MOVING FORWARD TOGETHER

Wilmar International Limited

SUSTAINABILITY REPORT 2017

Contents

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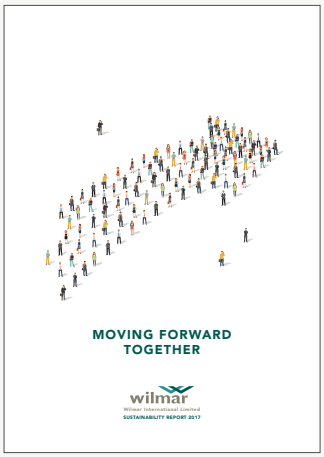


As a key player in the global palm oil industry, Wilmar International Limited strives to lead by example and set new benchmarks in our endeavours. Across every aspect of our organisation, we seek to uphold the right practices and policies that govern the way we operate our business, the way we engage our community and the way we protect our environment.

"Individually, we are one drop. Together, we are an ocean."
– Ryunosuke Satoro, Japanese poet

Inspired by this meaningful quote, the design for this Sustainability Report references the strength of synergy. It illustrates Wilmar's ability to build on a strong network of partnerships and friendships that enable us to pave the way forward and achieve our Sustainable Development Goals in today's evolving global landscape.

Our progress and growth story is not founded on one person but propelled by the concerted efforts of all stakeholder groups. By optimising our collective strengths and **Moving Forward Together**, we will overcome new challenges and make greater strides towards the sustainable transformation of the agri-commodity industry.

About This Report

SCOPE AND BOUNDARY

Wilmar International Limited ('Wilmar' or 'the Group') has applied the guidance of Global Reporting Index (GRI) Sustainability Standards as well as the Singapore Exchange (SGX) Sustainability Reporting Guide, on setting the boundaries and identifying the most significant aspects for disclosure in this report. As such, this report will present updates and metrics on Wilmar's performance in relation to our sustainability commitments, placing particular focus on our No Deforestation, No Peat and No Exploitation (NDPE) policy and our contributions to the United Nations Sustainable Development Goals (SDGs - see page 7 for more information).

In line with our efforts to meet the expectations of our stakeholders, we have also taken further steps to increase the transparency and accountability of our operations by significantly expanding the scope of our annual sustainability reports. The data presented in the report now covers Wilmar's global palm oil and sugarcane operations. This includes both upstream and downstream business where we have a major presence and over 50% shareholding and operational control. The primary focus of the report is the performance of our own plantations, mills and refineries in Indonesia, Malaysia, Ghana and Nigeria for palm, and Myanmar, Australia, New Zealand and Indonesia for sugarcane. For our palm oil operations, this includes our crude palm and lauric oil suppliers as well as fresh fruit bunch (FFB) suppliers. While we now have better insight into the performance of our key suppliers, we have not included these in our metrics as such information is subject to confidentiality agreements.

The performance data disclosed does not cover:

- Downstream and upstream operations in which Wilmar has 50% ownership or less, or operations over which the Group does not have management control.
- Other downstream and upstream activities outside the Group's palm oil and sugarcane operations (i.e. does not process exclusively palm oil and cane sugar).
- Environmental figures for unplanted areas inside Group plantations, although data on conservation areas and fire incidents are included.

REPORTING PERIOD

This report covers performance data for the calendar year 2017 (unless otherwise stated) as well as five-year historical figures, where available. Due to the fast-moving nature of the issues described, we have also included information on our progress in 2018 as well as on our planned activities and targets for 2019.

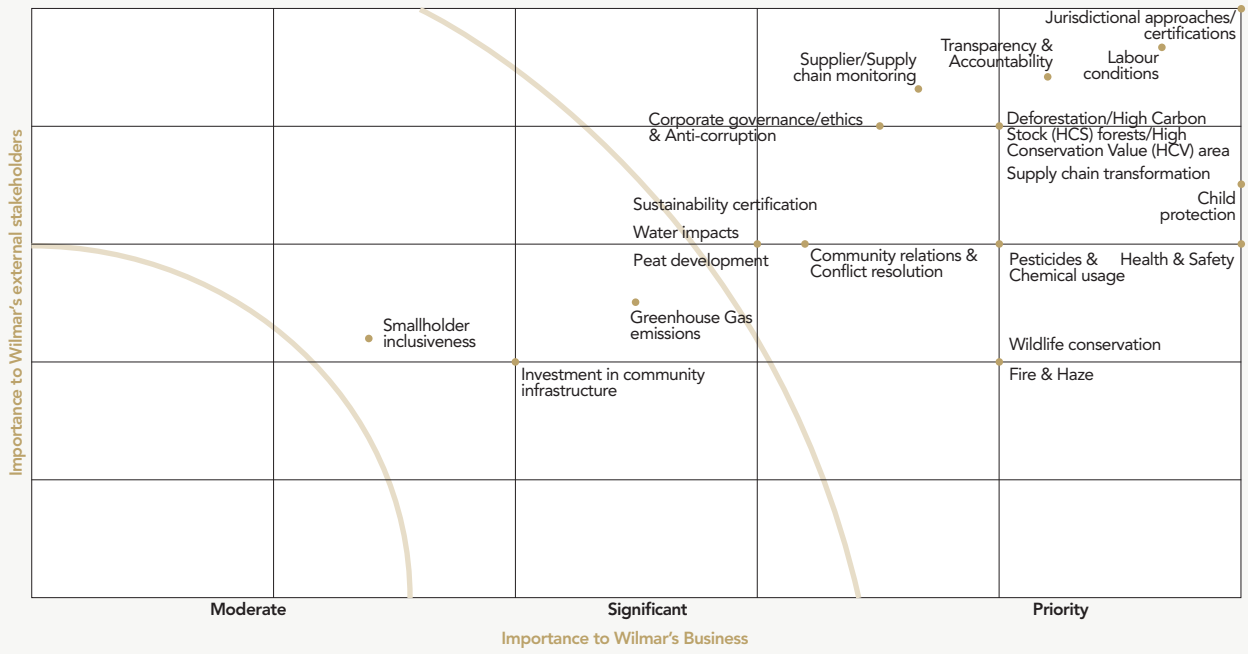
IDENTIFICATION AND PRIORITISATION

We have reviewed the major topics discussed in this report through various forums and engagements, including email correspondence and phone interviews with key stakeholder groups. The interviews were conducted with representatives from the finance sector, the non-governmental organisations (NGOs) sector, as well as from our customer base and third-party suppliers. In addition, we reviewed the aspects covered by other palm and sugar-related initiatives, such as the High Carbon Stock (HCS) Approach Steering Group, the Zoological Society of London's (ZSL) Sustainable Palm Oil Transparency Initiative (SPOTT), CDP (formerly known as Carbon Disclosure Project), Ceres Reporting Guidance for Responsible Palm, the Fair and Free Labour Principles for Palm Oil Production and KnowTheChain.

We also held an internal workshop in November 2017, where we undertook a thorough review of our materiality matrix for our palm oil operations and developed a specific matrix for our sugar business. For palm oil, new major themes have emerged that have been evaluated to have significant importance for both Wilmar's business and our external stakeholders. Especially noteworthy are jurisdictional approaches and/or certifications, which also ranked as the highest-priority topic in 2017.

For existing themes, the relative impact on Wilmar's business and the interests of stakeholders have also shifted somewhat over the past 12 months. For example, labour conditions and transparency appear to be of higher concern in 2017, whereas discussions around smallholder inclusiveness have been less prominent.

Palm Oil Materiality Matrix



VALIDATION AND REVIEW

We validate our material aspects and ensure balance in our reporting through the following key processes:

- Through the reporting process, continuously monitoring stakeholder concerns to ensure that these are covered by the report.
- Through advice from our reporting consultant, Helikonia, based on their in-depth knowledge of the palm oil industry and its stakeholders.
- Through reviews and commentaries from various stakeholders and experts on critical aspects of our disclosure.

The third process has been expanded from our approach in previous years, from one overall commentary provided by an expert in the sustainable palm oil field, to multiple commentaries by identified key stakeholders and experts on critical topics.

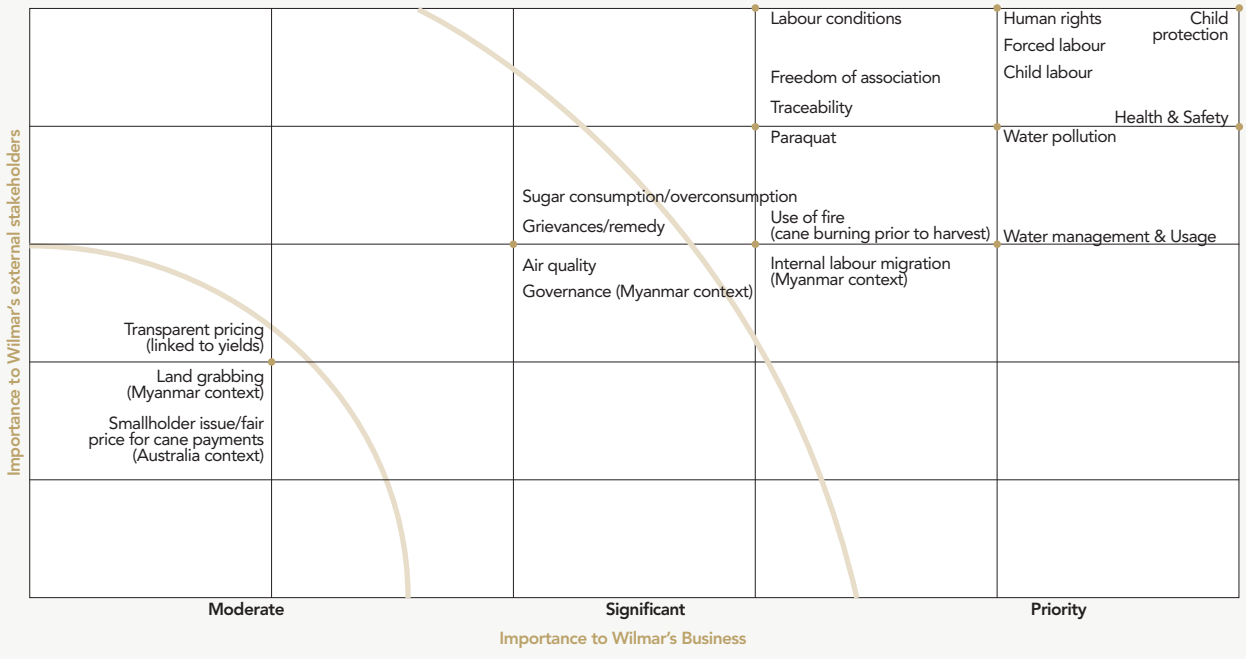
ASSURANCE

We have engaged Ernst & Young LLP (EY) to perform assurance work on selected information disclosed in this report. The assurance provided by EY is for use by the Management of Wilmar only. Any use or reliance by a third party on the said assurance is at the third party's own risk. Please refer to the section "Independent Limited Assurance Statement" on page 101 of the report for details. As sustainability reporting is an ongoing process, we have chosen to disclose and to discuss some of the most pertinent material issues for Wilmar and its stakeholders within the boundaries of the report. Due to the inherent limitations of the internal control structure, it is possible that errors or irregularities in the information presented in this report may occur and not be detected. We endeavour to increase our efforts on the reporting process and to present information in the most complete and accurate manner possible.

SUGAR OPERATIONS

Our sugar operations are subject to significantly less public attention than our palm oil operations and receive very few enquiries from commercial or civil society stakeholders. Our initial materiality matrix is therefore based primarily on our perception of general global themes, sector-specific impacts, and risks linked to the areas in which we operate.

Sugar Materiality Matrix



Statement From The Board

"For this, our sixth Sustainability Report, we have raised the bar further by significantly expanding our reporting scope. Having previously focused only on our upstream palm oil operations, we will now report on all palm oil and sugar operations where Wilmar has more than 50% shareholding and operational control. This covers all upstream plantation and mill operations, including those of our growing sugar cane business, as well as downstream operations such as palm oil-only processing and sugar refining."

Welcome to Wilmar's Sustainability Report 2017. The following sections present an overview of our performance, which we measure against both our long-held sustainability objectives and the targets we set based on key material Environmental, Social & Governance (ESG) factors identified in the last reporting period. Assessing the various sustainability issues as part of Wilmar's strategic planning process, we have also set out our priorities for the next reporting period and beyond.

We strive to provide the most accurate and transparent account of our activities and challenges in managing the material ESG factors, which we believe this document has achieved reasonably. In doing so, we have followed and remain fully supportive of the "comply or explain" approach to sustainability reporting adopted by SGX, in line with increasing investor demand for sustainable returns. The report is also prepared in accordance with the GRI Sustainability Reporting Standards.

Since 2009, when we published our first Sustainability Report, we have worked consistently to ensure our disclosures meet the expectations of all our stakeholder groups. For this, our sixth Sustainability Report, we have raised the bar further by significantly expanding our reporting scope. Having previously focused only on our upstream palm oil operations, we will now report on all palm oil and sugar operations where Wilmar has more than 50% shareholding and operational control. This covers all upstream plantation and mill operations, including those of our growing sugar cane business as well as downstream operations such as palm oil-only processing and sugar refining. Our expanded scope encompasses Wilmar operations in Indonesia, Malaysia, Ghana, Nigeria, Australia, Myanmar and New Zealand. This progress in our reporting is fitting, as this is the first year that SGX has made sustainability reporting mandatory for all listed companies in Singapore.

From left to right:

1. *Weijian Shan, Independent Director*
2. *Lim Siong Guan, Independent Director*
3. *Kuok Khoon Hua, Non-Executive Director*
4. *Juan Ricardo Luciano, Non-Executive Director*
5. *Martua Sitorus, Non-Executive Director*
6. *Pua Seck Guan, Chief Operating Officer and Executive Director*
7. *Kuok Khoon Hong, Chairman and Chief Executive Officer*
8. *Yeo Teng Yang, Lead Independent Director*
9. *Kuok Khoon Ean, Non-Executive Director*
10. *Tay Kah Chye, Independent Director*
11. *Kishore Mahbubani, Independent Director*
12. *Kwah Thiam Hock, Independent Director*
13. *Raymond Guy Young, Alternate Director to Mr Juan Ricardo Luciano*

Vista of replanted areas in a Wilmar plantation

To maintain our continuing success, as well as our ability to deliver sustainable returns to our shareholders, we must also create value for society. We are confident that our business can play a vital role in building a better and more sustainable world, and have therefore committed to contributing towards the United Nations Sustainable Development Goals (SDGs)*. For this report, we have incorporated the five SDGs that are most relevant to our operations in order to showcase our contributions in these areas. These are:

- SDG 4 - Quality education
- SDG 8 - Decent work & economic growth
- SDG 12 - Responsible production and consumption
- SDG 15 - Life on land
- SDG 17 - Partnerships for the goals.

These five SDGs are closely aligned to our identified material ESG factors (see page 7 for more information on these SDGs).

The theme of this Sustainability Report is "Moving Forward Together". This reflects the fact that collective, concerted effort from all stakeholder groups will be required to achieve progress towards the SDGs, as well as toward our overall sustainability objectives. Our world is changing fast, with consumer expectations, competitive landscape and society all evolving at an unprecedented pace. Wilmar is anticipating and adapting to these changes while focusing on our commitment to the sustainable transformation of the agri-commodity industry.

Support for young people is key to shaping a better future. In 2017, we embarked on school redevelopment programmes in Indonesia and Africa, and these are already enabling our workers' children and children in rural communities to access quality education. Such programmes will now be expanded across our global operations. Wilmar further supports lifelong learning and community growth through our broad range of smallholder and small grower empowerment programmes around the world.

Our efforts to cement Wilmar's position as a leading producer and trader of sustainable palm oil continued throughout 2017, with particular focus on the implementation of our NDPE Policy and our close engagement with suppliers. In line with the Policy, we have set aside 13.3% of our oil palm planted area for conservation since 2009. We have also invested in technologies that will enable us to progressively reduce the Greenhouse Gas (GHG) emissions footprint of our global operations.

Our employees remained as always top of mind as we worked hard to strengthen labour practices in our upstream operations over the past year. We published a progress report in December 2017 detailing the extensive range of actions we have taken in areas such as wages and employment, health and safety, and labour relations. One of the most significant activities has been the launch of our new Child Protection Policy, which aims to enhance the welfare of children living in and around the oil palm plantations where their parents work. Despite a number of challenges, we have made meaningful progress with support from a number of stakeholder groups, in particular our employees.

Looking forward, Wilmar's Board of Directors is firmly committed to building on our 2017 achievements and advancing our long-term sustainability agenda for the benefit of our company, our industries, our shareholders, our communities and our planet. We look forward to the continued engagement and support of our stakeholders as we work towards our commitments and goals.

BOARD OF DIRECTORS

Wilmar International Limited
25 May 2018

* *Please refer to the Glossary under the listing **Sustainable Development Goals (SDGs)** for more information.*

Achievements in 2017

Completed assessments for **37 mills.**

Trained **353 supplier participants** on environmental and social best practices.

Completed **five** additional methane capture facilities at palm oil mills; capable of potentially reducing the mills' greenhouse gas emissions by **90%.**

Achieved a GHG emissions reduction of **515,027**[1] **tonnes**[#] of carbon dioxide equivalent (tCO_2e) through the operation of methane capture facilities.

Launched a new **Child Protection Policy,** in order to more holistically address issues of **children's rights and welfare.**

Conducted **426 training sessions** for **3,200 independent and associated smallholders in Honduras** and **22 training sessions for 170 independent and associated smallholders in Colombia** on Wilmar's No Deforestation, No Peat and No Exploitation Policy, as well as Good Environmental Practices and Ecosystem Conservation.

1 GHG emissions reduction includes emissions avoided due to fuel replacement of diesel with biogas.
 # EY has performed limited assurance procedures on this figure.

Mature oil palms in a Wilmar plantation

Our Targets

In September 2015, world leaders adopted the 2030 Agenda for Sustainable Development which comprises 17 Sustainable Development Goals (SDGs) and 169 associated targets that address the world's most pressing economic, social and environmental challenges. Recognising that the private sector plays an important role in this global mobilisation, we have identified five SDGs that are particularly relevant to our business, and to which we are contributing.

The highlighted SDGs are:

- SDG 4 - Quality Education: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
- SDG 8 - Decent Work and Economic Growth: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- SDG 12 - Responsible Production and Consumption: Ensure sustainable consumption and production patterns
- SDG 15 - Life on Land: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
- SDG 17 - Partnerships for the Goals: Strengthen the means of implementation and revitalize the global partnership for sustainable development

Aligning our targets around these SDGs, the progress we have made to-date towards these five goals are mapped out below:

To complete construction of 15 methane capture facilities at CPO mills.

Timeline	Progress as at 31 Dec 2017
2017	**Behind schedule** With five more plants completed in 2017, we are one short of meeting the 2015 target due to unforeseen soil conditions at one site. It is now expected to be done by 2018 with another two in various stages of construction. When all 25 sites are in full operation, we estimate that we can achieve an annual emissions reduction of more than 500,000[2] tonnes of carbon dioxide equivalent (tCO_2e).

To complete Indonesian Sustainable Palm Oil (ISPO) certification audits for 10 stand-alone mills[3] in Indonesia.

Timeline	Progress as at 31 Dec 2017
2017	**Target updated to 2025** New regulations introduced in 2017 have revised the previous directive on which the initial target was based. As ISPO certification for independent mills is only possible if at least one group of their suppliers has been certified, we are liaising with independent FFB supply groups to work towards certification.

To halve the 2011–2015 average incidents of fire in Indonesian plantations[4] and reduce the number of fires occurring in buffer areas 5 km beyond plantation boundaries.

Timeline	Progress as at 31 Dec 2017
2017	**Target achieved**

To complete Roundtable on Sustainable Palm Oil (RSPO) certification for all of our mills.

Timeline	Progress as at 31 Dec 2017
2018	**Behind schedule** We achieved certification for two additional mills in 2017, both in Kalimantan. We had targeted finalisation of our mill certification by end of 2018. However, four mills in Indonesia are still in the process of finalising their operations permits (HGU – Hak Guna Usaha) and are unlikely to achieve certification by year-end. Likewise, a small area in Jambi is undergoing preparations for certification and may not meet the 2018 timeline.

2 From methane gas capture only, excluding the emissions avoided by not using fossil fuels for electricity generation.
3 This refers to independent mills as defined under the scope of the ISPO standard requirements.
4 Threshold is 100 fire incidences.

To conduct training for 1,000 supplier participants in Indonesia and Malaysia.

Timeline	Progress as at 31 Dec 2017
2018	**On track** In 2017, 353 suppliers attended workshops bringing the total number of suppliers trained to 712 by the close of the year.

To achieve 100% Malaysian Sustainable Palm Oil (MSPO) certification for all our Malaysian mills and estates.

Timeline	Progress as at 31 Dec 2017
2019	**On track** Two of our mills are certified against the MSPO standard#. Beyond our own certification target, we are also working with our suppliers to ensure that they are ready to achieve MSPO certification when this becomes a legal requirement in 2019. Over 260 mill suppliers covering more than 55% of the entirety of mills in Malaysia are expected to benefit from this partnership.

To reduce emissions from palm oil mill effluent (POME) by 275,000 tCO_2e against the 2013 baseline[5].

