本次核查的保证等级经双方事先确认为合理保证等级。

核查说明

中国质量认证中心的核查陈述是基于自身对于相关温室气体信息风险的理解和所采取的合理风险控制措施而得出的。

为获取我们认为必需的信息和证据，以保证丰益高分子材料（连云港）有限公司 2019 年 1 月 1 日至 2019 年 12 月 31 日的温室气体报告达到合理保证等级，中国质量认证中心制定了核查计划，并履行了该计划。中国质量认证中心采纳的核查证据包括对组织报告的温室气体排放量和相关信息在抽样的基础之上得到的发现。

本核查陈述应当和丰益高分子材料（连云港）有限公司温室气体报告同时提供给目标用户。

温室气体核查陈述

VERIFICATION STATEMENT OF GREENHOUSE GAS EMISSION

No. INV-2020-HXYL-0037

本核查陈述针对：

This is to verify that:

丰益表面活性材料（连云港）有限公司

Wilmar Surfactant Material (Lianyungang) Co., Ltd.

地址：江苏省连云港市连云区板桥工业园祥和路 16 号

Add: Xianghe Road No. 16, BanQiao Industries Park, Lianyungang City, Jiangsu Province, P.R.China

中国质量认证中心根据相关核查程序发布本核查陈述。

CQC issues a verification statement according to related verification procedures.

中国质量认证中心认为：

CQC here confirms that:

- **2020** 年 **4** 月 **23** 日发布的丰益表面活性材料（连云港）有限公司温室气体排放报告（版本：**V01**）表明丰益表面活性材料（连云港）有限公司在 **2019** 年 **1** 月 **1** 日到 **2019** 年 **12** 月 **31** 日之间温室气体排放量为 **183153** 吨 CO_2 当量，温室气体清除量为 **0** 吨 CO_2 当量。

  It's asserted in Wilmar Surfactant Material (Lianyungang) Co., Ltd. Greenhouse Gas Emission Report (Version: **V01**) published on **Apr. 23rd, 2020** that Wilmar Surfactant Material (Lianyungang) Co., Ltd. Greenhouse Gas Emission was **183153** tonnes CO_2 Equivalent and Greenhouse Gas Removal was **0** tonnes CO_2 Equivalent from **Jan. 1st, 2019** to **Dec. 31st, 2019**.

- 丰益表面活性材料（连云港）有限公司温室气体排放和清除的量化、监测和报告遵从 **ISO 14064-1:2006** 的相关要求。

  The quantification, monitoring and reporting of Wilmar Surfactant Material (Lianyungang) Co., Ltd. Greenhouse Gas emissions and removals comply with the requirement of **ISO 14064-1:2006.**

- 该声明不存在实质性偏差，达到了预先商定的合理保证等级。

  The assertion has no material errors and reaches the reasonable level of assurance which was prior negotiated.

主 任
President
Lu Mei

中国质量认证中心
CHINA QUALITY CERTIFICATION CENTRE

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受丰益表面活性材料（连云港）有限公司的委托，中国质量认证中心(CQC)在2020年4月16日到2020年6月11日期间根据 ISO14064-1：2006和 ISO14064-3：2006对丰益表面活性材料（连云港）有限公司温室气体排放报告进行了独立的第三方核查。丰益表面活性材料（连云港）有限公司是一家专业生产酰氯的企业，位于江苏省连云港市连云区板桥工业园祥和路16号。本次核查的温室气体报告覆盖时间段为2019年1月1日至2019年12月31日，该报告中的温室气体声明是基于适用的技术文献和丰益表面活性材料（连云港）有限公司的历史活动数据所做出的。丰益表面活性材料（连云港）有限公司负责本覆盖时间段内的温室气体信息系统，包括资料的记录和报告程序的运行。