Timeline	Progress as at 31 Dec 2017
2020	**Target achieved**

To annually assess at least 32 supplying CPO mills and their compliance to NDPE requirements.

Timeline	Progress as at 31 Dec 2017
Ongoing	**Target exceeded** In 2017, Wilmar completed 37 assessments, consisting of mill assessments under our Aggregator Refinery Transformation (ART) plan, revisit programme, and Support for Transformation (SFT)[6] project. The assessments also included five grievance visits, as well as visits to additional mills incorporated into our joint overarching report.

For 100% of children living in Wilmar's plantations and of compulsory school-going age to attend full-time education programmes.

Timeline	Progress as at 31 Dec 2017
2030	**On track** Approximately 88.3% of children at school-going age who are living in Wilmar's plantations attend school.

To upgrade and modernise schools in and around our oil palm estates (15 in Indonesia, 6 in Nigeria, 2 in Ghana).

Timeline	Progress as at 31 Dec 2017
2020	**On track** In Indonesia, two pilot schools have been completed while redevelopment work is underway in another five schools. Redevelopment work has started for two secondary schools and one primary school near our Nigeria estates while one junior high school in Ghana has undergone rehabilitation work.

5 Baseline for International Sustainability and Carbon Certification (ISCC) certified sites only. The emissions from POME in 2013 is used as the baseline, which is 308,511.28 tCO_2e.
6 SFT is a six to 12-month process of on-site engagement to ensure a mutual understanding of the project objectives and establish ownership of the process. By working intensively with the company on-site, TFT aims to facilitate solutions to their labour practice challenges through an understanding of the specific conditions.
 # EY has performed limited audit procedures on this figure.

About Wilmar

A GLOBAL BUSINESS

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

Wilmar's business activities include oil palm cultivation, oilseed crushing, edible oils refining, sugar milling and refining, manufacturing of consumer products, specialty fats, oleochemicals, biodiesel and fertilisers as well as flour and rice milling. At the core of Wilmar's strategy is an integrated agribusiness model that encompasses the entire value chain of the agricultural commodity business, from cultivation, processing, merchandising to manufacturing of a wide range of agricultural products. It has over 500 manufacturing plants and an extensive distribution network covering China, India, Indonesia and some 50 other countries. The Group has a multinational workforce of about 90,000 people.

Wilmar's portfolio of high quality processed agricultural products is the preferred choice of consumers and the food manufacturing industry. Its consumer-packed products have a leading share in many Asian and African countries. Through scale, integration and the logistical advantages of its business model, Wilmar is able to extract margins at every step of the value chain, thereby reaping operational synergies and cost efficiencies. Wilmar is a firm advocate of sustainable growth and is committed to its role as a responsible corporate citizen.

Global Presence

Wilmar is the global leader in processing and merchandising of palm and lauric oils, as well as production of oleochemicals, specialty fats, palm biodiesel and consumer pack oils.

Europe

- Leading supplier of quality edible oils and fats

Russia & Ukraine

- Largest manufacturer of consumer pack margarine, mayonnaise and solid soap in Russia
- Largest edible oils refiner and specialty fats producer in Ukraine

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

India

- Leading branded consumer pack oils and oleochemicals producer, oilseed crusher and edible oils refiner
- Strategic industrial partner of the leading sugar company

Over
500
manufacturing plants
in 15 countries*

* Subsidiaries only, not including associates

Multinational
workforce of about
90,000
staff globally

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

Africa

- Leading supplier of edible oils
- Operates oil palm plantations, refineries and produces consumer pack oils, soaps and detergents
- Third largest sugar producer

Indonesia & Malaysia

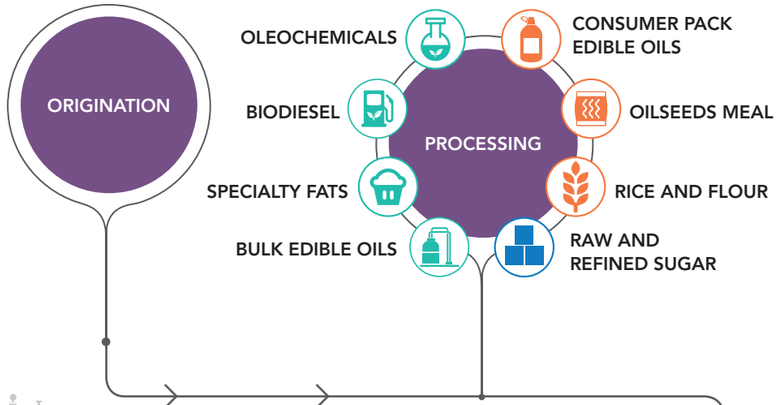
- One of the largest oil palm plantation owners and the largest palm oil refiner, palm kernel and copra crusher, specialty fats, oleochemicals and biodiesel manufacturer
- Largest producer of branded consumer pack oils in Indonesia

Australia

- Largest raw sugar producer and refiner
- Leading consumer brands in sugar and sweetener market
- Top 10 global raw sugar producers
- Owns 50% of Goodman Fielder - Australasia's leading food company

Vertically Integrated Business Model

At the core of Wilmar's strategy is a resilient business model encompassing the entire value chain of the agricultural commodity business, from processing, to branding, merchandising and distribution. Through scale, integration and the logistical advantages of our business model, we are able to extract margins at every step of the value chain, thereby reaping operational synergies and cost efficiencies.



Tropical Oils

PLANTATION

One of the largest listed palm plantation companies in the world

FFB
3.9m MT

Revenue
US$
59.4m

MANUFACTURING AND MERCHANDISING

Largest global processor and merchandiser of palm and lauric oils with a distribution network across more than 50 countries

Volume
23.2m MT

Revenue
US$
18.00b

Almost 100% of output is supplied to the Tropical Oils (Manufacturing and Merchandising) segment

RESULTS
US$
426.2m

Oilseeds and Grains

MANUFACTURING

Leading soybean crusher in China and one of the largest flour millers globally

Volume
27.9m MT

Revenue
US$
13.54b

CONSUMER PRODUCTS

World's largest producer of consumer pack edible oils with leading positions in many Asian and African countries

Volume
5.4m MT

Revenue
US$
6.26b

Almost 100% of edible oil is supplied to Consumer Products

RESULTS
US$
735.0m

Sugar

MILLING, MERCHANDISING, REFINING AND CONSUMER PRODUCTS

Largest raw sugar producer and refiner in Australia and leading sugar refiner in Indonesia

Leading consumer pack sugar manufacturer in Australia and New Zealand

Volume
11.9m MT

Revenue
US$
5.05b

RESULTS
US$
(24.6m)

Others

Fertiliser

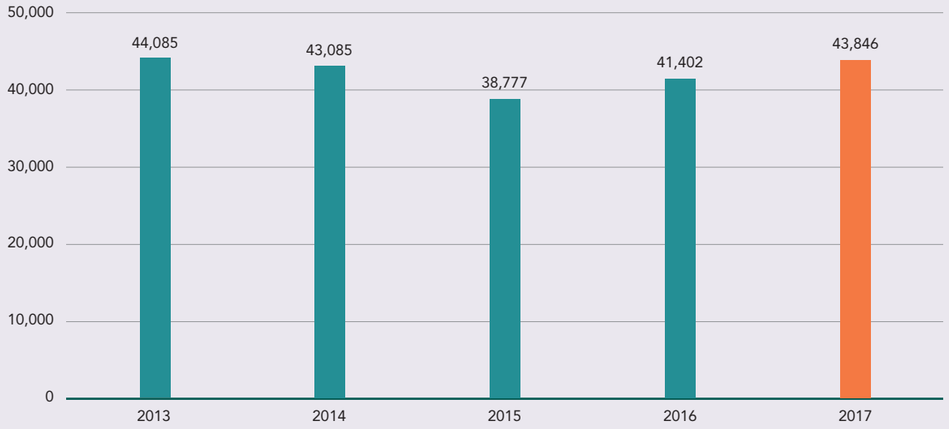
Shipping

Revenue
US$
2.12b

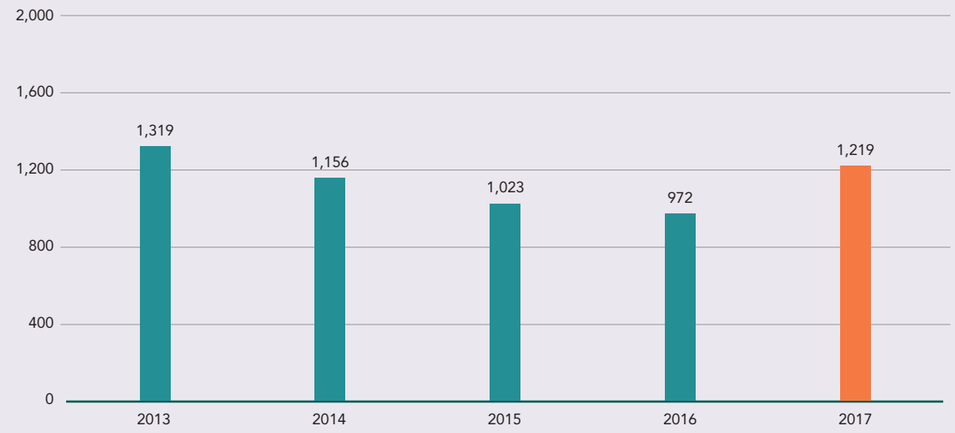
RESULTS
US$
242.0m

Financial Highlights

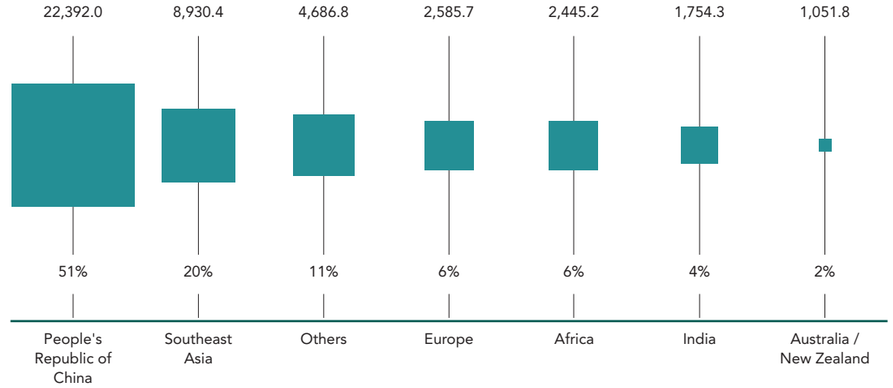
Revenue
US$ Million



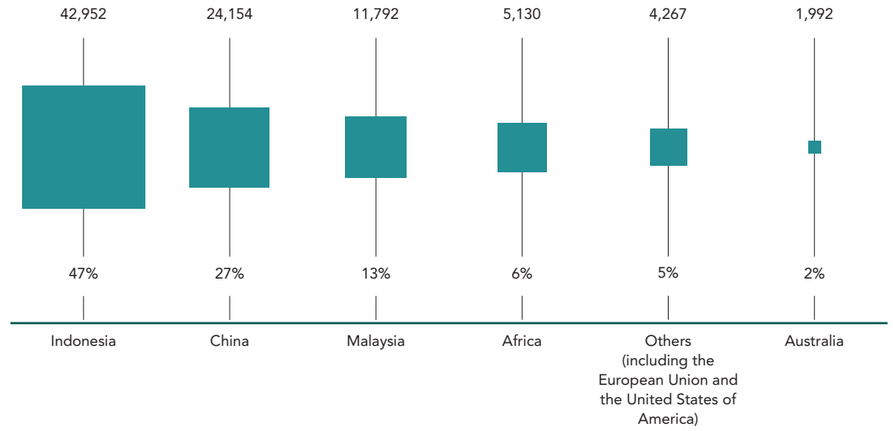
Net Profit[1]
US$ Million



Revenue by Country / Region
US$ Million



Employees by Country



1 *FY2015 figures were restated upon adoption of Amendments to FRS 16 Property, Plant and Equipment and FRS 41 Agriculture: Bearer Plants. FY2013 - FY2014 figures are not adjusted.*

Corporate Governance

Our Board of Directors is the highest governing body of Wilmar and is responsible for the strategic direction of the Group. The Board is made up of Directors with a wide range of skills and qualifications in areas such as accounting, finance and business management, as well as specific experience in relevant industries.

As at 31 December 2017, the Board has been expanded to 12 members, comprising two Executive Directors and ten Non-Executive Directors, of whom six are Independent Directors. Nine hold the citizenship of Singapore, one of Malaysia, one of United States of America and one of Hong Kong SAR. The Board is led by Mr Kuok Khoon Hong, who is the Chairman and Chief Executive Officer (CEO). A Lead Independent Director, Mr Yeo Teng Yang, has been appointed to ensure adequate accountability and transparency in the decision-making process. The Board is supported by a management team responsible for the execution of the Group's strategy and operations.

Sustainability risk management is incorporated into the Group's risk management structure under the purview of the Board's Risk Management Committee, which reviews sustainability reports and issues on a quarterly basis. In 2018, Wilmar will continue to look at enhancing Board-level key performance indicators for sustainability related issues.

For more details on our corporate governance structure and processes, please refer to our Annual Report 2017.

Oil palm nursery in Wilmar plantation

Palm Oil Operations

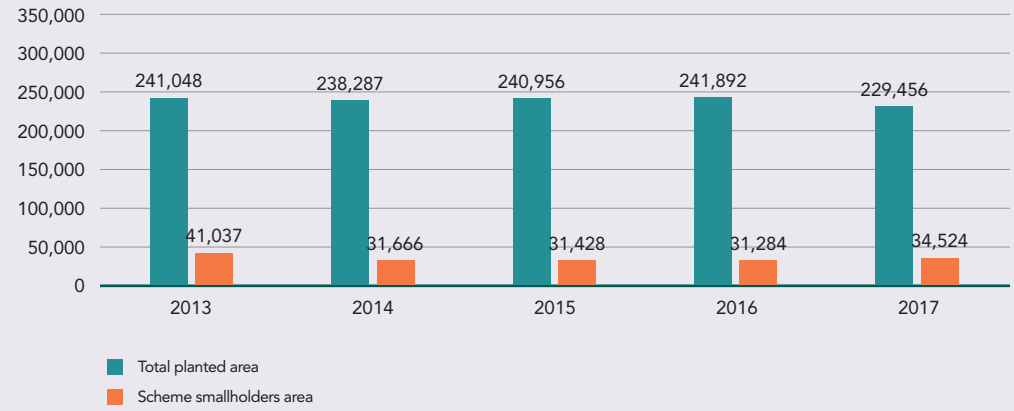
PLANTATIONS AND MILLS

We are one of world's largest oil palm plantation owners, with a total planted area of 229,456 hectares as at 31 December 2017. Around 67% of our total planted area is in Indonesia, 25% in East Malaysia and 8% in Africa. Through joint ventures, we own plantations in Uganda and West Africa of approximately 46,000 hectares. Wilmar also directly manages 34,524 hectares under smallholder schemes in Indonesia and Africa, and another 149,000 hectares under smallholder and outgrower schemes through joint ventures and associates in Africa.

Wilmar operates 44 mills, including nine independent mills that buy fresh fruit bunches (FFB) exclusively from third-party suppliers. Of these 44 mills, 28 are currently certified to RSPO standards, eight mills and their supply bases are certified against the ISPO standard, and two mills are certified against the MSPO standard. In addition, we have 35 sites, covering the biodiesel supply chain, certified against the International Sustainability & Carbon Certification (ISCC) standard.

Total planted area of oil palm

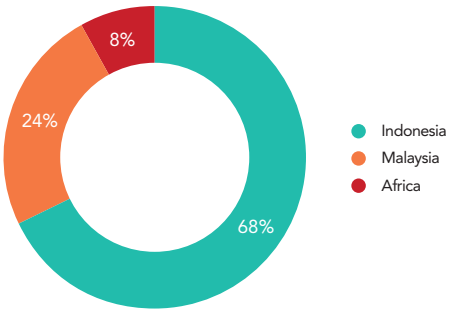
Hectares



Note:
Figures have been updated from data presented in Wilmar's Annual Report 2017 and are accurate as of 25 May 2018. For this report, total planted area and scheme smallholders area excludes estate areas in Indonesia that have recently been sold and are no longer within our operational control. Total planted area has also been updated in this report due to a revision in Nigeria planted area.

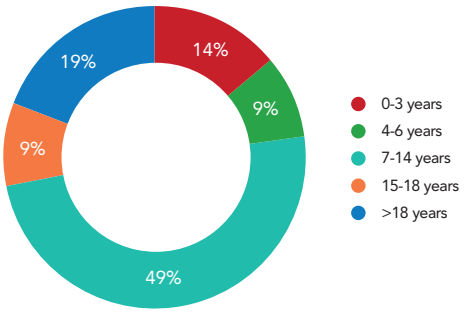
Plantations Geographic Locations

As at 31 December 2017

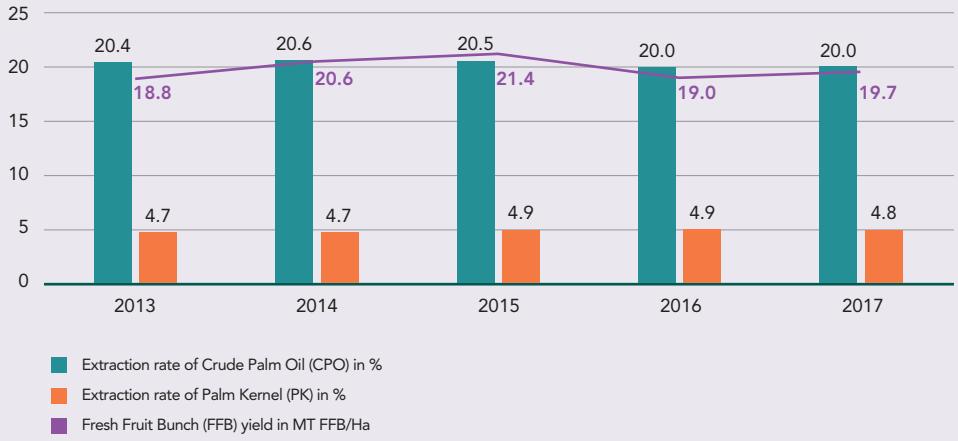


Plantations Age Profile

As at 31 December 2017



Group Yield and Extraction Rate



GEOGRAPHICAL LOCATION OF OUR UPSTREAM OPERATIONS (PLANTATIONS AND MILLS) IN INDONESIA AND MALAYSIA

GEOGRAPHICAL LOCATION OF OUR UPSTREAM OPERATIONS (PLANTATIONS AND MILLS) IN AFRICA

PALM OIL REFINERIES

Wilmar is the world's largest processor and merchandiser of palm and lauric oils, processing these into refined palm oil, specialty fats, oleochemicals and palm biodiesel. The crude palm and lauric oils are sourced from our own plantations and third-party suppliers.

As at 31 December 2017, the Group has plants located in the following countries:

	Refinery	Oleochemicals	Specialty Fats	Biodiesel
Subsidiaries				
Indonesia	25	4	4	11
Malaysia	14	3	1	2
China	51	10	6	0
Vietnam	4	0	2	0
Europe	0	2	0	0
Africa	2	0	2	0
Others	4	0	1	0
Total no. of plants	**100**	**19**	**16**	**13**
Total capacity (million MT p.a)	**30**	**2**	**2**	**3**
Associates				
India	39	2	5	0
China	7	2	2	0
Russia	4	0	1	0
Ukraine	2	0	1	0
Malaysia	3	0	0	0
Africa	10	0	4	0
Bangladesh	2	0	0	0
Europe	6	1	1	0
Indonesia	0	0	0	1
Singapore	0	0	1	0
Total no. of plants	**73**	**5**	**15**	**1**
Total capacity (million MT p.a)	**13**	**<1**	**1**	**<1**

Note: Refinery capacity includes palm oil and soft oils

A map of Wilmar's supply chain is available at http://www.wilmar-international.com/sustainability/supply-chain-map/

Sugar Operations

SUGAR PLANTATIONS, MILLS AND REFINERIES

In 2010, Wilmar expanded into the sugar business through the acquisition of Sucrogen Limited (known today as Wilmar Sugar Australia Limited) in Australia, and we are now one of the world's top 10 raw sugar producers, employing around 4,700 people globally. We are the largest raw sugar producer and refiner in Australia, the leading sugar refiner in Indonesia, and the top consumer pack sugar manufacturer in Australia and New Zealand.

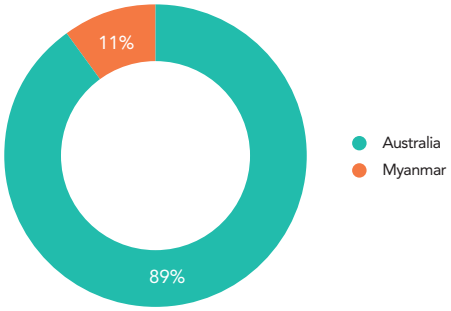
In April 2014, we established a 55/45 joint venture with Great Wall Food Stuff Industry Company Limited in Myanmar. The joint venture consists of the partners' existing sugar-related businesses, two sugar mills, a bioethanol plant and an organic compound fertiliser plant. The Great Wall-Wilmar Sugar Mill in Maung Kong, Sagaing Division, is the biggest sugar mill in Myanmar with a market share of nearly 30%.

Our plantations are located in Northern Myanmar and in Queensland, Australia. In 2017[2], our total planted area for sugarcane was 5,862 hectares, producing a combined 520,485 tonnes of sugarcane. Approximately 89% of this area is in Australia, with the remaining 11% in Myanmar.

We operate 10 mills: two in Myanmar and eight in Australia. In 2017, our Australian plantations recorded yields of 94 tonnes of sugarcane per planted hectare, while Myanmar's yields were 64.8 tonnes of cane per hectare due to different climatic conditions and lower levels of mechanisation. One of our Australian mills is currently certified to the Bonsucro Production Standard and Bonsucro Chain of Custody Standard (see page 30 for more details), and another two mills and their supply bases in Australia have completed their certification audits in 2017.

Total planted area of sugarcane (ha) 2017

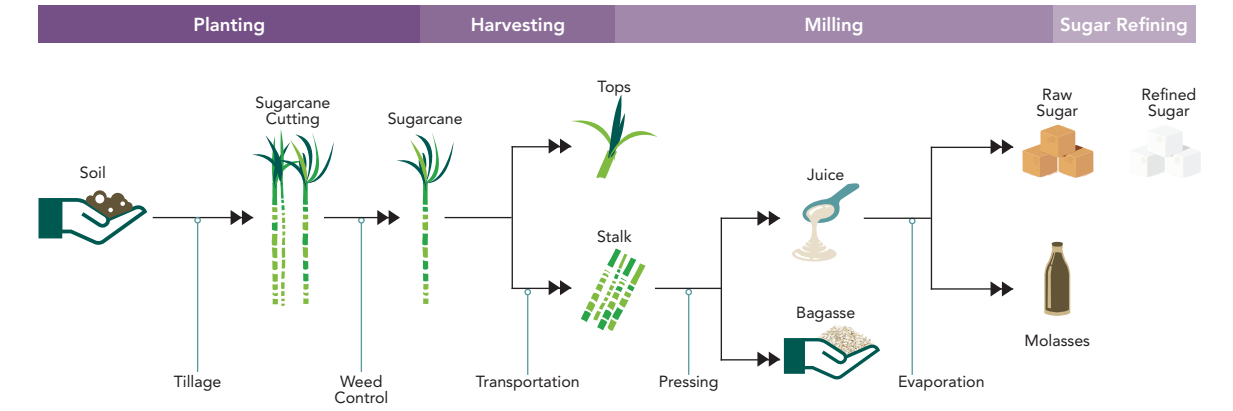
Total 5,862 ha



Through a joint venture with Mackay Sugar, we operate one refinery in New Zealand and two refineries in Australia – one at Yarraville in Melbourne, Victoria, and another at the Racecourse Mill in Mackay, Queensland. We also operate two refineries in Indonesia. All of our refineries and warehouse operations in Australia and New Zealand as well as one sugar refinery in Indonesia have been certified to the Bonsucro Chain of Custody Standard.

Our total planted area managed by third-parties in Australia, including lessees and independent producers, is 161,664 hectares. Third-party supply accounted for 15,255,008 tonnes of sugarcane delivered to our mills in Australia in 2017. In Myanmar, 28,131 hectares was managed by schemed and contracted smallholders during the 2017-2018 season, supplying the mill under our joint venture, Great Wall-Wilmar Sugar, with 987,050 tonnes of sugarcane.

2 *Harvesting season in Myanmar takes place during November to April, therefore Myanmar's financial year runs from 1 April to 31 March each year (not based on calendar year). As a result, planted area, production and yield data for Myanmar has been taken as at 31 March 2018, and Australia data taken as at 31 December 2017.*



OVERVIEW OF SUGAR PRODUCTION AND PROCESSING

Sugarcane is one of the world's major agricultural commodities, accounting for 80% of sugar produced globally. Sugarcane is cultivated in the tropics and subtropics in areas that have a plentiful supply of water for a continuous period of more than six to seven months each year, either from natural rainfall or through irrigation. Although more than 120 countries produce sugarcane, ten countries dominate global raw sugar exports: Brazil, Thailand, Australia, Guatemala, Mexico, India, Cuba, Swaziland, Argentina and El Salvador accounted for 92% of the trade in 2016 (International Sugar Organization 2016). India is currently the world's biggest consumer of sugar, followed by the European Union, China, Brazil, the USA and Indonesia.

Sugarcane is grown under highly diverse climatic conditions and optimum planting and harvesting periods vary across different countries. In Australia, sugarcane grows for 12 to 16 months before being harvested between June and December each year. In Myanmar, by contrast, the harvesting season takes place between November and April.

Planting

The most common reproduction method is modern stem cutting. Billets – cane stalk sections cut by a mechanical harvester – are planted by a machine that opens and recloses the ground. This is known as billet planting and is common in the USA and Australia.

Harvesting

Sugarcane is harvested either manually or mechanically. Our Australian operations adopt the mechanical method which uses a sugarcane harvester machine to cut the cane at the base of the stalk, chops the cane into consistent lengths, removes the cane trash and deposits it into a transporter following alongside. The separated cane trash is returned to the field and acts as mulch for the next round of planting.

In our Myanmar operations, harvesting is done by hand when the cane stands two to four metres high, cutting the cane just above ground-level using cane knives or machetes. For the 2017-2018 season, we have started to use sugarcane harvesters at one of our farms (Tone Lone).

After each harvest, the cane sends up new stalks. The crop from these new stalks are known as "ratoons". Between two and ten harvests are usually made depending on the agricultural practices employed. In countries with mechanical agriculture, sugarcanes are replanted after several harvests (up to five) to avoid a lowering in yields. In countries where more traditional types of agriculture are used, with smaller fields and hand harvesting, sugarcanes are often harvested up to ten years before replanting.

Milling

The harvested cane is delivered to the mill with minimal delay to avoid deterioration in sugar content levels. The sugarcane is crushed by large rollers, and the extracted juice is clarified to remove soil and other impurities. This juice is concentrated into a syrup by boiling off excess water, seeded with raw sugar crystals in a vacuum pan, and then boiled until sugar crystals have formed and grown. The boiled mixture is centrifuged to separate the molasses from the crystals, which are then tumble dried and placed in large storage bins for transport to bulk sugar terminals or refineries. Raw sugar still contains molasses, which gives it more colour (and impurities) than the white sugar that will be produced in the refining phase. Molasses is one of the by-products of sugar milling, and it is used to produce ethanol and also as an additive in livestock feed. The remaining fibrous solids from the milling process, called "bagasse", are burned as fuel for the mill's steam boilers.

Sugar Refining

Raw sugar is processed into white refined sugar in local refineries and then sold to local industries and consumers, or it is exported and refined in the country of destination. Sugar refining can take place at a back-end refinery attached to a raw sugar factory, or at a completely separate facility. Whereas most sugar mills only operate during the harvesting period, many refineries operate all year round.

Sugarcane plantation in Burdekin, Queensland, Australia

STAKEHOLDER COMMENTARY BY PROFOREST

By Erin Logan - Deputy Director, Responsible Sourcing

Whilst there has been significantly less public attention and scrutiny given to sugar cane production than other commodities, such as palm oil, many of the risks associated with its production are intrinsically linked to key commitments made by Wilmar and other agro-industrial companies. These commitments include implementing and complying with the UN Guiding Principles on Business and Human Rights, International Labour Organization's conventions and company-own policies on child labour and occupational health and safety.

Many companies have also made public commitments to the responsible or sustainable sourcing of key ingredients, including sugar (in some cases, specifically cane sugar) by 2020. The definitions behind what is meant by 'sustainable' or 'responsible' are not always clear and this can lead to confusion and misinterpretation. Indeed, relatively few are disclosing significant details on how they define what they mean or how these objectives will be met, nor on their progress against these targets.

It is a positive sign, however, that Wilmar is including sugar in their sustainability report this year. The report highlights that Wilmar is involved in Bonsucro certification, both at production level and through their supply chains. Involvement with sustainability schemes such as Bonsucro is one of the important elements towards meeting sustainability commitments. However, moving forward it is important for Wilmar to increase their transparency on traceability back to origin through their refinery operations and to build on their support for continuous improvement in production practices across their supply base. This is particularly true where there are potential risk factors such as manual harvesting and use of migratory labour. Wilmar's most direct link to this type of scenario is in their operations in Myanmar, but through their refinery processes they are also potentially exposed to many other supply bases where this could be the situation.

Regarding traceability, Wilmar has a wealth of experience in this area through their work on palm and should capitalise on the learnings from working in this sector. It will also be important for Wilmar to be transparent on where they have joint ventures, stakes in companies or are strategic industrial partners. Although Wilmar may not be in a position to support a change in practices in all locations, it is important for them to be cognisant of where they may be exposed to risks.

Wilmar have rightly identified issues such as human rights, child and forced labour and water management as key priorities for their external stakeholders. But in order to have a real and positive impact in the production supply bases, it will be paramount to consider the wider, systemic issues and root causes of these issues, as well as how to address them in a collaborative manner with other significant supply chain actors. For instance, supporting best agricultural practices, such as access to high yielding varieties, mechanisation and improved irrigation techniques, could help to mitigate the effects of climate instability and improve livelihoods; which in turn could potentially go on to reduce the use and exploitation of child labour and vulnerable groups.

Being open to a holistic and transparent approach to support continuous improvement in sugar cane supply bases into the future will put Wilmar at the forefront of a positive and necessary movement. Wilmar should aim to build on what they are already doing in their more direct supply chains and to identify where they can support interventions and activities in their wider supply bases that reflect their own values and commitments.

ABOUT PROFOREST

Proforest is a unique non-profit group that works through a combination of consultancy services and programmes. Through their consultancy services they work directly with companies, supporting them in their transition to better practices. Their programmes build the enabling environment and address key barriers to better practices by fostering awareness of the issues and building local capacity and ownership of sustainability initiatives. By combining these two approaches they are uniquely placed to help bridge the gaps between business, governments and civil society, and to develop practical approaches to responsible production and sourcing that can help transform commodity sectors.

Erin Logan's work at Proforest focuses on agricultural commodities and she has significant experience working with clients on supply chain management and mapping. She is the Proforest lead on sugar and also works on the sustainable production and responsible sourcing of a range of other agricultural commodities, including palm oil, rubber and soya. This involves interacting with sustainability initiatives, NGOs and the private sector. Erin has worked on the development of production and chain of custody certification standards for a range of agricultural commodities, including ensuring compliance with EU Renewable Energy Directive (RED) sustainability criteria. Erin represents Proforest on the Bonsucro Members Council.

OUR POLICIES AND PRACTICES TO SUSTAINABILITY

Working in synergy to work responsibly

OUR APPROACH TO SUSTAINABILITY

Sustainability is firmly embedded in our core business strategy and operations, and we continue to demonstrate our commitment to advancing sustainable agriculture and spearheading collective action to expedite supply chain transformation. In 2013, we were the first player in the palm oil industry to launch an integrated No Deforestation, No Peat and No Exploitation (NDPE) Policy that extended to all third-party suppliers, which has set the overall direction in our journey towards sustainability. Together with international standards and our multi-stakeholder partnerships, our NDPE Policy guides our efforts to mitigate deforestation, peat development and exploitation, both in our own operations and in our supply chain.

In recognition of the private sector's responsibility to support and build on sustainability efforts being undertaken on a global scale, we have now identified and are contributing towards five of the Sustainable Development Goals (SDGs) set by the United Nations (see page 7). The SDGs have been adopted by countries all around the world as part of a new sustainable development agenda to end poverty, protect the planet and ensure prosperity for all. Each goal has specific targets to be achieved over the next 15 years.

From now on, these five SDGs will be incorporated in our approach to sustainability. We will frame and measure our progress against each goal and its underlying targets where applicable. While specific reference to individual targets will not always be made, we will highlight where our actions align with or contribute to the five identified SDGs on a broader level throughout this report.

NDPE POLICY IMPLEMENTATION PROGRESS AND EXPANSION

We maintain our focus on the impact of our oil palm operations and drive compliance with our NDPE Policy at multiple levels. For Wilmar's own operations and our scheme smallholders, we pursue continuous improvement by strengthening standard operating procedures and participating in relevant certification schemes. In our wider supply chain, we use our refineries as a central point for engaging, assessing and enhancing supplier performance.

The aim of our NDPE Policy has always been to achieve genuine transformation in the palm oil industry towards the mitigation of deforestation, peat development and exploitation. During the course of our policy implementation process, we realised that the scope of the challenges extends beyond the palm oil industry: they need to be addressed holistically through the collaborative effort of governments, civil society organisations, smallholders, suppliers and industry players. We therefore invest significant resources to support multi-stakeholder partnerships and jurisdictional and landscape approaches as part of our sustainability strategies.

Our sustainability programme, including our NDPE Policy, was initially developed with palm oil in mind. Not only does palm oil constitute a much bigger proportion of Wilmar's business compared to sugar, it also presents a higher risk profile. Nevertheless, our approach to sustainability in our sugar operations will follow the successful precedent set with palm oil: first ensuring that the best management practices adopted at our own mills are workable, and only then partnering with grower organisations to encourage change in practices.

To reflect the increased focus on our sugar operations, and to ensure that our NDPE Policy remains relevant to the current stakeholder landscape and latest scientific consensus, we will be refreshing our NDPE Policy in 2018. Although our existing NDPE Policy already extends to our sugar operations, this refresh will include a specific section that outlines and clarifies this applicability.

BUILDING BLOCKS FOR NDPE POLICY COMPLIANCE AND SDG CONTRIBUTION

SDG 12 - Responsible Consumption and Production

SDG 12 is concerned with the promotion of sustainable consumption and production patterns. It is therefore one of the most relevant sustainable development goals for our business and broader sustainability efforts. As a leading agribusiness group, most of the targets set under SDG 12 are applicable to our business in some form. However, the key relevant targets relate to:

- Achieving sustainable management and efficient use of natural resources.
- Achieving environmentally sound management of chemicals and all wastes throughout their life cycle in accordance with agreed international frameworks, and to significantly reduce their release to air, water and soil in order to minimise adverse impacts on human health and the environment.
- Encouraging companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.
- Promoting public procurement practices that are sustainable, in accordance with national policies and priorities.
- Supporting developing countries to strengthen their scientific and technological capacities to move towards more sustainable patterns of consumption and production.

As our NDPE framework and overarching strategies greatly overlap with these topics, many of our existing activities – and much of what we currently report – already demonstrate our progress towards achieving this goal.

STAKEHOLDER COMMENTARY ON SUSTAINABLE DEVELOPMENT GOALS (SDGS)

Taimur Khilji, Economist 2030 Agenda
United Nations Development Programme

The SDGs provide a comprehensive framework for economic, environmental, and social goals for countries to achieve. Businesses are increasingly expected to contribute toward these goals through their core business practices. Over the past several years, we are witnessing a shift, where businesses have become more sensitive to environmental and human rights issues. The business case for SDGs has been highlighted in several flagship reports, both by the development community and the private sector.

Having said that, there is still a need to develop clear benchmarks and metrics to further cement the business case. Some companies are developing a textual analytics framework to use data and metrics that can advance the business case for the SDGs. This framework would help a company transform their SDG practices from their corporate social responsibility and public relations departments into an instrumental aspect of their business practices. However, the impediment to getting businesses on board with meaningful action on sustainability has been that it requires a shift in focus from short-term goals like quarterly shareholder returns to longer-term corporate responsibility objectives. This shift often presents trade-offs as well.

As an agribusiness company, Wilmar is primarily reporting on SDGs linked to Land Use and Biodiversity, and Human Rights (at plantations and in the supply chain). Going beyond compliance will be key in ensuring a net positive contribution toward the relevant SDGs.

ABOUT TAIMUR KHILJI

Taimur Khilji is an Economist and Regional Lead for Urbanization at the UNDP Bangkok Regional Hub. He has previously worked in a variety of roles at UNDP in New York, Colombo and Bangkok. While his focus area is urban development, he has advised over 15 Governments across Asia on a range of development issues including Economic Inequality, Social Protection, Private Sector Development, Entrepreneurship, Social Innovation and Youth Employment. Prior to joining UNDP, he opened a primary school in Islamabad, Pakistan that continues to provide education and basic health services to children. He holds a B.A. in Mathematics and Philosophy from Williams College, USA, and an M.A. in Economics from the New School University, USA.

The views expressed are those of the author and do not necessarily represent the views of the United Nations Development Programme or that of the United Nations.

Sustainability Management and Governance Structure

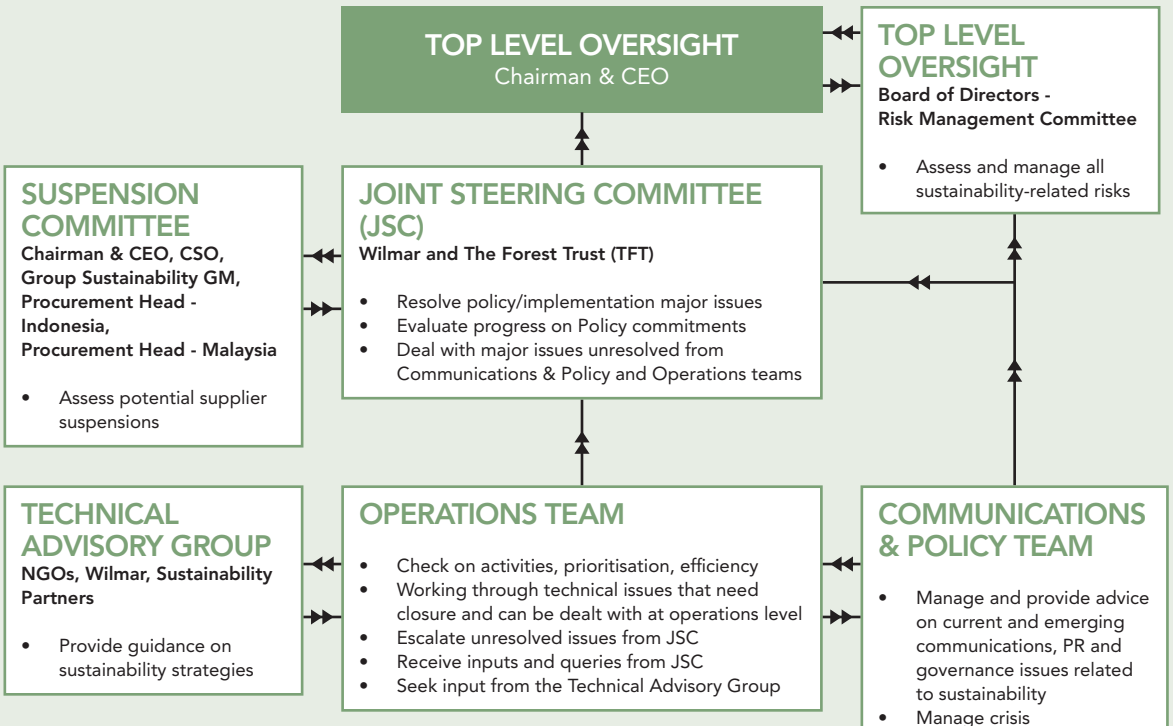
Wilmar's Chairman and CEO is responsible for the oversight of our NDPE Policy while being supported by the Risk Management Committee for management of sustainability risks. The implementation of Wilmar's sustainability strategies (including the NDPE Policy, the principles of the United Nations Global Compact, certifications, stakeholder engagement, corporate governance and reporting) is delegated to the Sustainability Department. This department is staffed by more than 60 employees globally, combining a wide range of relevant local and technical expertise across Malaysia, Indonesia, Europe, Africa and Singapore. Wilmar's Chief Sustainability Officer (CSO) spearheads the overall strategy of the Group's global sustainability agenda. The Group Sustainability General Manager is responsible for the implementation of these policies and strategies in our supply chain, as well as reviewing the progress of execution.

To support NDPE Policy implementation, Wilmar also has operations teams working on site and at regional levels, a communications team, and a Technical Advisory Group comprising NGOs and sustainability partners that advise on specific issues where broader perspectives are needed. These teams provide input to the Joint Steering Committee (JSC) to deliberate and decide on the more complex NDPE Policy implementation matters. The JSC handles major strategic issues related to the execution of the NDPE Policy. It also evaluates our progress against NDPE Policy targets. For suppliers who fail to comply with Wilmar's NDPE Policy, a Suspension Committee has been appointed to review the trading relationship. Additionally, we have established teams in Malaysia and Indonesia to provide support to suppliers to ensure compliance with our NDPE Policy.

In addition to this formal structure, we are also engaged in strategic agreements with various implementation partners like The Forest Trust (TFT), Proforest and Daemeter of the Consortium of Resource Experts (CORE), as well as Verité Southeast Asia in 2017, to support our ongoing NDPE Policy implementation and supply chain compliance work.