本次核查服务的范围、目的、准则和保证等级是建立在丰益表面活性材料（连云港）有限公司和中国质量认证中心达成共识的基础之上：

核查范围

中国质量认证中心对丰益表面活性材料（连云港）有限公司的温室气体报告以及温室气体信息、监测、量化、相关程序进行核查，包括组织对于参考文件中信息的合理使用。

组织边界	丰益表面活性材料（连云港）有限公司 (江苏省连云港市连云区板桥工业园祥和路 16 号）
运行边界	丰益表面活性材料（连云港）有限公司在酰氯的生产和管理过程中产生的直接温室气体排放、能源间接温室气体排放
温室气体源、汇和库	仅有温室气体源，参见 2020 年 4 月 23 日发布的丰益表面活性材料（连云港）有限公司温室气体排放报告书(版本：V01)
量化的温室气体种类和排放量	二氧化碳(CO_2)：180504 吨 CO_2 当量 甲烷(CH_4)：113 吨 CO_2 当量 氧化亚氮(N_2O)：2519 吨 CO_2 当量 氢氟碳化物(HFCs)：17 吨 CO_2 当量
覆盖时间段	2019 年 1 月 1 日至 2019 年 12 月 31 日
基准年信息	本次为丰益表面活性材料（连云港）有限公司第 1 次进行温室气体量化和报告的年份， 2019 年为丰益表面活性材料（连云港）有限公司进行温室气体量化和报告的基准年。
证书发布时间	2020 年 6 月 11 日

核查目的

本次核查工作旨在通过客观的证据，对相关信息提供独立的评价，包括：

- 温室气体报告中的信息是否符合相关性、完整性、一致性、准确性、透明性的原则；
- 所报告的数据结果是否存在实质性的错误和遗漏；
- 是否满足预定的保证等级。

核查准则

本次核查工作的准则为 ISO14064-1：2006 和 ISO14064-3：2006。

保证等级

本次核查的保证等级经双方事先确认为合理保证等级。

核查说明

中国质量认证中心的核查陈述是基于自身对于相关温室气体信息风险的理解和所采取的合理风险控制措施而得出的。

为获取我们认为必需的信息和证据，以保证丰益表面活性材料（连云港）有限公司 2019 年 1 月 1 日至 2019 年 12 月 31 日的温室气体报告达到合理保证等级，中国质量认证中心制定了核查计划，并履行了该计划。中国质量认证中心采纳的核查证据包括对组织报告的温室气体排放量和相关信息在抽样的基础之上得到的发现。

本核查陈述应当和丰益表面活性材料（连云港）有限公司温室气体报告同时提供给目标用户。

温室气体核查陈述

VERIFICATION STATEMENT OF GREENHOUSE GAS EMISSION

No. INV-2020-HXYL-0038

本核查陈述针对：

This is to verify that:

科莱恩丰益脂肪胺（连云港）有限公司

Clariant Wilmar Aliphatic Amines (Lianyungang) Co., Ltd.

地址：江苏省连云港市连云区板桥工业园祥和路 16 号

Add: Xianghe Road No. 16, BanQiao Industries Park, Lianyungang City, Jiangsu Province, P.R.China

中国质量认证中心根据相关核查程序发布本核查陈述。

CQC issues a verification statement according to related verification procedures.

中国质量认证中心认为：

CQC here confirms that:

- **2020** 年 **4** 月 **22** 日发布的科莱恩丰益脂肪胺（连云港）有限公司温室气体排放报告（版本：**V01**）表明科莱恩丰益脂肪胺（连云港）有限公司在 **2019** 年 **1** 月 **1** 日到 **2019** 年 **12** 月 **31** 日之间温室气体排放量为 **25567** 吨 CO_2 当量，温室气体清除量为 **0** 吨 CO_2 当量。

  It's asserted in Clariant Wilmar Aliphatic Amines (Lianyungang) Co., Ltd. Greenhouse Gas Emission Report (Version: **V01**) published on **Apr. 22nd, 2020** that Clariant Wilmar Aliphatic Amines (Lianyungang) Co., Ltd. Greenhouse Gas Emission was **25567** tonnes CO_2 Equivalent and Greenhouse Gas Removal was **0** tonnes CO_2 Equivalent from **Jan. 1st, 2019** to **Dec. 31st, 2019**.