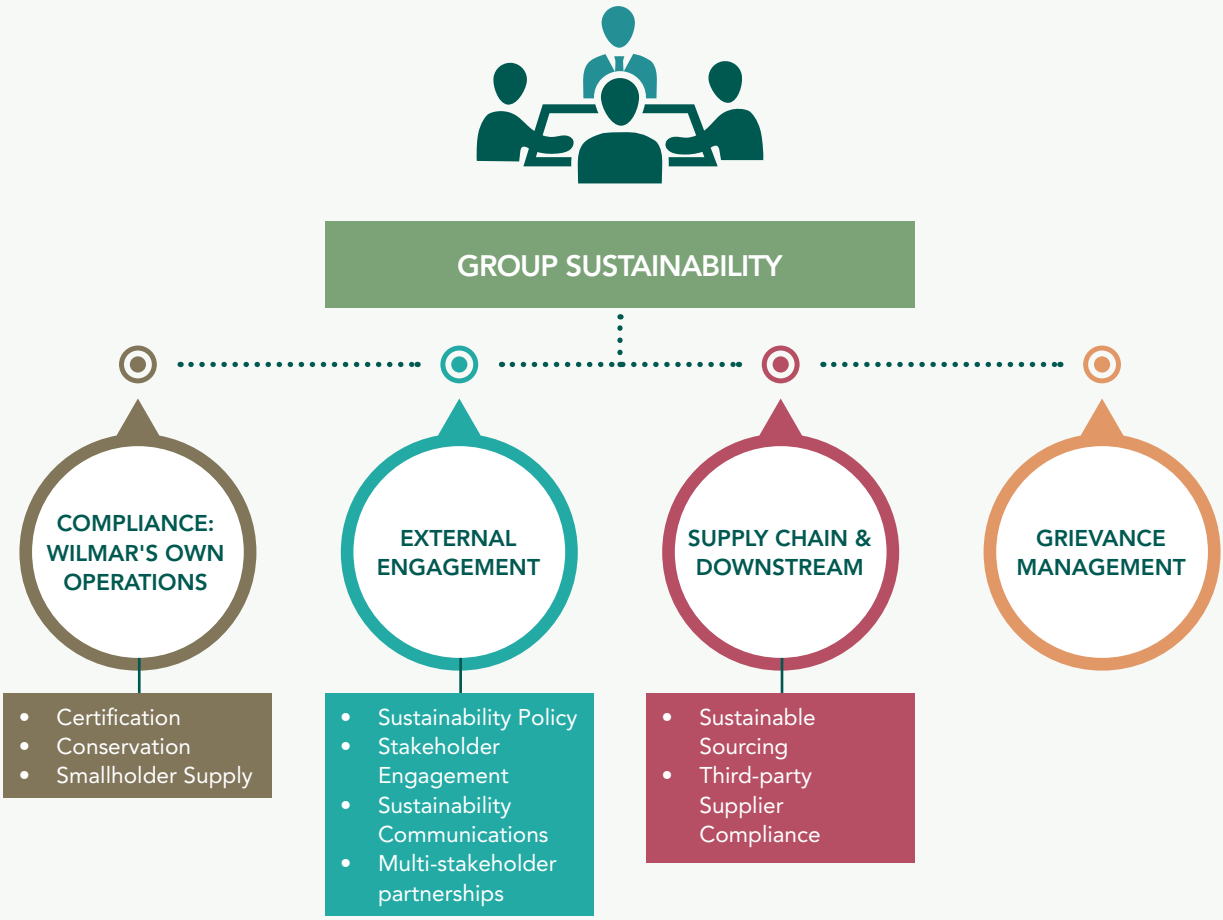
At the level of operational management, Wilmar's Technical Managers have been assessed against the Environment, Health & Safety (EHS) performance of the operations under their charge, and EHS assessments have been incorporated into their performance appraisals. In addition, a factory-level key performance indicator (KPI) scorecard for EHS will be introduced for factory managers. Our Human Resources (HR) department is also in the process of reviewing how a broader range of staff could have sustainability metrics built into their performance appraisals.

SUSTAINABILITY GOVERNANCE STRUCTURE



NB: The governance structure also covers sugar operations, with the exception of involvement by The Forest Trust and the Suspension Committee.

SUSTAINABILITY MANAGEMENT STRUCTURE



Wilmar management and consultants in the field

Sustainability Certification

ROUNDTABLE ON SUSTAINABLE PALM OIL (RSPO)

As at year-end 2017, we have achieved RSPO certification for 28 mills and about 80% of our planted area across Malaysia, Indonesia and Ghana#. In total, we produced about 880,000 tonnes of certified sustainable crude palm oil and 190,000 tonnes of certified sustainable palm kernel in 2017. On the plasma smallholder front, production of certified sustainable palm oil and palm kernels in 2017 was 23,752 tonnes and 5,701 tonnes respectively.

Around 5% of all palm oil products handled, traded and processed by Wilmar globally is RSPO certified. For midstream and downstream operations, 56 sites are now certified against the RSPO Supply Chain Certification Standard. These sites are capable of delivering palm oil products under the Segregated and Mass Balance supply chain models.

Timebound plan for outstanding mill certifications

We are making some headway on our target to achieve RSPO certification for all of our mills and their supply bases. In 2017, we achieved certification for two additional mills, both in Kalimantan, Indonesia. We had targeted to complete all mill certifications by year-end 2018. However, four mills are still in the process of finalising their operations permits (HGU – Hak Guna Usaha) and are unlikely to achieve certification by year-end. Likewise, a small area in Jambi is undergoing preparations for certification and may not meet the 2018 target.

Location	Company Name	Target Date
Central Kalimantan	PT Karunia Kencana Permaisejati	Certified since 22 Dec 2017
Central Kalimantan	PT Sarana Titian Permata 2	In process of finalising operation permits (HGU)
West Kalimantan	PT Bumi Pratama Khatulistiwa	Certified since 18 Oct 2017
West Kalimantan	PT Agronusa Investama Pahauman	In process of finalising operation permits (HGU)
West Kalimantan	PT Agro Palindo Sakti 2	In process of finalising operation permits (HGU)
South Sumatra	PT Musi Banyuasin Indah	In process of finalising operation permits (HGU)
Riau	PT Sinarsiak Dianpermai	In process of finalising operation permits (HGU)
Jambi	PT Agrindo Indah Persada 2	Undergoing preparations for certification

NATIONAL PALM OIL CERTIFICATION SCHEMES

The Indonesian Sustainable Palm Oil (ISPO) certification system is implemented by Indonesia's Ministry of Agriculture and is a national requirement for companies since 2011. At year-end 2017, eight of our mills and their supply bases had been certified against the ISPO standard#. Our smallholder development team in Indonesia has also embarked on a programme to support ISPO compliance among smallholders (See page 80).

We began implementing the Malaysian Sustainable Palm Oil (MSPO) certification programme in our East Malaysia operations in 2016. As at 31 December 2017, two mills and their supply bases have been certified, and the remaining are scheduled for completion in 2018#. We are also working with suppliers to ensure that they are ready to achieve MSPO certification when this becomes a legal requirement.

INTERNATIONAL SUSTAINABILITY AND CARBON CERTIFICATION (ISCC)

Wilmar is a member of the ISCC Association, which seeks to establish an international, practical and transparent system for the certification of biomass and bioenergy. The certification is oriented towards the reduction of GHG emissions, sustainable use of land, protection of natural biospheres and social sustainability.

As at year-end 2017, we have 35 sites across the biodiesel supply chain certified against the ISCC standard.

BONSUCRO

Formerly known as the Better Sugarcane Initiative (BSI), Bonsucro is a global standard intended to create lasting value for people, communities, businesses, economies and ecosystems in all cane-growing areas. Established in 2008 as a private sustainability certification scheme by sugarcane industry stakeholders, today Bonsucro is a global multi-stakeholder not-for-profit initiative dedicated to reducing the environmental and social impacts of sugarcane production while recognising the need for economic viability.

 # EY has performed limited audit procedures on this figure.

The Bonsucro Production Standard applies worldwide to any sugarcane mill (and its supplying area) that wishes to sell Bonsucro certified sugarcane-derived products and make related claims. The Standard evaluates the outcome of practices implemented at mill and farm levels, and audits are based on assessments of the mill and cane supply area.

The Bonsucro Production Standard uses six principles to achieve sustainability in the production of sugarcane and the products derived from it:

1. Obey the law
2. Respect human rights and labour standards
3. Manage efficiency to improve sustainability
4. Manage biodiversity and ecosystem
5. Continuously improve
6. Adhere to EU directives

The Bonsucro Chain of Custody Standard is concerned with the traceability of a product and adheres to five fundamental principles to ensure high performance and consistency. As such, all companies beyond mill level handling certified products for the purpose of making a final sustainability claim must be certified to the Chain of Custody Standard (e.g. traders, refineries, supermarkets).

As of 2017, 54% of our sugarcane plantation area and one raw sugar mill in Australia are certified against the Bonsucro Production Standard and Bonsucro Chain of Custody Standard#. Another two mills and their supply bases in Australia had completed the certification audit at year-end 2017 and have been certified in early 2018. Further downstream, we have also obtained the Bonsucro Chain of Custody certification for all sugar refineries and warehouse operations in Australia and New Zealand, as well as for the Jawamanis sugar refinery in Indonesia and the sugar trading office in Singapore.

As a financial one-off incentive, we offer a rate of 10 cents (AUD) per tonne of cane to growers who are certified to the Bonsucro process.

SMARTCANE BMP

Smartcane BMP is a world-class best practice system for sugarcane growing in Australia. The standard has been developed by industry researchers and sugarcane farmers based on productivity, profitability and sustainability. Smartcane BMP consists of seven modules covering key aspects of sugarcane cultivation.

Smart BMP	
Core modules	**Non-core modules**
• Soil health and plant nutrition management • Pest, disease and weed management • Drainage and irrigation management	• Crop production and harvest management • Natural systems management • Farm business management • Workplace health and safety management

Our sugarcane farming operations have been working progressively to achieve Smartcane BMP accreditation. As at end 2017, over 80% of our sugarcane operations are accredited for the three core modules.

To encourage early Smartcane BMP uptake by our suppliers, we offer growers a one-off financial incentive of 15 cents (AUD) per tonne of cane when they obtain Smartcane BMP accreditation for all core modules.

Irrigation channels in Australia sugarcane plantations

 # EY has performed limited audit procedures on this figure.

Supply Chain and Traceability

We recognise that a large part of our footprint lies beyond our own operations. Our suppliers therefore have a critical role to play in forging a path towards sustainable palm oil production.

We trace supply flows from ports and refineries back to palm oil sources to map our supply base, evaluate suppliers' performance against our NDPE Policy, and engage with our suppliers to make improvements where needed. We believe that this is an integral part of providing greater transparency in the supply chain, including supplier locations and the practices being used on the ground.

TRACEABILITY STATUS IN 2017

Traceability analyses and summary data continued to be collected across Wilmar's global operations throughout the year. As at 31 December 2017, we have achieved around 97.2% and 99.6% traceability to mills for our operations in Indonesia and Malaysia respectively#.

In Indonesia, about 8.54 million tonnes of crude palm oil (CPO) and 1.16 million tonnes of palm kernel oil (PKO) processed by our refineries were traceable at least to mills. About 5.68 million tonnes of CPO and 0.53 million tonnes of PKO from our Malaysian refineries were also traceable at least to mills#.

The original goal we set in 2013 was for all palm oil physically handled by Wilmar refineries to be traceable to the mill where it was processed. However, achieving full traceability has not been possible due to the ongoing challenges of commodity transportation and trading. In palm oil procurement and trading, the supply network to refineries is not limited to direct purchase of CPO and/or palm kernels (PK) from mills. Refineries may also procure bulk and/or redistributed oil from third-party refiners or traders, in which case the details of the originating mill may be unavailable.

Among Wilmar's third-party suppliers, there is still a low level of willingness from many refiners to share information on their supplying mills, despite general support on the notion of traceability. Anti-competition regulations are often cited, and this can be an issue. We believe that this position is slowly changing, and we are diligently working with our suppliers to obtain information where possible.

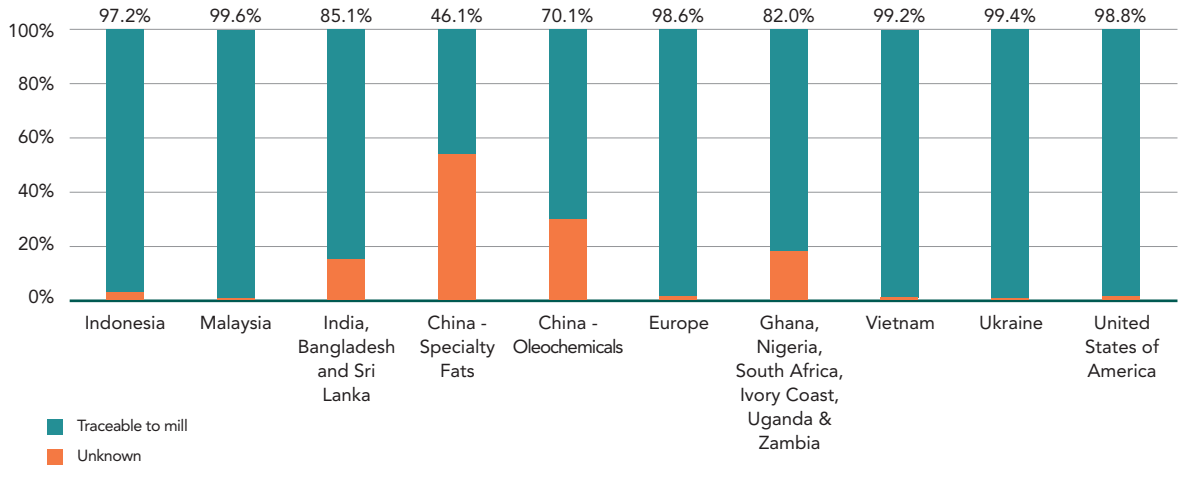
We have been requesting for traceability information from our third-party suppliers on a quarterly basis which we consider as a self-declaration document. Wilmar's Sustainability team continually monitors the lists obtained from suppliers to ensure there is no breach in relation to our NDPE Policy.

DEFINING AND CALCULATING TRACEABILITY: WILMAR'S APPROACH

We focus on traceability in terms of the quantity of oil from traceable sources, by identifying the parent company name, mill name, address and global positioning system (GPS) co-ordinates of mills supplying CPO and PK to our downstream facilities. In addition, certification status of the mill is also recorded, where possible.

We have so far identified over 800 mills supplying each of our refineries in Indonesia and Malaysia. Each refinery typically has 50–100 mills in its supply network, although not all mills supply products in every quarter.

The chart below illustrates the traceability status of Wilmar's operations globally from January to December 2017



EY has performed limited audit procedures on this figure.

Our annual traceability values are calculated on volumes supplied during the previous four quarters on a rolling basis for origin and destination refineries. As mill lists are updated on a quarterly basis, and each update covers four calendar quarters, it can therefore take up to four rolling quarters for changes at mill-level to be reflected on the mill list.

The traceability data for refineries at origin (Malaysia and Indonesia) is calculated using volumes received from individual mills, Wilmar-owned and third-party refinery transfers, traders and bulking installations. The traceability data for the refineries at destination (all other countries), also known as "second refiners", is calculated from shipment volumes received at the respective destinations.

PARENT COMPANY NAME

MILL NAME

ADDRESS

LONGITUDE AND LATITUDE CO-ORDINATES

VOLUMES

FOCUS ON TRACEABILITY TO MILL

We focus on traceability to mill because the mill is a good indicator of the approximate location of its suppliers. Pursuing traceability further upstream is extremely difficult due to the multi-tiered nature of the supply chain. A typical palm oil mill may be supplied by hundreds of growers, and also by dealers that source from many more. Refineries are in turn likely to be supplied by thousands of FFB suppliers as they source from multiple mills. Mills that do not have integrated plantations (typical in Sumatra and Peninsular Malaysia) must also contend with a constantly changing supplier base as farmers move from mill to mill for various reasons, which is often associated with commercial incentives. This revolving supply situation is further intensified where there is an increase of milling capacity in a given area (e.g. with the addition or upgrading of palm oil mills) resulting in a sudden boost in demand for FFB.

Obtaining traceability to farm or plantation level is therefore resource intensive while offering little return, as traceability information, by itself, does not address environmental and social issues. We believe resources are more effectively utilised in supporting the transformation of mills and their supply bases towards responsible practices through initiatives such as the Aggregator Refinery Transformation (ART) programme. Such initiatives take into account the fact that issues linked to sustainability (or NDPE compliance) will be similar within a mill's supply base (i.e. within a radius of approximately 50 km), such as extensive peat areas, proximity to national parks and populations of endangered species, and can address these issues as part of mill assessments.

Traceability to plantation primarily serves the purpose of delivering 100% segregated sustainable supply – which can also mean the exclusion of vulnerable producers, such as smallholders. We believe it makes more sense to invest resources to raise the floor for sustainability and good practice for all suppliers within a mill's supply base. Nevertheless, we have completed maps of all our own mills in Malaysia and Indonesia, showing all estate boundaries and the location of each smallholder and dealer.

For more detail, please visit www.wilmarinternational.com/sustainability/progress/traceability/.

TRACEABILITY FOR SUGAR OPERATIONS

About 80% of Wilmar's raw sugar is sourced from third-party suppliers. Our NDPE Policy extends across our entire operations, including sugar. We will be updating the Policy to include a specific section that outlines and clarifies the NDPE Policy's applicability to our sugar operations, which will be implemented across our entire supply chain, including joint-ventures and third-party suppliers.

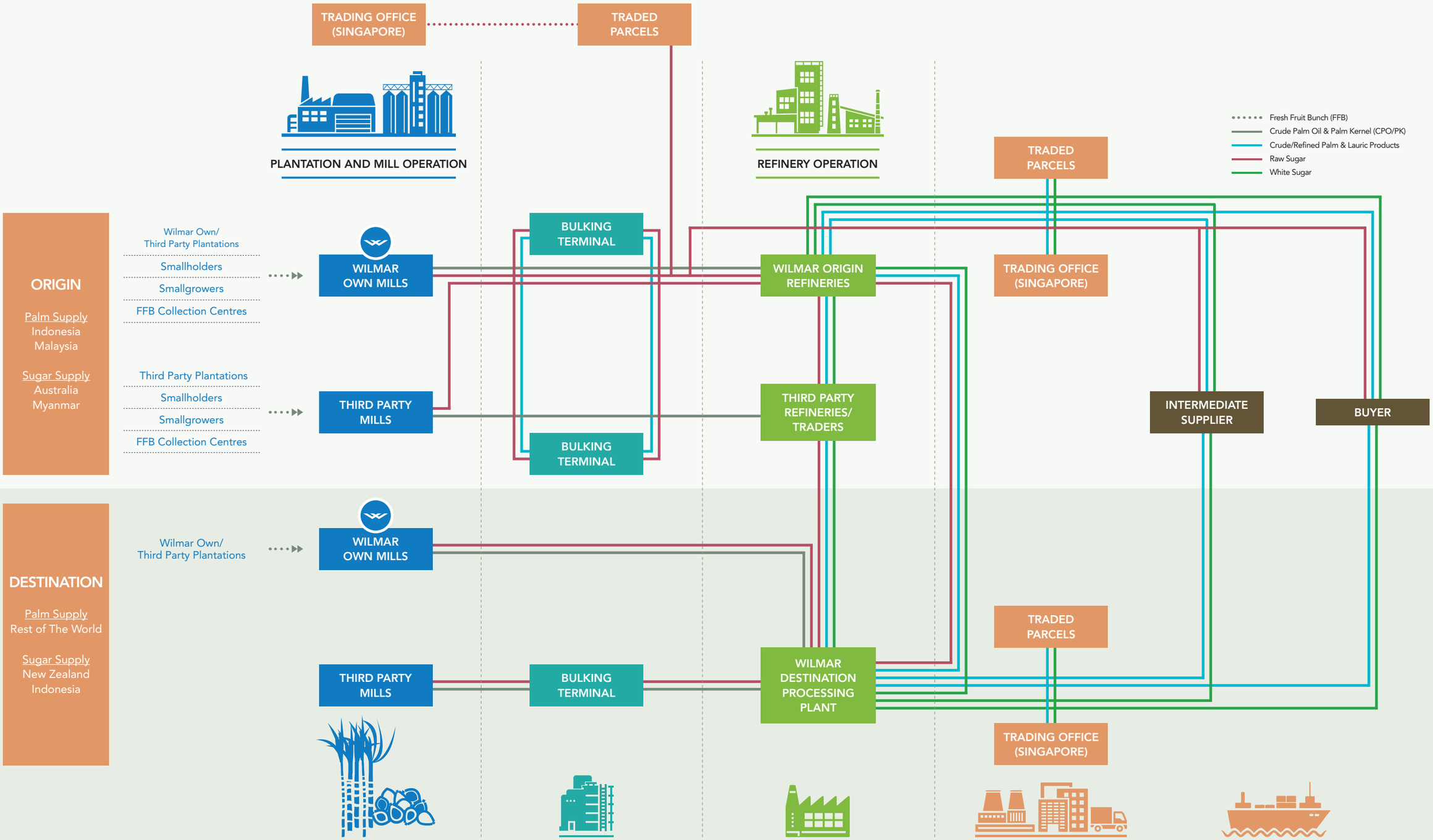
Traceability has become an increasingly high profile issue as forced labour issues have emerged in several major commodity markets. In August 2017, KnowTheChain (a resource developed by Humanity United, the Business & Human Rights Resource Centre, Sustainalytics, and Verité) published a case study examining how 10 food and beverage companies are addressing forced labour in their sugarcane supply chains. The study came on the heels of their 2016 food and beverage benchmark, which revealed a lack of transparency and action on forced labour across commodity supply chains in general.

In their 2017 findings, KnowTheChain reported that Wilmar has disclosed the names and addresses of its owned mills, and is also the only company to have disclosed the names and addresses of its sugar suppliers.

The case study can be accessed at knowthechain.org/sugarcane-supply-chains-how-10-food-and-beverage-companies-are-tackling-forced-labor/

The list of Wilmar's sugar suppliers can be downloaded from business-humanrights.org/sites/default/files/2017-05 Sugar suppliers (Wilmar).pdf

Overview of Wilmar's Palm Oil and Sugar Supply Chains



STAKEHOLDER COMMENTARY BY PROCTER & GAMBLE (P&G)

Wilmar supplies P&G with palm oil and palm oil derivatives, and we value their collaboration and transparency as we work to ensure our palm products are sourced responsibly.

P&G particularly values the supply chain transparency that Wilmar provides specifically in the traceability data and the actions that they are undertaking to tackle the challenges in their plantation operations. We appreciate their investment in their third-party supplier engagement programme and also value the deep dive that Verité is providing in creating change in Wilmar's internal management system.

Going forward, P&G would like to see Wilmar take a continued leadership role in tackling the human and labour rights issues in the industry and increasing awareness and best practices in working wages, gender equality and third-party supply chain verification.

Wilmar has been taking actions to ensure it is operating responsibly, and P&G wants to continue to see advances in palm sustainability and how their action plans will become reality in the next 12 months.

Truck delivering oil palm fresh fruit bunches to the mill

Engagement and Empowerment

SDG 17 - PARTNERSHIPS FOR THE GOALS

The drivers of deforestation are complex and require collective action by the different actors at different levels of society to effect real and enduring change. Wilmar therefore works actively to contribute to partnerships to achieve transformation at the landscape level.

Our position and activities on this front align with SDG 17, which relates to the revitalisation of global partnerships for sustainable development. SDG 17 is based on the rationale that successful and sustainable global development requires inclusive partnerships between different stakeholders at international, regional, national and local levels. These partnerships should include governments, the private sector and civil society, and should be built upon shared principles and values, a common vision, and aligned goals that place people and the planet at the forefront.

We continue to play an increasingly active role in certification and assessment organisations, including the RSPO and the HCS Approach Steering Group, where we are involved in numerous working groups and governance bodies. In 2017, Wilmar took the role of Co-Chair within the Executive Committee of the HCS Approach Steering Group. We have also joined the RSPO's Board of Governors and are participating as a member of the RSPO's Principle & Criteria Taskforce during this critical period of the standard's review. Wilmar actively participates in a variety of other multi-stakeholder platforms that support the production of sustainable commodities and eliminate deforestation from commodity supply chains.

Notable stakeholder engagements and partnerships in 2017

Stakeholder	Themes	Wilmar's involvement
RSPO	Sustainable palm oil production	• Member of the RSPO's Board of Governors • Member of the RSPO's Principles & Criteria Review Taskforce • Member of the RSPO's Sabah Jurisdictional Approach for Sustainable Palm Oil Production Steering Committee • Chair of the RSPO Smallholder Support Fund Panel • Co-Chair of: i) The RSPO Smallholder Working Group (SHWG) ii) The Biodiversity and High Conservation Value Working Group (BHCVWG) iii) The FFB Legality & Traceability Taskforce • Member of: i) The Human Rights Working Group ii) The Emissions Reduction Working Group iii) The Trade and Traceability Standing Committee
High Carbon Stock (HCS) Approach Steering Group	No deforestation	Co-chair of the Executive Committee Member - Smallholder Working Group Member - Africa Taskforce
Business for Social Responsibility (BSR)	Labour rights and working conditions	Partner – taking collective action to improve working conditions and livelihoods of workers across the wider palm oil supply chain in Indonesia
Fire Free Alliance (FFA)	Fire and haze	Founding member – seeking to prevent and reduce incidences of fires up to a 5-km radius of our plantations through community-based initiatives
Tropical Forest Alliance (TFA) 2020	Responsible growth without depleting natural capital	Member of the Steering Committee and Africa Regional Committee
Grow Asia	Sustainable and inclusive agricultural development in Southeast Asia, focusing on smallholder development and the environmental sustainability of agriculture	Member of Grow Asia Business Council
Barratta Creek Action Group (BCAG)	Water quality monitoring in Queensland, Australia, focusing on improving the quality of water flowing to the Great Barrier Reef	Founding Member
Australian Packaging Covenant (APC)	Sustainable packaging with a focus on encouraging resource efficiency through sustainable design while reducing disposal wastages and increasing recycling	Signatory through Sugar Australia Pty Ltd - actively working with key suppliers to identify opportunities in packaging and supply chain efficiencies and, where those changes make good business sense, implement them

Wilmar representatives at the TFA2020 Southeast Asia Implementation Dialogue

We are expanding our support for communities all along our sugar and palm oil supply chains. Training programmes have been conducted in Myanmar for smallholder farmers who supply our joint venture, the Great Wall-Wilmar Sugar Mill. We also piloted a training programme in 2017 to help smallholders in Riau achieve ISPO certification (see page 80 for more information).

Linking finance and sustainability

In a first for the palm oil industry, we announced on 27th November 2017 our collaboration with ING Bank on a banking programme that pegs the interest rate on the financing of existing facilities to our sustainability performance. We believe that incorporating sustainability metrics into various aspects of our business, from daily operations to corporate financing, is key to creating value for our stakeholders

Transparency

For broader audiences, including our financial stakeholders, we produce annual reports, quarterly updates and an annual Sustainability Report. We also organise regular market update sessions that cover key sustainability topics relating to our business. In previous years, we had only conducted single session briefings to all our stakeholders. Last year, we decided on a different approach and had a few meetings with different stakeholders. This enabled us to provide more in-depth quality of discussions with each stakeholder.

We have maintained an online Sustainability Dashboard on the Wilmar corporate website since 2015. To ensure we are responsive to stakeholder concerns, the Dashboard carries updates on grievances, traceability, certification, policies and statements on issues raised by stakeholders or in the media. The Dashboard can be accessed at www.wilmar-international.com/sustainability/. The Dashboard is in the process of being refreshed to provide a better user experience. The new Dashboard will be available by Q3 2018.

Looking forward, our sustainability reports now comply with the requirements set out by the Singapore Stock Exchange (SGX). Effective as of 2018, all publicly listed companies are required to prepare an annual sustainability report that describes their practices with reference to a set of primary components on a "comply or explain" basis. Having aligned with the SGX rules and guidelines, we will publish reports annually in May on both the SGX and Wilmar websites.

Wilmar submits an Annual Communication of Progress (ACOP) to the RSPO. We also provide disclosures in support of various benchmarking and ranking initiatives, including the Forest, Climate Change, Water and Supply Chain programmes coordinated by CDP (formerly the Carbon Disclosure Project). Our most notable efforts to improve transparency in our sugar operations have been the KnowTheChain disclosures (see page 33).

Our efforts to increase transparency and accountability continue to be recognised, in particular by the Zoological Society of London's (ZSL) Sustainable Palm Oil Transparency Initiative (SPOTT) and the Forest Heroes' Green Cats Index Rankings for Palm Oil and Soy Companies on Forest Policies and Transparency. According to SPOTT, our Group score has improved from 57% in 2014 to 84.5% at year-end 2017, which placed Wilmar as the top scorer among our peers in Indonesia and Malaysia. SPOTT ranks palm oil companies based on a number of indicators relating to policy, scope, certification progress, improvement targets and transparency. In the Green Cats Index Ranking for palm oil companies, we achieved a score of 74.5 placing us third highest among 21 companies. Being the only company that was transparent with the names/addresses of our sugar suppliers, KnowTheChain reported Wilmar's disclosure as a good practice example for sugar supply chain transparency.

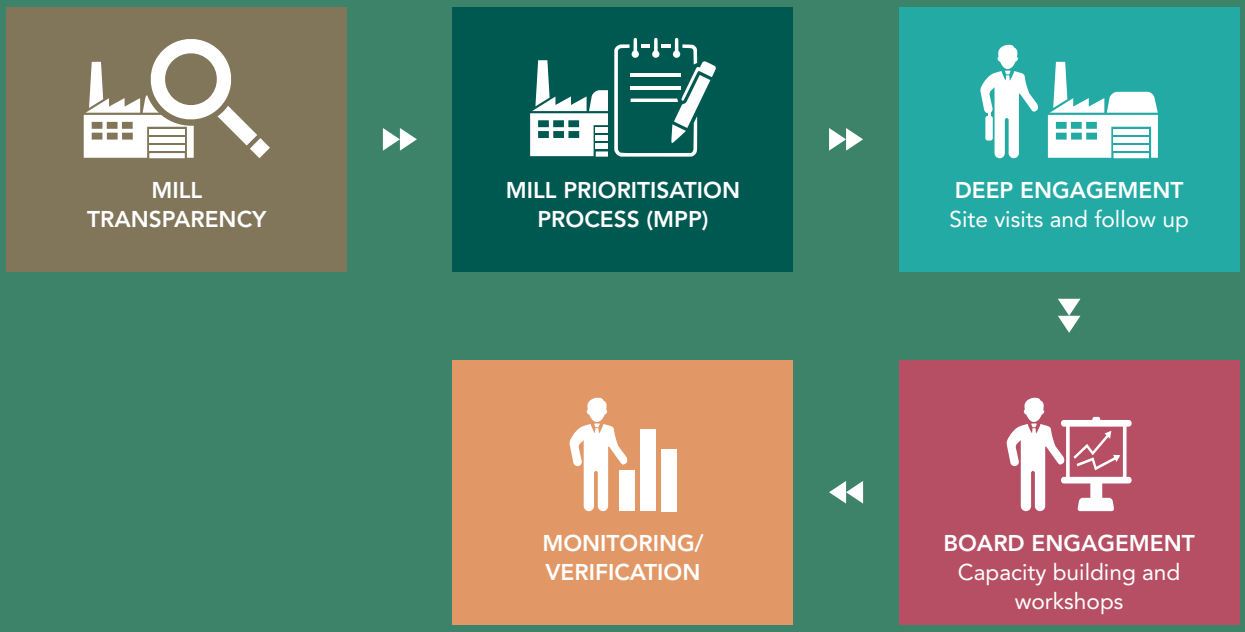
Aggregator Refinery Transformation (ART)

ART is a programme built to strengthen every actor in the supply chain to promote transformation, providing a collaborative framework for refiners, millers and growers with an opportunity to work closely to overcome challenges faced on the ground. Through ART, our refineries provide a central point for growers and millers to progress on HCV; HCS and peat protection; environmental impact management; labour standards; Free, Prior and Informed Consent (FPIC); and traceability.

Typically, 50 to 200 mills supply one refinery and it is impossible to carry out assessments at every mill. With over 20 palm refineries in Indonesia and Malaysia, and many hundreds of mills in our supply shed[1], we have adopted a risk-based approach to due diligence. Focus is first placed on identifying and creating transformation in areas with commercial importance, as well as higher risk in terms of environmental and social impact, before progressing to medium and low risk areas. Based on these initial criteria, we have chosen nine key refineries covering six key landscapes in Malaysia and Indonesia[#]. In addition, we are also implementing parts of the programme with selected suppliers in Latin America and West Africa.

At year-end 2017, we have conducted 69 assessments in these areas*. These assessments are compiled into anonymised overarching reports by landscape, and each report summarises representative issues that may be prevalent in that landscape. Through Broad-Level Engagement (BLE) workshops, we socialise the common issues to all suppliers operating in that region and share learnings and recommendations on improvement.

Topics include findings from mill assessments, guidance on land-use planning, and respecting the rights of workers and indigenous and local communities.



1 *Mills supplying to our refineries, as well as their respective FFB sources are commonly referred to as a 'supply shed'.*

\# *EY has performed limited audit procedures on this figure.*

* *62 assessments are conducted in Indonesia and Malaysia. EY has conducted the limited assurance procedures for number of assessments conducted in Indonesia and Malaysia.*

Truck transporting crude palm oil from the mill to the refinery

MILL MAPPING AND TRACEABILITY

ART is dependent on mapping all the mills supplying the refinery, as well as their FFB sources where possible. Currently, the ART programme only focuses on Wilmar's own refineries and all direct mills supplying our refineries. This programme is being implemented across key landscapes at origin, encompassing three Wilmar refineries in Sabah, two refineries in Riau, and one in Peninsular Malaysia, Sarawak, North Sumatra and East Java respectively#.

For a mill to be considered traceable, we need to be able to record all critical information, including parent company name, mill name, address, GPS coordinates, and volumes supplied to Wilmar refineries#. A minority of mills are categorised as untraceable. Untraceable does not imply we do not know who we buy from; it means the supplier does not fully meet our traceability criteria, for example where full data is not available (e.g. parent company/group affiliation or GPS coordinates).

Workers grading fresh fruit bunches delivered to the mill

 # EY has performed limited audit procedures on this claim.

Wilmar's oil palm plantation in Padang, Indonesia

MILL PRIORITISATION PROCESS (MPP)

The ART programme does not seek to equally engage all mills in the supply shed simultaneously. Instead it adopts a Mill Prioritisation Process using spatial and non-spatial information to prioritise and target higher risk mills in a vast supply shed for deep engagement#.

Spatial data is captured using GIS data overlaid with information from Global Forest Watch and Forest Monitoring for Action (FORMA) alerts and include:

Dataset	Details
Legally protected areas	Includes all national and international protected areas such as national parks, forest reserves, protected wetlands, etc.
Key biodiversity areas	Includes sites identified as a conservation priority for a variety of species based on quantitative criteria pulled from global data sets
Peat	Peat soil areas as documented by an international body

Non-spatial factors focus on the known sustainability policy and performance of the mills, and include:

Dataset	Details
No Deforestation, No Peat, No Exploitation (NDPE) policy	Companies that have their own NDPE Policy and implementation plan
RSPO certification	While certification is not on its own enough, it does provide some indication for better practices in a number of areas
Volumes	A mill that is identified as higher priority from the spatial and non-spatial process and provides a significant volume to the refinery is considered a mill of highest priority
Publicly reported information	Review of international NGO campaign reports, local NGO reports in local languages, and cases under the RSPO grievance process among others
TFT's assessment register	If a mill has previously been assessed by TFT, and the assessment team is confident that the mill and FFB sources are acting on the action plan from the assessment, then the mill is considered lower priority

Based on the above factors, supplying mills are ranked and 10% of the high priority mills for each refinery will be selected for further engagement. More details on the MPP can be accessed at wilmar-international.com/wp-content/uploads/2016/01/Prioritizing-Mill-Visits.pdf

 # EY has performed limited audit procedures on this claim.

DEEP ENGAGEMENT AND MILL VISITS

Following the mill prioritisation process, field visits are undertaken and practices are assessed against Wilmar's NDPE Policy requirements. Importantly, these field visits are not driven by a certification agenda or an audit, rather the visits seek to build trust and engagement for mills by providing practical recommendations for the mill and their FFB suppliers to improve practices. The site visits are supported by Wilmar's consultants together with our internal teams.

An initial discussion at headquarter level with key management is followed up by an assessment, which includes samples of the mill's third-party FFB suppliers such as commercial plantations, smallholders, as well as fruit collection centres. A typical visit will take three to five days, and prior to finalising the assessment report, the assessment team will meet with the mill to discuss findings. At year-end 2017, Wilmar had completed a total of 69 visits, including two in Africa and five in Latin America*.

Following these three steps, an overarching report is developed, summarising issues and recommendations without identifying particular mills or growers. This report serves as a medium to provide important information about trends of issues that require attention across the region/landscape#.

BROAD LEVEL ENGAGEMENT AND SHARING OF FINDINGS

Wilmar wants to reach out as broadly as possible to ensure that our entire supply chain is included in the ART process and can find support for ongoing improvement. This is done through broad-level engagement workshops and training which all the suppliers of a particular refinery are invited to attend#.

Workshops share the work that has been done in that landscape and provide an overview of what common issues were found, as well as recommendations for addressing the issues. The workshops seek to build capacity and create a forum where common issues can be addressed.

The workshop is also complemented by a series of training sessions open to all our suppliers, as well as to their FFB suppliers#. Key stakeholders, including industry experts, government agencies and our customers have actively participated in the workshop and training sessions to directly engage with our suppliers.

* *62 assessments are conducted in Indonesia and Malaysia. EY has conducted the limited assurance procedure for number of assessments conducted in Indonesia and Malaysia.*

\# *EY has performed limited audit procedures on this claim.*

Training sessions are issue-specific and include conservation, labour rights, environmental impact management and health and safety. Training is conducted in the form of panel discussions, classroom lectures and interactive discussions. Sessions also provide space for the discussion of issues and examples of best practice, and serve as a forum for dialogue with government representatives, such as those from the labour and environment departments#. Two training sessions were conducted in Malaysia in 2016 that were attended by 50 participants. Six training sessions were conducted in Indonesia in 2017 for close to 200 participants from the palm milling and plantation industry. The workshops and training sessions are documented in public reports, and are available on Wilmar's website.

As part of our progress towards covering a larger part of our supply shed, in 2017 Wilmar began a process to also cover additional medium and low risk mills, beyond those identified as the 10% high priority mills. Known as the Supplier Reporting Tool (SRT), the tool is designed to aid and align supplier operations along NDPE commitments of producers and consumers. The outcome of the questionnaire may result in a visit to specific suppliers#.

ONGOING MONITORING PROGRAMME AND VERIFICATION

Through the mill assessment, Wilmar has developed a timebound action plan together with the mills and we follow up on progress through repeat visits and/or ongoing contact. As part of this follow-up, Wilmar also seeks to provide assistance where the suppliers are finding barriers to progress#. As of end 2017, we have conducted nine follow-up visits in Malaysia and six in Indonesia respectively.

NEXT STEPS AND FUTURE PRIORITIES FOR ART

It is a key priority for Wilmar that the wider market is engaged in the mapping, assessment and monitoring of the palm oil supply chain. We have been encouraged by the significant support we have received from our customers, who have assisted in funding assessments, and taken an active interest and role in our mill engagements. It is critical to the message that the market is behind the transformation, and that the requirements in the NDPE Policy are not Wilmar-specific.

In addition, we are pleased to see that some of our peers in the industry are developing programmes parallel to ART, and are starting to publish information on their assessments and findings publicly. Together, we can reach much wider parts of the supply chains and stretch our resources further, and at the same time avoid the onset of assessment fatigue among mills, which is likely to occur if separate refineries require assessments of the same mills.

 # EY has performed limited audit procedures on this claim.

SUPPORT FOR TRANSFORMATION OF LABOUR PRACTICES AT PT ABDI BUDI MULIA

In December 2016, Amnesty International published a report highlighting labour rights violations in Indonesia's palm oil industry relating to child labour, minimum wage, health and safety, gender discrimination and high production targets. One of the companies named in the report, PT Abdi Budi Mulia (ABM), is a Wilmar supplier.

After the release of the report, our implementation partner TFT undertook an assessment visit in December 2016 to assess labour practices at PT ABM.

This initial engagement with PT ABM led to a longer-term project to support PT ABM in improving their practices, referred to as the Support For Transformation (SFT) project.

The SFT project involved a six to 12-month process of on-site engagement to ensure a mutual understanding of the project objectives and establish ownership of the process. By working intensively with the company on-site, TFT aims to facilitate solutions to their labour practice challenges through an understanding of the specific conditions.

With support from RB (Reckitt Benckiser Group PLC), a TFT brand member, the project was formally launched in April 2017 at a pre-engagement meeting with TFT, PT ABM and Wilmar. TFT and Wilmar visited PT ABM on three separate occasions in 2017 to undertake workers' consultations, build the capacity of management to improve practices, and verify changes on the ground. PT ABM worked to improve its practices through the creation of appropriate policies and implementation of agreed action plans.

These steps taken are positive developments on the longer journey of transformation that PT ABM has committed to implement. Through further support to PT ABM, Wilmar can ensure that these promising initial efforts towards transformation will be carried forward. Wilmar and TFT will continue to support PT ABM in a technical and advisory capacity through 2018 to this end.

TFT has provided an update on our joint work with PT ABM which can be accessed at www.tft-earth.org/stories/blog/abm/.

Ethical Policies and Grievance Mechanisms

In 2017, Wilmar's Board of Directors approved a revised and enhanced ethical policy framework. This expands on our ethics commitments through the publication of our Code of Ethics, our Anti-Fraud Policy, our Privacy Policy and our updated Code of Conduct. The policies address a range of ethical concerns, and include the prohibition of giving and receiving of any type of bribe. Bribes may be defined as gifts, entertainment, or other benefits that may affect our employees' ability to carry out their duties legally and/or in line with company interests.

Our Whistleblowing Policy sets out guarantees for confidentiality and freedom from reprisals. It also identifies several contact points for reporting fraud, corruption and non-compliance with legal requirements and company policies. The Policy ensures that a process is in place for independent investigations of alleged improprieties and for appropriate follow-up actions, including providing assurance that the complainant will be protected from reprisals for whistleblowing in good faith and without malice. The Policy provides assurance that any employee who raises a genuine concern and makes a disclosure in good faith will not be at risk of losing his or her job, nor suffer adverse treatment or harassment for doing so. We strictly adhere to the spirit of the Policy, and do not penalise employees for raising concerns to ensure that Wilmar's business conduct meets its policies on compliance. This includes when they choose to raise the issues through third parties. The implementation of the Policy has been communicated to employees and the Policy is posted on the Group's website.