- 科莱恩丰益脂肪胺（连云港）有限公司温室气体排放和清除的量化、监测和报告遵从 **ISO 14064-1:2006** 的相关要求。

  The quantification, monitoring and reporting of Clariant Wilmar Aliphatic Amines (Lianyungang) Co., Ltd. Greenhouse Gas emissions and removals comply with the requirement of **ISO 14064-1:2006.**

- 该声明不存在实质性偏差，达到了预先商定的合理保证等级。

  The assertion has no material errors and reaches the reasonable level of assurance which was prior negotiated.

主 任
President

Lu Mei

中国质量认证中心

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受科莱恩丰益脂肪胺（连云港）有限公司的委托，中国质量认证中心(CQC)在2020年4月16日到2020年6月11日期间根据 ISO14064-1：2006和 ISO14064-3：2006对科莱恩丰益脂肪胺（连云港）有限公司温室气体排放报告进行了独立的第三方核查。科莱恩丰益脂肪胺（连云港）有限公司是一家专业生产脂肪伯胺等产品的企业，位于江苏省连云港市连云区板桥工业园祥和路16号。本次核查的温室气体报告覆盖时间段为2019年1月1日至2019年12月31日，该报告中的温室气体声明是基于适用的技术文献和科莱恩丰益脂肪胺（连云港）有限公司的历史活动数据所做出的。科莱恩丰益脂肪胺（连云港）有限公司负责本覆盖时间段内的温室气体信息系统，包括资料的记录和报告程序的运行。

本次核查服务的范围、目的、准则和保证等级是建立在科莱恩丰益脂肪胺（连云港）有限公司和中国质量认证中心达成共识的基础之上：

核查范围

中国质量认证中心对科莱恩丰益脂肪胺（连云港）有限公司的温室气体报告以及温室气体信息、监测、量化、相关程序进行核查，包括组织对于参考文件中信息的合理使用。

组织边界	科莱恩丰益脂肪胺（连云港）有限公司 (江苏省连云港市连云区板桥工业园祥和路 16 号）
运行边界	科莱恩丰益脂肪胺（连云港）有限公司在脂肪伯胺的生产和管理过程中产生的直接温室气体排放、能源间接温室气体排放
温室气体源、汇和库	仅有温室气体源，参见 2020 年 4 月 22 日发布的科莱恩丰益脂肪胺（连云港）有限公司温室气体排放报告书(版本：V01)
量化的温室气体种类和排放量	二氧化碳(CO_2)：24185 吨 CO_2 当量 甲烷(CH_4)：17 吨 CO_2 当量 氧化亚氮(N_2O)：366 吨 CO_2 当量 氢氟碳化物(HFCs)：17 吨 CO_2 当量
覆盖时间段	2019 年 1 月 1 日至 2019 年 12 月 31 日
基准年信息	本次为科莱恩丰益脂肪胺（连云港）有限公司第 1 次进行温室气体量化和报告的年份， 2019 年为科莱恩丰益脂肪胺（连云港）有限公司进行温室气体量化和报告的基准年。
证书发布时间	2020 年 6 月 11 日

核查目的

本次核查工作旨在通过客观的证据，对相关信息提供独立的评价，包括：

- 温室气体报告中的信息是否符合相关性、完整性、一致性、准确性、透明性的原则；
- 所报告的数据结果是否存在实质性的错误和遗漏；
- 是否满足预定的保证等级。

核查准则

本次核查工作的准则为 ISO14064-1：2006 和 ISO14064-3：2006。

保证等级

本次核查的保证等级经双方事先确认为合理保证等级。

核查说明

中国质量认证中心的核查陈述是基于自身对于相关温室气体信息风险的理解和所采取的合理风险控制措施而得出的。

为获取我们认为必需的信息和证据，以保证科莱恩丰益脂肪胺（连云港）有限公司 2019 年 1 月 1 日至 2019 年 12 月 31 日的温室气体报告达到合理保证等级，中国质量认证中心制定了核查计划，并履行了该计划。中国质量认证中心采纳的核查证据包括对组织报告的温室气体排放量和相关信息在抽样的基础之上得到的发现。

本核查陈述应当和科莱恩丰益脂肪胺（连云港）有限公司温室气体报告同时提供给目标用户。