Wilmar has an established Grievance Procedure for our management and staff to refer to when handling any grievance from external parties concerning the implementation of Wilmar's policies. Our operating sites have a standard operating procedure (SOP) in place for handling external stakeholder's concerns, and this is directly coordinated by the local HR Department. Such grievances raised at a local level which are handled directly by local teams are generally not registered in the grievance list published on Wilmar's Sustainability Dashboard, unless the complainant submits their grievance officially through our Grievance Procedure, or the grievance is published by an NGO and is in the public domain.

Nevertheless, the complainant is free to submit the grievance through our Grievance Procedure. For external stakeholders who utilise the Grievance Procedure, we will evaluate the case following the decision tree stipulated in the SOP. Grievance cases that lack supporting information, or are undergoing legal procedure, will not be registered or investigated concurrently.

There were 35 grievance cases related to our supply chain in 2017, compared to 30 in 2016.

Nature of grievance cases	New cases in 2017	Total cases listed on grievance (as at December 2017)
Deforestation	2	20
Social conflict	0	4
Human rights violations	1	3
Deforestation/Social conflict	2	6
Deforestation/Human rights	0	1
Deforestation/Human rights violations/Social conflict	0	1
Total	**5#**	**35**

Note:
Grievances relating to HCS, HCV, peatland and burning issues are classified as deforestation; labour issues as human rights violations; and land disputes with local communities as social conflicts.
The table does not include grievance cases managed directly by local teams
 # EY has performed limited audit procedures on this figure.

We understand that input from our stakeholders is valuable because it helps to enhance transparency in our supply chain. The Grievance Procedure is useful in this respect because it favours open and inclusive dialogue with stakeholders.

Wilmar has conducted a preliminary feedback round with a range of stakeholders on the Grievance Procedure. We recognise that the Procedure will need to be further adapted as it gets operationalised and that not all feedback provided has yet been incorporated. As such it represents a base on which we plan to build a stronger Grievance Procedure over time.

The Grievance Procedure can be accessed at www.wilmar-international.com/sustainability/grievance-procedure/

PROACTIVE SUPPLY CHAIN MONITORING

Besides having a grievance mechanism in place, which allows us to respond to complaints and issues raised, we also firmly believe in taking a proactive approach towards identifying and addressing non-compliances that could potentially be linked to our supply chain. This proactive monitoring of palm oil mills and plantation company groups is undertaken each month by an international NGO on the ground. We also have access to a direct repository of monitoring maps and data that support these efforts. As of 2017, we are monitoring 60 supplier groups covering just over eight million hectares of oil palm plantations. We have initiated engagements with companies where issues were identified, and recommended the necessary corrective actions or improvements, where relevant.

ENVIRONMENTAL - PROTECTING OUR ENVIRONMENT

Collaborating to conserve our land

NO DEFORESTATION AND FOREST CONSERVATION

One of our primary focuses for our business over the last four years has been to ensure that neither our own operations nor those in our supply chain are contributing to deforestation. Our NDPE Policy commits us to the use of the HCS Approach and the HCV framework as primary tools for identifying areas suitable or unsuitable for planting – both for our own palm oil operations and our suppliers' operations.

Since the launch of the HCV Assessor Licencing Scheme in 2015, we have exclusively appointed licensed HCV assessors to undertake HCV assessments. Prior to 2015, we have also appointed RSPO-Approved Assessors to undertake HCV assessments in our own operations. Following the release of the HCV-HCS Assessment Manual in November 2017, which requires all HCS Approach assessments to be conducted as integrated HCV-HCS Assessments, we will also only appoint licensed HCV assessors and HCS registered assessors for future joint assessments.

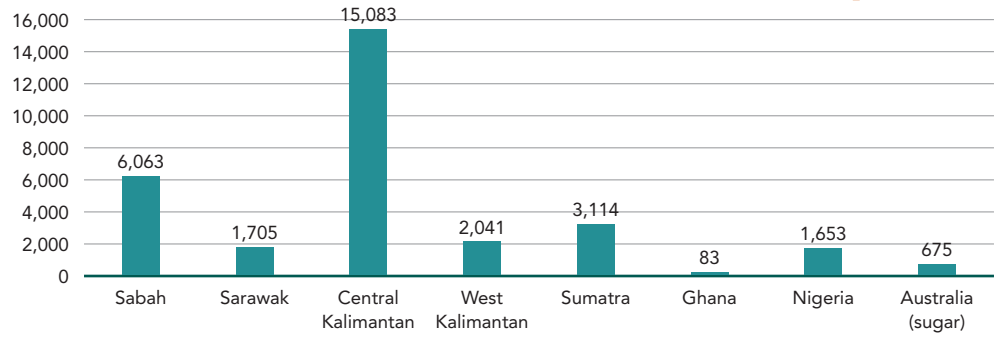
For our sugar operations in Australia, we have identified and manage 675 hectares of conservation area, covering the vegetation classes "Not of Concern", "Of Concern" and "Endangered". These are based on criteria provided under the Vegetation Management Act 1999 of the Queensland Government.

Through HCS and HCV assessments, Wilmar has identified 29,742 hectares in Indonesia, Malaysia and Africa to be set aside and managed for conservation within our oil palm plantation operations#.

 # EY has performed limited audit procedures on this figure.

Conservation Area 2017

TOTAL 30,417 HECTARES



1 *Conservation area for oil palm covers HCS, HCV and riparian areas. Conservation area for sugarcane covers areas set aside for conservation under the Australian vegetation classification system.*
2 *All data for Sumatra presented in this report covers all of Wilmar's plantations in Sumatra.*

The HCS Approach was launched in 2013 to categorise forests and define a better landscape-level methodology for preventing deforestation. In 2014, a broad group of stakeholders established the HCS Approach Steering Group to strengthen and evolve the methodology, as well as to provide a governance body for its use. We have to date undertaken one such HCS process in our Nigerian operations. The assessment was completed in 2015, and in 2016 we were among the first oil palm companies to submit an assessment to the HCS Approach Peer Review Process.

This HCS Assessment summary report is available for downloading at highcarbonstock.org/registered-hcs-assessments/.

JURISDICTIONAL APPROACHES TO NO DEFORESTATION

Wilmar is part of the Sabah Jurisdictional Approach Steering Committee, which works to support the Sabah Government in achieving its vision of 100% RSPO-certified sustainable palm oil in the state by 2025. The Steering Committee has enlisted the support of the HCS Approach Executive Committee in funding a pilot project to assist in the development of an HCS assessment at the jurisdictional level. This will in turn support the jurisdictional certification initiative.

The HCS assessment will seek to provide a revised approach that fulfils the HCS decision tree (a tool for identifying and prioritising forest areas for conservation or development within a landscape), and which can then be applied at the state level. The funds will also allow for some involvement from the HCV Resource Network (HCVRN) to help guide the Sabah jurisdictional process. An important output of this process will be a state-level HCV and HCS map that can be used to inform sustainable development and conservation strategies at a jurisdictional level.

SDG 15 - LIFE ON LAND

SDG 15 is concerned with the sustainable management of forests, combating desertification, halting and reversing land degradation, and halting biodiversity loss. Forests cover approximately 30% of the Earth's surface and provide food security and shelter to a host of important species. These species in turn contribute to the survival of ecosystems that play a crucial role in the fight against climate change. For this reason, there are specific components under SDG 15 that target the protection of biodiversity and wildlife.

In accordance with these targets, and as part of our commitment to our NDPE Policy, we place special emphasis on the protection of threatened and endangered species and wildlife conservation. We do not operate in internationally or nationally designated protected areas. If high conservation values are present on our operational sites, we implement a number of measures, including:

- Formulating conservation management plans to protect endemic and endangered species or habitats.
- Avoiding damage and deterioration of applicable areas.
- Protecting these areas from potential illegal or inappropriate threats such as poaching.
- Enhancing the identified natural and biological values.

Wilmar's conservation areas are managed by a group of regional conservation specialists who are overseen by our global Conservation Lead. Specialists in Sabah, Sarawak, Indonesia and Africa work in partnership with plantation managers to ensure that conservation areas are monitored and protected, and Conservation Management Plans are implemented. We appoint biodiversity and conservation managers to develop and implement these plans, which serve to maintain and enhance the biodiversity values of

Wilmar's Honorary Wildlife Wardens

protected areas within our oil palm plantations, and we partner with local and international research bodies to continually improve them.

To ensure vigilance and responsiveness, we employ a combination of strategies which include both manual patrolling and technology to monitor our conservation areas. The use of technology includes the mobilisation of drones, the Spatial Monitoring and Reporting Tool (SMART) and group messaging mobile application for communication purposes. But we also believe that education goes a long way to conserving biodiversity. As such, we also conduct regular awareness briefing to our workers and community members to identify and report encroachment and other threats to our conservation areas.

Wilmar is one of the few oil palm companies who have government-appointed Honorary Wildlife Rangers and Wildlife Wardens deployed in both Sabah and Sarawak. Having completed our specialised training programme conducted by the Wildlife Departments of the respective states, Rangers and Wardens are empowered with authority similar to the State-appointed Wildlife Rangers and Wardens to stop any illegal activity related to wildlife found within our plantation boundaries. In late 2017, Wilmar staff from the Sustainability and EHS departments received training as Honorary Wildlife Wardens in Sabah. All participants were detailed on the responsibilities and powers of Honorary Wildlife Wardens as set out in the Sabah Wildlife Conservation Enactment 1997. As of January 2018, a total of 32 new Wildlife Wardens, including eight women, have been appointed and 12 of the existing Wardens have been reappointed.

THE CHALLENGES OF PROTECTING FOREST AREAS FROM DEVELOPMENT

As of 2017, more than 6 million hectares of forest is estimated to have been spared from oil palm development in Indonesia[1]. This is largely attributed to the individual NDPE commitments of key companies within the sector, alongside government policies. However, ensuring that these areas are not converted in the future remains a challenge. The pressure for further land use change by other producers and sectors that have not subscribed to global sustainability standards continues to grow. Companies with NDPE commitments currently account for only 74%[2] of the combined refining capacities of Indonesia and Malaysia, which still leaves a leakage market of approximately 19 million tonnes annually. Stakeholders from the private sector, industries, civil society, markets and the public must continue working together to close this gap.

1 *https://chainreactionresearch.com/wp-content/uploads/2017/04/palm-oil-stranded-land-size-equals-ten-million-football-fields-crr-170407.pdf*

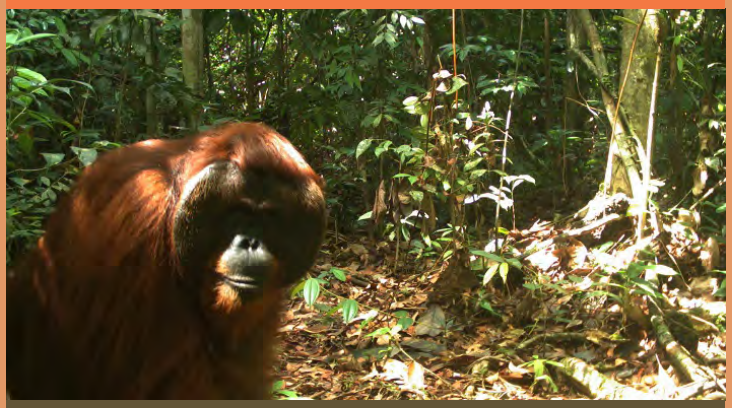
2 *https://chainreactionresearch.files.wordpress.com/2017/11/unsustainable-palm-oil-faces-increasing-market-access-risks-final-2.pdf*

CONSERVATION PARTNERSHIPS

Wilmar supports a wide range of initiatives set up to protect iconic wildlife species, both in our set-aside areas as well as in areas adjoining our plantations.

PARTNERS
PONGO Alliance

Musim Mas, Sime Darby, PT Austindo Nusantara Jaya Agri, United Plantation Bhd, Borneo Futures, Orangutan Information Centre, Orangutan Land Trust, Fauna & Flora International, HUTAN (Kinabatangan Orangutan Conservation Programme), SOS (Sumatran Orangutan Society), International Animal Rescue, Borneo Rhino Alliance, Copenhagen Zoo



INITIATIVE
A multi-stakeholder collaboration focused on supporting the management of orangutans and other wildlife within plantations.

The PONGO Alliance is a new initiative launched in June 2017. Wilmar is a founding member alongside leading palm oil companies, non-government organisations (including the Orangutan Land Trust), and wildlife conservation experts.

The PONGO Alliance's approach is to engage with all stakeholders on the ground, including palm oil companies, local governments and local communities, to implement best management practices for the protection of orangutans and wildlife in oil palm landscapes.

PARTNER
Business in Environmental Stewardship Network (BESNet)

INITIATIVE
A nexus of businesses committed to promoting and supporting natural capital inclusion and security in business development and company production value chains.

BESNet was initially established to champion the active participation and contribution of the private sector in the sustainable management of Atewa Range Forest Reserve and the river basins it feeds. The Atewa Forest Reserve is one of the Guinean Forest's biodiversity hotspots, one of Ghana's high biodiversity significant areas, and is home to a large diversity of plants and animals. The forest also serves as a watershed for three main rivers.

Wilmar's subsidiary Benso Oil Palm Plantation is a member of the Atewa Living Waters' private sector working group, which facilitated the establishment of a conservation plan for the Atewa Forest. Following the project's completion in March 2017, the working group formed BESNet to continue advocating the conservation of the Atewa Forest. Benso Oil Palm Plantation is currently a BESNet member.

BESNet sucessfully collaborated with civil society organisations to engage with the government to crack down on illegal mining activities in the Atewa Range Forest Reserve, resulting in a significant improvement of surface water quality.

PARTNERS

Provincial Government of Central Kalimantan and Borneo Orangutan Survival Foundation (BOSF)

INITIATIVE

A collaboration to safeguard almost 4,000 hectares of High Conservation Value areas in our PT Mentaya Sawit Mas (MSM) estate in Central Kalimantan.

The BOSF partnership was initiated in 2011 to ensure that orangutan populations identified in Wilmar's concession could continue to thrive.

In May 2016, the partnership commissioned an external evaluation to review the progress and outcomes of the conservation programme against its initial objectives set five years previously. Three independent conservation experts conducted the evaluation, all of whom have more than 25 years of experience in conservation and orangutan-related work in the palm oil industry.

Key findings from the external evaluation include: (i) that the tripartite partnership has succeeded in increasing community awareness and understanding on the importance of orangutans and conservation; (ii) that there is a need for greater coordination among all partners in order to resolve outstanding issues with local communities; and (iii) that there is potential for the programme to contribute significantly to the conservation of orangutan populations in Central Kalimantan, as the HCV area in PT MSM remains connected to a larger forest landscape extending beyond the concession's borders.

BOSF completed a community participative mapping exercise for five of the villages adjacent to Wilmar's PT MSM estate. This mapping exercise provided the basis for joint agreements between village communities, the provincial government, BOSF and Wilmar to manage and conserve the 3,979 hectares of HCV orangutan habitat in Wilmar's concessions. Best management practices for orangutan conservation were also developed for the estate and used as a guide for stakeholders.

The tripartite partnership ended in November 2017.

PARTNER

South East Asia Rainforest Research Partnership (SEARRP)

INITIATIVE

A memorandum of understanding (MOU) to advance the knowledge and application of sustainable plantation practices in Malaysia, Indonesia and the wider tropics through a five-year research and training programme.

Both parties commit to support and facilitate research by academics from leading universities, including the UK universities of York, Oxford, Cambridge, Leeds, Nottingham and Aberdeen, and Universiti Malaysia Sabah, with a strong focus on biodiversity conservation and the management of conservation areas within oil palm plantation landscapes.

Wilmar and SEARRP will work together to develop simplified methods for environmental assessment and monitoring. By deepening the partnership between a leading palm oil processor and one of the foremost research programmes in the tropics, Wilmar and SEARRP aim to make a major contribution to science that is critical to underpinning conservation, sustainability and environmental best practices for the palm oil industry.

Since 2011, Wilmar has been working with SEARRP in studying our conservation areas, particularly in our plantations in the Telupid and Lahad Datu districts in Sabah.

SEARRP's findings and recommendations for plantation management were presented to a workshop of producers, consumers, NGOs and academics in June 2015 at the RSPO roundtable conference in Europe.

An MOU has been signed for the research partnership to be extended for another five years, to initiate more projects related to the sustainable management of oil palm plantations and their embedded forest patches and riparian reserves.

PARTNER
Kalaweit Foundation

INITIATIVE
An NGO collaboration on gibbon rehabilitation.

We have extended our partnership with the Kalaweit Foundation, a rehabilitation programme that returns rescued siamangs to the wild, for an additional five years. This ensures that we can monitor and sustain the achievements made so far.

Six pairs of siamangs were released into the HCV area in a Wilmar plantation in Sumatra in March 2015. Unfortunately, the three initial pairs had to be replaced, as they were not able to adapt to their surroundings.

Subsequent replacement pairs were introduced with infants to encourage them to establish their territories and protect their young. One pair have successfully established their territory and have reproduced.

Kalaweit Foundation intends to re-introduce another four pairs of siamangs into a different section of the HCV area. If successful, this would be the first siamang re-introduction programme in the world.

PARTNER
Sabah Forestry Department

INITIATIVE
Riparian Rehabilitation Project with the objective to enrich and enlarge riparian areas on state and company land, and restore habitats for the populations of endangered Proboscis Monkeys and Silvered Langurs.

The collaboration with Sabah Forestry Department has to date achieved:

- The conservation and expansion (from 20 m to 50m) of riparian areas along the Segama River.
- The planting of more than 55,000 trees along a 47km stretch of riparian area to increase the availability and variety of food for proboscis monkeys, and support with natural regeneration of trees.
- The extension of the partnership to include a new 110 ha site, the Sapi-Sapa Payau Riparian Project, where more than 13,000 trees have been planted since 2015.

Promoting Zero Burn Practices in the Oil Palm Industry

Our oil palm concessions are equipped with firefighting infrastructure and equipment and have on-site fire brigades. We operate a dual fire monitoring system to alert us of fires inside and within a 5-km radius of our concessions, and a fire prevention and suppression programme to minimise the incidence and impact of fires and haze. Personnel in our oil palm concessions are trained to be vigilant and to respond proficiently if fires occur. All our suppliers are aware that any deliberate breach of our No Burn policy will result in an immediate termination of business relations.

Wilmar became a founding member of the Fire Free Alliance (FFA) in 2016, a voluntary multi-stakeholder platform which pursues a broad approach to preventing land and forest fires in Indonesia. Under this initiative, we expanded on our strict No Burn policy for our palm operations and our use of mechanical methods in land development.

The FFA is a platform where members share experiences, tools and approaches with regards to addressing the incidence of fires in the areas where they operate. Members include APRIL, Asian Agri, IDH, IOI Group, Musim Mas, PM Haze, Sime Darby and Wilmar. Among the tools that is jointly used by all members is a methodology for the production of a fire risk map of the operational area with the 5-km radius outside of the plantation boundaries.

Central to the FFA is the Fire-Free Village Programme (FFVP), a community-based incentive scheme to help reduce the incidence of fires. Under this programme, we engage with local communities, building capacity and providing fire suppression equipment and training to the villages operating around our concession area.

A member review undertaken in March 2017 showed that the FFA has already expanded fire prevention outreach to 218 villages in various parts of Indonesia. Of these, 77 villages signed up with FFA members for training programmes in 2016. As a founding member of the FFA, Wilmar has actively socialised the FFVP to villages in the vicinity of our estates in Indonesia, reaching 96 villages in South Sumatra and Central Kalimantan since February 2016.

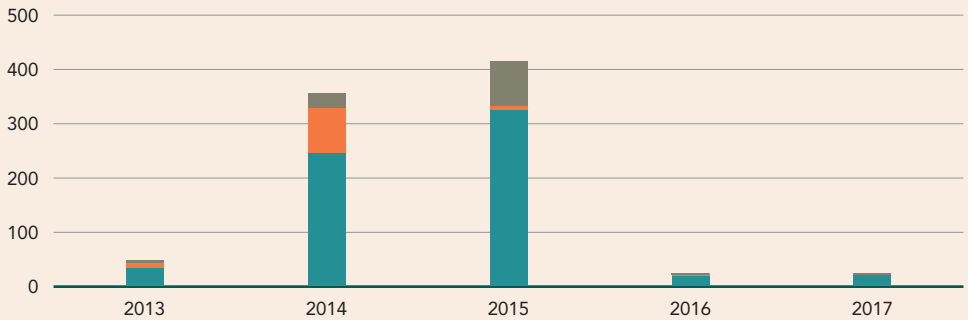
Some 1.39 hectares of planted area and 82.88 hectares of unplanted area were burnt in 2016. In some cases, FFA members have reported reductions in the incidence of fires between 50% and 90% from 2015 to 2016. In 2017, the number of fire incidents and the affected hectarage within our palm operations remained relatively low due to favourable weather conditions. We achieved our 2017 goal to halve the mean average incidence of fires recorded between 2011 and 2015 in Indonesian plantations, and reduce fires in buffer areas 5-km beyond our plantation boundaries.

Number of fire incidences and area affected in Indonesia

Region	2016			2017		
	No. of fires within concession	Affected area (ha)	No. of fires within 5km radius of concession	No. of fires within concession	Affected area (ha)	No. of fires within 5km radius of concession
Central Kalimantan	17	82.88	25	20	307.91	20
West Kalimantan	5	1.37	0	1	2.25	6
Sumatra	1	0.02	0	2	0.91	2
Total	**23**	**84.27**	**25**	**23**	**311.07**	**28**

Note: Affected area covers area within the boundary of Wilmar's concessions. Area affected outside of the concession boundaries amounted to 253.43 hectares in 2017.
The 2017 fire figures have been updated from data presented in Wilmar's Annual Report 2017 after further verification conducted by site operations and are accurate as of 25 May 2018.

Annual Fires Recorded In Wilmar's Concessions



	2013	2014	2015	2016	2017
Sumatra	5	26	82	1	2
West Kalimantan	8	82	9	5	1
Central Kalimantan	33	245	323	17	20

Specific Uses Of Fire in Cane Production

Fire-fighting tractor ready for a burn on a Burdekin cane farm *Photo: Cameron Laird*

While modern palm oil production does not entail the use of fire, there are two different methods of fire use commonly employed in sugarcane production. The first involves the use of fire in preparing land for replanting. The second involves the use of fire during the harvesting phase.

The use of fire in harvesting is common, especially where manual harvesting is practiced, as the burning of leaves is required to enable a clean cut to the cane. Replacing the use of fire in harvesting is primarily done where mechanisation has replaced manual harvesting, and where environmental conditions and local circumstances permit.

Specific uses of fire in Wilmar's sugarcane operations

In Australia, fire use is still practiced in Wilmar's own operations, but only in the Burdekin district in North Queensland, where the terrain and climate require the use of fire in harvest to achieve the best environmental outcome. The method used is a clean and controlled burning, which involves stressing the cane prior to burning by cutting off irrigation for a short period. This reduces the water content in the foliage, and with drier foliage, burns quickly, which in turn reduces smoke.

The Burdekin area has a very dry climate and a flat landscape that requires flood irrigation for production to be possible. Coupled with the climatic conditions, the result is that this area produces extremely high tonnages of sugarcane. With such large harvests, cutting the cane green would result in a blanket of cane trash that would be too thick for water to move along the furrows. The obstruction of water flow could lead to water percolating into the soil, which would cause an increase in the water table and subsequently a number of production and environmental issues. Burning is therefore required to mitigate these impacts.

Prescribed, controlled burning was used in our Myanmar operations in previous years during the post-harvesting phase of production to reduce the risk of accidental fires. In 2017, we have discontinued this practice since the setup of an overhead irrigation system, which has created wetter conditions and removed this risk of accidental fires.

In 2017, a total of 2,919 hectares was burnt in our sugar operations in Australia, as a result of prescribed, controlled burning and one accidental fire which was not planned.

WILMAR'S POSITION ON FIRE USE IN SUGAR OPERATIONS

As part of Wilmar's NDPE Policy refresh and expansion of reporting coverage to include our sugar division, we recognise that we have an opportunity to clarify further under what contexts the use of fire will not be permitted within our directly owned cane production operations, as well as within the operations of our suppliers.

In all operations where burning is necessary, Wilmar employs the clean and controlled burn method in a confined and predetermined area. Wilmar also commits to abiding by all applicable local regulations and having robust SOPs in place to govern prescribed burning.

Reducing Our Greenhouse Gas Emissions

In line with our NDPE Policy, we are committed to progressively reduce greenhouse gas (GHG) emissions by identifying significant pollutants and emissions and preparing and implementing plans to mitigate or minimise them.

We have continued to map emissions for our palm oil operations throughout 2017 using the latest RSPO PalmGHG calculator and the GHG Protocol accounting standard. The data collected will help us to monitor our progress in reducing the carbon footprint of our plantation and industrial operations.

With the expansion of the reporting scope to include Wilmar's sugar business, we will be covering GHG emissions data for our sugar operations in both Australia and Myanmar moving forward. The data will also be collected and calculated in accordance with the GHG Protocol accounting standard.

RSPO PALMGHG CALCULATOR

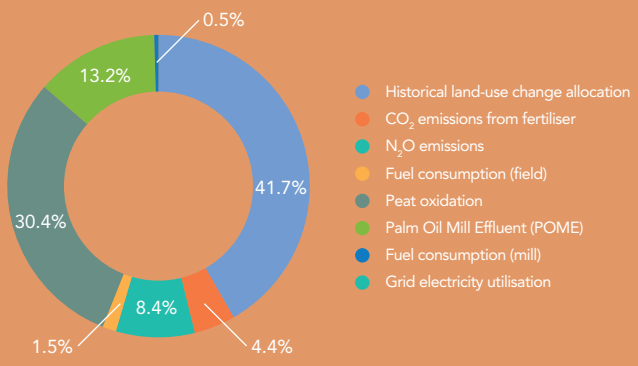
We use the RSPO PalmGHG calculator to measure the GHG emissions of our RSPO-certified palm oil mills on a yearly basis, in accordance with the requirements of the RSPO standards. As there have been substantial changes made across the different versions of the calculator, historical data cannot be used as a definitive indicator of year-on-year reductions and/or increases in carbon dioxide emissions prior to 2016. In 2013, we tested the RSPO PalmGHG version 1 calculator. Version 2.1.1 was used to calculate emissions for 2014 and 2015. For 2016 and 2017, we have used the latest version, PalmGHG 3.0.1. The major changes between versions 2 and 3 are summarised on the RSPO PalmGHG website.

PALM OIL OPERATIONS: EMISSION SOURCES AND SINKS

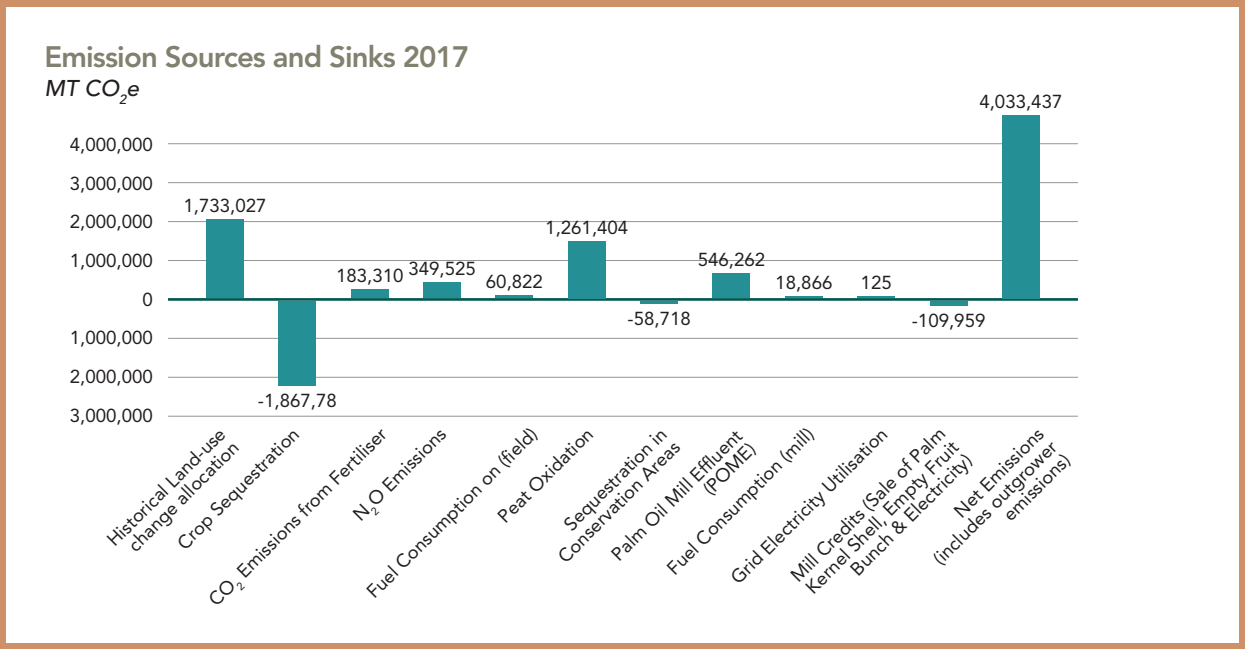
The most significant source of our emissions in 2017 is historical land use change after November 2005 (41.7%), followed by peat oxidation (30.4%) and palm oil mill effluent (13.2%). Although we are unable to undo historical land conversions, we remain committed to expansion only in low carbon landscapes. This commitment will continue to ensure that all future developments have a significantly lower carbon footprint.

In 2017, two additional sites from our Indonesian operations were added to our RSPO PalmGHG emissions calculations, which is why overall PalmGHG net emissions have significantly increased since 2016. Without these two additional sites, our net emissions would have shown an overall increase of 8%, as opposed to an increase of 40%.

GHG emission by source

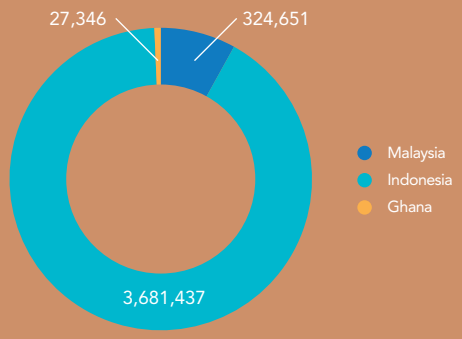


Methane Capture Facility



RSPO PalmGHG Calculator – Carbon Intensity (tCO_2e/MT CPO)		
	2016	2017
Sabah	0.56	0.81
Sarawak	0.86	0.75
Malaysia	**0.63**	**0.79**
Central Kalimantan	1.46	1.17
West Kalimantan	7.50	16.04
Sumatra	4.08	4.66
Indonesia	**3.03**	**3.83**
Ghana	**1.04**	**0.98**
Wilmar overall	**2.23**	**2.88**

Net Emission By Country
(MT CO_2e)



SUGARCANE OPERATIONS IN AUSTRALIA

For our operations in Australia, we calculate GHG emissions as part of our reporting obligations towards the Australian Government Clean Energy Regulator, under the National Greenhouse and Energy Reporting Scheme (NGER). The National Greenhouse and Energy Reporting (Measurement) Determination 2008 provides methods, criteria and measurement standards for calculating GHG emissions and energy data under the National Greenhouse and Energy Reporting Act 2007 (NGER Act). It covers scope 1 and scope 2 emissions, as well as energy production and consumption. Scope 1 GHG emissions are emissions released to the atmosphere as a direct result of an activity, or series of activities at a facility level. Scope 2 GHG emissions are those released to the atmosphere from the indirect consumption of an energy commodity. For our three Bonsucro certified mills in Australia, we also report net GHG emissions data for both mills and farms (e.g. per tonne of sugarcane/sugar) as part of the certification process.

Wilmar is the largest producer of renewable energy from biomass in Australia. Our eight sugar mills are powered by renewable steam and electricity generated onsite by burning bagasse (a by-product of sugar milling), with a total generation capacity of about 199 megawatts. This process is called cogeneration. A significant portion of the electricity produced is exported into the Queensland power grid, thereby reducing the region's overall GHG emissions. Three of our mills - Invicta, Pioneer and Victoria – have upgraded cogeneration facilities to increase their export capacities and further drive the efficient use of biomass. Surplus bagasse produced is stockpiled on specially designed pads to ensure a ready source of renewable energy outside the crushing season.

Scope 1 & 2 GHG emissions breakdown by country and business activities

	Malaysia	Indonesia	Africa	Australia	Myanmar
	Emissions by country				
Scope 1 (tCO_2e)	454,858	3,238,653	25,997	212,970	4,884
Scope 2 (tCO_2e)	203,578	333,809	111	56,435	0

	Oil Palm Plantations	Palm Oil Mills	Palm Refineries & Others	Sugar Farms	Sugar Mills	Sugar Refineries
	Emissions by business activity/division					
Scope 1 (tCO_2e)	319,143	1,256,680	1,813,146	14,694	135,122	398,576
Scope 2 (tCO_2e)	5,980	774	530,151	1,332	23,022	32,675

Note:
In 2016, we started to trial a new Environmental, Health and Safety (EHS) data collation and reporting system (Enablon). Since 2016, this platform is being used to collect our GHG emissions and other relevant environmental performance data.

GHG PROTOCOL AND CDP REPORTING

Wilmar participated in three of CDP programmes in 2017, including annual reporting for the Climate Change module. With the support of more than 800 institutional investors, CDP encourages corporations and cities to measure and disclose their carbon emissions information, which provides opportunities for better management of environmental risk.

For the 2018 CDP report, the scope of reporting will cover all upstream and downstream palm/sugar processing entities where we have a major presence and over 50% shareholding and operational control. This includes operations in Indonesia, Malaysia, Africa, Myanmar and Australia, and covers various processing units in the supply chain. The report will be publicly available and discloses Wilmar's carbon footprint as per the reporting scope, in accordance with the standards defined by the GHG Protocol. The report also presents our assessment of the business risks associated with climate change, as well as information on our emission reduction efforts.

AVOIDING PEAT

Around 8% of our planted area is currently on peat, with the vast majority in our older estates in Sumatra. For our existing plantations on peat, Wilmar is working with expert stakeholders to ensure that best management practices, as defined by the RSPO and peat experts, are adopted and implemented. These practices include maintaining water tables at an appropriate level.

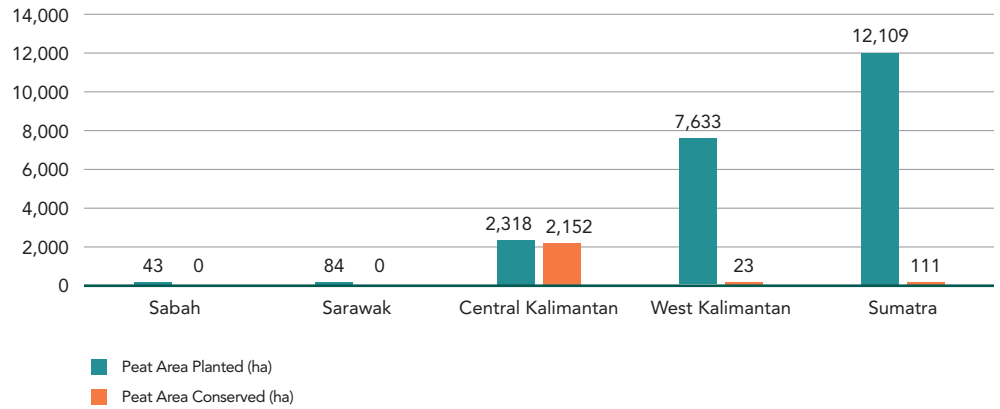
In line with our NDPE Policy, we are sharing best practices with third-party suppliers to ensure that they have access to the latest knowledge and insights on responsible peatland management. Through our collaboration with Tropical Forest Alliance 2020, we are also engaging with other companies in the palm oil and pulp and paper sectors to exchange knowledge on best practices in peatland conservation and restoration. In addition, we are cooperating with the Indonesian Peatland Restoration Agency (BRG) and sharing information with them that helps progress their peatland conservation targets.

The latest details on the implementation of our peat commitments are provided on the Sustainability Dashboard on our website.

Restoring degraded forest areas

Planted and conserved peat 2017

Hectares



Notes:

1 *No peat areas are found in Ghana and Nigeria.*

2 *Our methodology and coverage on soil analysis has resulted in incremental increases in peat areas in our existing plantations. Our reporting based on the new soil analysis started in 2016. To avoid misunderstandings, we have decided not to report peat figures from previous years, as they are not comparable. Previously reported figures can be found in our Sustainability Report 2015.*

METHANE RECOVERY TO MITIGATE GHG EMISSIONS

Wilmar constantly strives to adopt best practices to reduce the carbon footprint of our palm oil mill operations. These best practices include the building of methane capture and power generation facilities to reduce GHG emissions from palm oil mill effluent (POME). Methane from POME is one of our largest sources of avoidable GHG emissions and has therefore been a major strategic focus for our emissions reduction efforts in Indonesia and Malaysia.

As of 2017, we have 22 commissioned and operational methane capture-power generation facilities, with another three in various stages of construction. These facilities capture biogas for either flaring or electricity generation, provide alternative sources of electricity for our operations, and help to reduce our overall fossil fuel consumption. An operational methane capture facility can potentially reduce a palm oil mill's GHG emissions by 90%.

Based on data collected from 21[3] of the operational sites in Malaysia and Indonesia, in 2017, we have achieved a POME GHG emissions reduction of 515,027 $tCO_2e^{\#}$. Through this initiative, we estimated that we can achieve an annual emissions reduction (from methane gas capture only, excluding the emissions avoided by not using fossil fuels for electricity generation) of about 500,000 tonnes of carbon dioxide equivalent (tCO_2e) when all 25 sites are in full operation. However, based on current progress, we should be able to comfortably exceed this estimate.

3 *Emissions reduction calculation covers 21 out of the 22 operational facilities due to one site only being commissioned near the end of 2017. Data for this site was therefore not readily available and will be included in our Sustainability Report 2018.*

\# *EY has performed limited audit procedures on this figure.*

Safeguarding Water Quality

Clean, accessible water is critical for the well-being of communities, wildlife and aquatic ecosystems. This is reflected under two of the Sustainable Development Goals, SDG 14 on Life Under Water, and SDG 6 on Clean Water and Sanitation. In line with these goals, we continuously monitor the impact that our palm oil and sugar operations have on waterways. This enables us to safeguard water availability and quality, and to drive efforts to mitigate any potential negative impacts. We also seek to minimise the use of potable water in all our operations.

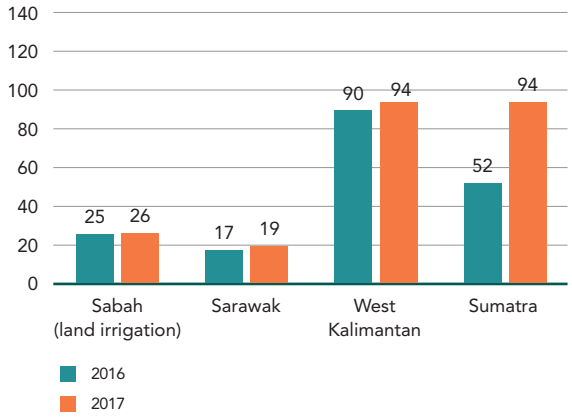
PALM OIL OPERATIONS

Wastewater from FFB processing at our mills (POME) is either applied to land as a fertiliser (land application) or released into local rivers (river discharge). When applied to land as fertiliser, POME provides moisture, nutrients and organic matter to the soil and reduces the need for commercial fertilisers. When wastewater is released into local waterways, it is treated before discharge. In both cases we comply with local environmental limits in order to minimise the risk of disturbance to the aquatic environment and the pollution of ground water. All of our operations were in compliance with all relevant local thresholds in 2017.

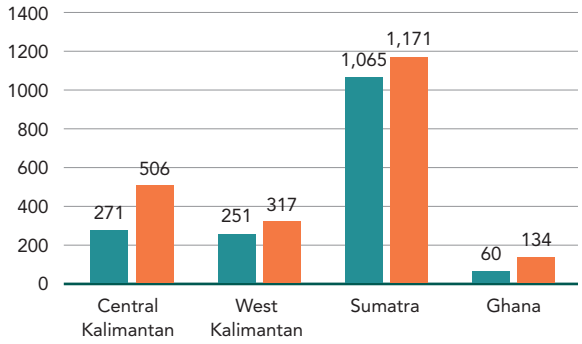
BOD levels by region and discharge destination*

Palm oil - mills (mg/L)

RIVER DISCHARGE



LAND APPLICATION



Notes:

1 *In Nigeria, there was sufficient pond capacity to contain all effluent without land discharge.*

2 *As reported in Wilmar's Annual Report 2016, the 2016 BOD data has been restated following EY's limited assurance procedure.*

3 *The 2017 BOD data for Sumatra have been updated from data presented in Wilmar's Annual Report 2017 after the December data for four mills were subsequently made available and are accurate as of 25 May 2018 (excludes data from one mill for the month of December 2017).*

* *BOD level legal limits of the respective regions for river discharge:*

- *Sabah: 20/50/100 mg/l, depending on the year the mill is built*
- *Sarawak: 50 mg/l*
- *Indonesia: 100 mg/l*

BOD level legal limits of the respective regions for land application:

- *Indonesia: 5,000 mg/l*
- *Ghana: Not applicable*

SUGARCANE OPERATIONS

One of the targets under SDG 14, Life Under Water, aims to prevent and significantly reduce marine pollution of all kinds, and in particular from land-based activities, by 2025. In Australia, sugarcane is the major agricultural crop grown within the vicinity of the Great Barrier Reef's catchments. Approximately 4,400 farms are spread out over 380,000 hectares.

Declining water quality and climate change have had a devastating impact on the health of the Great Barrier Reef, which has lost half of its coral cover since 1985. If this trend continues, what coral is left could be halved again by 2022. Fertilisers have been identified as one of the sources of nutrients entering the Reef, with nitrogen being a key concern. Nitrogen in fertilisers not taken up by sugar crops pose a risk of entering waterways through run off. An increase of nitrogen in water run off contributes to the risk of algal blooms and in turn, to the population growth of species

that multiply to plague proportions and become harmful for the reef. Fine sediments and the pesticides used on coastal floodplains could also negatively impact water quality.

For our raw sugar mills in Australia, surplus water or 'effluent' may be processed through detention ponds, activated sludge plants or treated in constructed wetlands. The treated water is then either recycled back to the mill, directed to a joint local government and mill facility for further treatment, used for irrigation (either for sugarcane or for pastures), or discharged to local water courses. In some cases, effluent is discharged from the mill to be used directly for irrigation for agricultural land.

For mill effluent discharged to local waterways, Wilmar complies with local regulatory[4] water quality and discharge limit requirements. In cases where water surplus is used for irrigation, and there are no regulatory discharge requirements, we follow good practice guidelines for monitoring water quality to ensure it is suitable for irrigation and that there is no long-term detriment to the soil.

Water runoff initiatives

Water quality in the Barratta Creek catchment has come under scrutiny with the increased government focus on the quality of water entering the Great Barrier Reef lagoon. Through Wilmar Sugar Australia, Wilmar is a founding member of the Barratta Creek Action Group (BCAG), a partnership between sugarcane farmers, the government and providers of research, development and agricultural extension. Since 2016, the BCAG has been monitoring the water quality of four Barratta Creek sub-catchments located in the Burdekin region of Queensland. These sub-catchments collect farm runoff from close to 4,000 hectares of land predominantly cultivated for sugarcane.

The BCAG captures baseline data about nutrient and pesticide loads in runoff water from sugarcane farms and uses this data to influence on-farm activities to improve the quality of water flowing to the Great Barrier Reef. More specifically, the BCAG has worked to identify where in the catchment nutrient, herbicide and pesticide loads are originating, as well as which products are contributing the highest loads. This has led to increased awareness of the potential loss pathways of fertilisers and pesticides that producers are applying to their farms.

In 2017, the BCAG provided advice to a number of sugarcane farmers in Burdekin region and has seen an improvement in the quality of water leaving these farms. A large number of participant farmers expressed interest in trialling different methods and products on their properties, supported by water quality monitoring to establish which practices and products might be the most effective in reducing losses on their farm. In response to this, funding is being sought for a follow-up project to enable farmers to undertake agronomist-endorsed, on-farm trials and comparisons, supported by on-farm water quality monitoring undertaken by independent third parties. This second stage of the project is considered critical, as it will enable farmers to establish the connection between their farming practices and the amount of water lost to the receiving environment.

Outside of the BCAG, Wilmar is also trialling a number of approaches and methods as part of our Cane Supply Improvement Programme. These include a nitrogen fertiliser rate trial in Burdekin, which looks at optimising nitrogen fertiliser application while maximising sugarcane crop growth. We have also been looking into whether using low rates of mill mud and ash could still have a positive impact on productivity, while improving runoff water quality compared to the broadcast application at higher rates. Mill mud and ash are widely recognised as soil ameliorants that improve soil water holding capacity and act as a valuable source of nutrients. The broadcast application of these products at high rates has been seen as a concern in terms of impact on runoff water quality.

WATER USAGE

Our mills account for the majority of our water use in our palm oil operations, drawing supplies from local waterways and wells in order to process FFB. In addition to mill water, we also draw some water for nursery irrigation and household use. In 2017, the amount of water used by our mills have remained in line with normal industry levels, with decreases in water use per tonne of FFB processed for mills in Sumatra, West Kalimantan, Sarawak and Nigeria.

For our sugar mills in Australia, water is either sourced from nearby surface water bodies or artesian bores. For almost all cases, government approval is required to access and use water from these sources.

4 *Mill effluent discharged to local waterways are subject to regulation by the Queensland State Government.*

Lower Barratta Creek

The Bonsucro standard requires that sugarcane plantations and mills monitor net water consumed per unit mass of product, which is defined as water used less water returned from mill to the environment. For plantations with fully irrigated cane, there is an additional requirement towards ensuring irrigated water is used efficiently, which relies on a direct measure of all waters applied to the fields (including extracted waters, recycled waters, diluted vinasse, diluted effluents).

Sugarcane being a water intensive crop, water consumption in the production of sugarcane is considered to be a focus area within the industry. Although not all of Wilmar's sugar operations have undergone the Bonsucro certification process, we have calculated net water consumed per unit mass product for our mills and plantations (where this data is available), as well as efficient water use for our plantations with fully irrigated cane according to Bonsucro's definition. Based on these measurements, in 2017, all of our mills and plantations in Australia were within the limits set out in the Bonsucro standard.

	Efficient use of water (kg/ha)/mm	Net water consumed per unit mass product (kg of water/kg of mass product)
Australia - plantations	95.90	97.89
Australia - mills	Not Applicable	0.636

Notes:

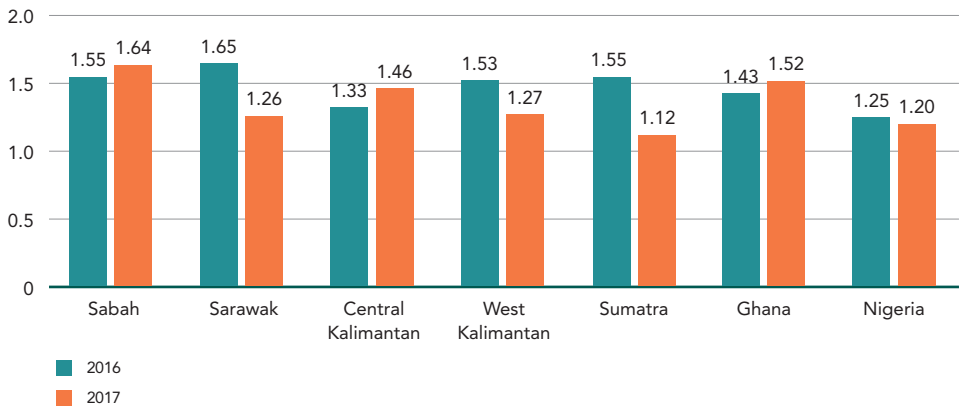
1 *For net water consumed per unit mass product, Bonsucro's limits are:*
Farms: < 130 kg of water/kg of mass product
Mill: <20 kg of water/kg mass product (sugar only)

2 *For efficient use of water, Bonsucro has set the limit at >90 (kg/ha)/mm.*

3 *Efficient use of water is only applicable to fully irrigated sugarcane, and therefore data is only representative of one farm in the Burdekin district, where flood irrigation is used.*

Water Use per Tonne of FFB Processed - palm oil mills

(m^3/MT FFB)



Notes:

1 *Sumatra 2016 data is missing data from one mill.*

2 *Sarawak 2016 data excludes data from one mill due to incomplete data collection resulting from a broken flow meter.*

Reducing Our Use of Chemicals

The use of chemicals to enhance production and manage pests and diseases is a key aspect of good agricultural practice. On the other hand, ineffective and improper application and handling of chemicals can pose significant risks to workers and the environment. At Wilmar, we work towards optimising the use of pesticides and ensure that the appropriate measures are in place to minimise potential hazards for workers, communities and ecosystems.

CHEMICALS POLICY AND BEST PRACTICES

We monitor toxicity at all of our palm operations. We also undertake strict, detailed risk assessments on a regular basis for any substances that put our workers and the environment in which we operate at risk, and the use of a number of chemicals of concern is restricted. With the exception of specific urgent situations, we do not permit the use of class 1A or 1B pesticides as categorised by the World Health Organization (WHO), or those listed under the Stockholm or Rotterdam Conventions[5].

To minimise our reliance on chemicals, we have adopted an integrated pest management system that applies a combination of natural and mechanical pest reduction strategies, including the introduction of natural predators. We also use precision application. Our R&D laboratory in Indonesia has identified beneficial microbes that are being used to develop environmentally friendly approaches to controlling or preventing oil palm diseases. These may also reduce our reliance on synthetic fertilisers and improve plant growth.

The use of paraquat has been banned in Wilmar's own oil palm operations since 2011; this has been expanded to include our joint-ventures and third-party suppliers since the launch of our NDPE Policy in 2013.

Paraquat is widely used in the sugarcane industry due to the absence of viable alternatives. We currently use paraquat at our sugarcane plantations in Myanmar and Australia. The use of paraquat is necessary in cane planting because it kills weeds while allowing for the regeneration of ratoons (cane roots), which can regenerate for three cycles after harvesting. Suitable alternatives have not yet been identified for sugarcane. For example, the use of glyphosate, a common replacement in oil palm production, is not appropriate for cane as it kills ratoons. To replace paraquat, a residual would need to be used. In our operations in the Burdekin, North Queensland, this type of replacement is seen as more environmentally damaging than paraquat due to run off into the Great Barrier Reef while these chemicals remain active.

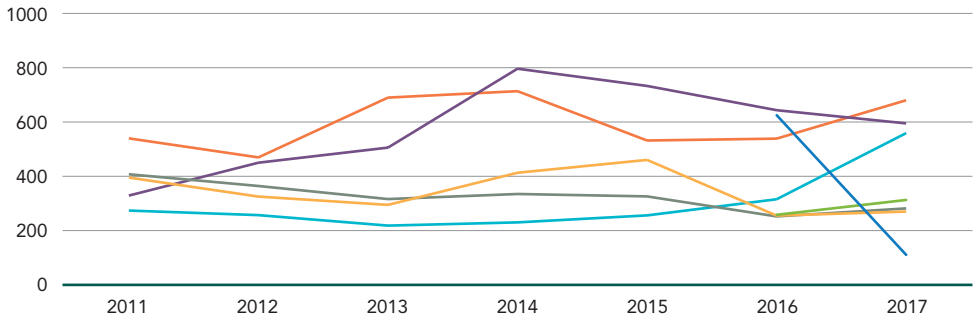
We have banned the application of paraquat via knapsack spraying and have taken measures to limit all potential exposure. Where paraquat is used in our sugar operations, it is applied strictly in a mechanised manner using booms by highly trained operators. The booms are equipped with legs to ensure precise application and reduce the likelihood of spray drift, and air filters for the operator's cabin to minimise risk of contact with the chemical. Boom sprayer workers are also required to have appropriate personal protective equipment (PPE) and undergo regular and frequent medical evaluations to ensure chemical exposure is avoided or minimised. Further, the application of all hazardous chemicals follows robust risk management, health & safety, and environmental protection SOPs.

With the refresh of our NDPE Policy later this year, we will be incorporating specific commitments for sugarcane operations. These will outline the strict conditions and cases under which paraquat use may be permitted. We will also work with our suppliers to ensure that the health and safety risks associated with paraquat are managed beyond Wilmar's own operations.

Mechanised spraying of paraquat using booms

5 *Wilmar uses some pesticides in the form of pre-formulated mixtures. In these instances, the final classification that we adopt is based on the classification set by the manufacturer for the actual formulation. This is explained on page 7 in the document "The WHO Recommended Classification of Pesticides by Hazard and Guidelines for Classification 2009" available here http://www.who.int/foodsafety/publications/classification-pesticides/en/*

Toxicity Per Hectare by Region



	2011	2012	2013	2014	2015	2016	2017
Sabah	330	452	508	801	737	647	598
Sarawak	542	471	694	718	534	541	684
Central Kalimantan	411	367	318	337	328	253	283
West Kalimantan	398	327	296	416	464	256	271
Sumatra	275	258	519	231	257	317	563
Ghana	-	-	-	-	-	259	316
Nigeria	-	-	-	-	-	629	111

Notes:

1 *With the exceptions of Ghana and Nigeria, historical data for 2012-2015 were incorrectly stated in Wilmar's 2016 Sustainability Report for all other locations. The data for 2012-2015 have therefore been restated in this report.*

2 *The significant decrease in toxicity units per hectare for Nigeria between 2016 and 2017 is due to the estate not having access to all herbicides used in 2016. Only one herbicide was applied in 2017.*

Guiding workers on the correct usage of PPE

PROTECTING WORKERS

Across all of Wilmar's operations, workers who handle chemicals are required to undergo extensive and ongoing training. It is mandatory that they wear PPE on site – including protective eyewear, facial masks, gloves and boots – and showering is compulsory after each shift. These workers are subject to regular check-ups to detect any presence of residual chemicals. All chemicals are stored in locked facilities to which only authorised personnel have access. Containers used for storing chemicals are collected, stored and disposed of in accordance with the legal requirements for hazardous waste.

MONITORING PESTICIDE USAGE AND TOXICITY

Palm oil operations

We monitor pesticide usage, placing specific focus on tracking the use of herbicides as these are applied as part of good agricultural practice. Fungicides, rodenticides and insecticides are used only to contain outbreaks and attacks, and year-on-year comparisons would not be meaningful. The amount of herbicide used is largely determined by planting cycle, as new plantings and young crops require greater amounts than mature crops. Herbicide usage is also determined by local climatic conditions, such as heavy rainfall, as well as pest profiles and agricultural and soil conditions.

We also monitor toxicity, which enables us to more accurately assess our performance against peers over time, as well as ensure that changes to the type or volume of herbicides used do not adversely affect our environmental footprint. Although only a few oil palm plantation companies disclose toxicity levels – making comparison difficult – we believe that our current range of 100–700 toxicity units per hectare for our palm oil operations is largely in line with industry best practice.

Sugar operations

For our sugar operations, we monitor active ingredient per hectare as this measurement is a core requirement of the Bonsucro Production Standard, as it functions as a measure of potential toxic effects on aquatic life. Our measurement includes quantities of active ingredients of all agro-chemicals applied including pesticides, herbicides, insecticides, fungicides, nematicides, and ripeners. Annual monitoring of active ingredient per hectare will allow us to benchmark our performance year on year and compare our agro-chemical use with our peers. In 2017, our chemical usage for both Myanmar and Australia plantations were within the limits indicated by Bonsucro (< 5 kg per hectare per year). In terms of toxicity levels, our sugarcane farms range from 1,900-3,400 toxicity units per hectare and information on the types of herbicides currently used in Wilmar plantations can be found on page 89.

Country	Total active ingredient per hectare in 2017 (kg/ha)
Australia	4.98
Myanmar	2.65

SOCIAL - RESPECTING AND EMPOWERING PEOPLE

Forging friendships through partnerships

NO EXPLOITATION OF PEOPLE AND LOCAL COMMUNITIES

Wilmar is committed to respecting and protecting the human rights of workers who are part of our business, and we have policies in place that make our position clear. We are guided by international standards as set out in the UN Global Compact, the Guiding Principles on Business and Human Rights, International Labour Organization (ILO) conventions, the Universal Declaration of Human Rights and its covenants, and the UK Modern Slavery Act. In accordance with Section 54 of the UK Modern Slavery Act, we have developed a transparency statement for the 2017 financial year. This highlights our risk-based approach to due diligence in our supply chain and our proactive and collaborative strategy towards monitoring and identifying issues that could be linked to our suppliers at plantation, mill or Group level.

Wilmar is a member of the RSPO Human Rights Working Group (HRWG), which was established in 2014 and is now a part of the RSPO structure. The work of the HRWG is directly linked to the globally accepted UN Guidelines on Business and Human rights (the "Ruggie Framework"). Wilmar is actively participating in the HRWG Labour Taskforce, addressing the rights of plantation workers and vulnerable groups such as migrant workers and casual workers, as well as issues including the promotion of living wages, health and safety conditions at plantations and freedom of association.

Since August 2017, through the Labour Taskforce, we have also strongly supported the RSPO's development of a definition and methodology for a sector-specific living wage standard, for public consultation and consideration by the RSPO/P&C Taskforce.

SDG 8 - DECENT WORK AND ECONOMIC GROWTH

SDG 8, which relates to decent work and economic growth, is underpinned by the rationale that sustainable economic growth will require societies to create conditions that allow people to have quality jobs that stimulate the economy while not harming the environment. With over 51,000 people employed in our palm oil operations, and with nearly 4,700 employees in our sugar operations, we understand that we have a great opportunity to provide good livelihoods and development opportunities to all our workers and their families.

In addition to our NDPE Policy, we have established the following labour and human rights policies: Human Rights, Child Protection, Occupational Health and Safety, Equal Opportunity and Sexual Harassment, Violence & Abuse, and Reproductive Rights. We expect all of our own operations to adhere to all of these policies. For our sugar operations, we have additional policies covering Environment Health & Safety, and Injury Management. All of our policies are set out to ensure that our business is conducted in an ethical manner, that our employees' human rights are respected, that they are treated equally and work in a safe environment, and that they return home to their family and friends as healthy as they were when they arrived at work.

Although we are committed to ensuring that people working in any operation covered under our NDPE Policy are not subject to exploitation, we acknowledge that labour risks exist in global supply chains. In late 2016, civil society groups, including Amnesty International, drew attention to concerns about labour practices at our North Sumatra operations, PT Perkebunan Milano (Milano) and PT Daya Labuhan Indah (DLI). By the end of 2017, a total of two internal and five external assessments had been successively undertaken to investigate the matter.

One of the external reviews was conducted by Business for Social Responsibility (BSR) in December 2016. The assessment methodology involved visual observations, interviews, focus group discussions and documentation reviews. More than 100 Wilmar employees, almost all non-management workers, were interviewed by BSR, and the findings have been made public.

External due diligence audits also took place in these operations via the RSPO and ISCC certification processes in 2016 and 2017. A compilation of all external findings and our action plan has been published on the Grievance List on our Sustainability Dashboard, which can be accessed from our website.

We have strengthened labour practices in our upstream palm oil operations over the past year. In December 2017, we published a 12-Month Progress Report detailing the extensive range of actions we have taken in this area. Though the road to improvement has been challenging, we have made meaningful progress with the support of a variety of stakeholders, especially our employees.

We conducted internal reviews while regular assessments were undertaken by external parties, including the ISCC, RSPO, BSR and Verité Southeast Asia. Improvements were made in three main areas:

1. Wages and employment
    - Reduced the dependency on temporary workers in our plantations by converting temporary contract holders to permanent contract workers.
    - Improved and standardised payslips to provide greater clarity to workers on their pay, incentives, and deductions (e.g. social security payments).
    - Abolished informal volunteer work arrangements and established a policy for formal application for overtime work on official rest days.
2. Caring for the children in our plantations
    - Launched our Child Protection Policy, which supersedes our longstanding No Child Labour Policy, to more holistically address issues of children's rights and welfare.
    - Improved access to quality education for the children of our workers and local communities through our school redevelopment programme.
3. Health and safety
    - Improved the allocation and efficacy of PPE.
    - Better communication of workers' health screening results by doctors at our estate clinics.

To complement the Progress Report, we also held two stakeholder engagement events with our partners, Verité and TFT, to socialise our progress updates with our key customers and bankers and respond to their concerns.

Recognising that individual companies in the private sector cannot resolve entrenched labour challenges alone, we are working with four other palm oil companies to improve the protection of human and labour rights in the agriculture sector, by delivering practical and realistic recommendations to help rural workers and secure their long-term ability to thrive, through the Decent Rural Living Initiative. Launched in March 2018, the Initiative is convened by Forum for the Future and will seek to engage and collaborate with external stakeholders from the public and Civil Society Organization sector for the benefit of rural communities in developing nations, starting in Indonesia, where all parties have operations. The first consultative workshops have taken place in May 2018, with intended clear work streams to be announced before the end of 2018.

Through our collaboration with BSR and our buyers, we have organised two training sessions for our suppliers entitled Human Resources and Labour in Indonesia. The sessions involved government, union and civil society speakers, and covered key issues such as wages, employment contract status and grievance mechanisms. The first workshop took place in Medan in November 2017, where more than 60 representatives from 30 different supplier companies participated. The second was held in January 2018, where more than 50 representatives from 33 different supplier companies took part.

Wilmar met with Amnesty International on 13 June 2017 to further discuss labour progress. We provided updates on our labour programme, including the internal audit process, as well as on our collaborations with BSR and Verité. We are committed to providing regular updates to all our stakeholders, including Amnesty International, on our progress in implementing our labour action plan. To give stakeholders a better understanding of Wilmar's labour-related practices and efforts on the ground, we have also produced a short video documenting the lives of our plantation workers in North Sumatra and West Sumatra. The video includes interviews with workers and their children, union representatives, and an estate doctor.

The full video is available on our Sustainability Dashboard at www.wilmar-international.com/sustainability/wp-content/uploads/2017/06/WilmarSustainabilityVideoLowresFINAL.mp4

Plantation workers' housing complex

Briefing session for oil palm harvesters

Collaboration with Verité

To ensure the development of robust and sustainable solutions to labour issues, both in our own operations and industry-wide, we have initiated a collaboration with the global fair labour non-profit organisation Verité. Launched in 2017, this 12-month collaboration began with a problem analysis phase. The objectives of this phase have been to identify why issues occur despite continuous efforts to improve practices, and to establish lasting solutions to their root causes.

In the first phase, the Verité team conducted ground verification at PT DLI and PT Milano from 19 to 25 August 2017. The scope of the verification included assessments of current labour and occupational health and safety policies, procedures and practices. The assessments were conducted using internationally recognised standards, including:

- RSPO Principles and Criteria
- Palm Oil Innovation Group (POIG) Indicators
- Wilmar's No Exploitation Policy
- Free and Fair Labour Principles
- Occupational Safety & Health standards used by the International Labour Organization (ILO), the Occupational Safety and Health Administration (OSHA), and the World Health Organisation (WHO)

The intent of the review was to examine how all the various policies, procedures and practices align at an overall level, as well as how they are put into practice on the ground. While we will continue to proceed with improving conditions in PT DLI and PT Milano, the next phase in our work with Verité will be to focus on integrating new and current procedures into a working framework to support and implement social standards, identify critical success factors, and build a strategy map to achieve social responsibility goals and objectives. This is a significant challenge, and we will be working to progress these next steps to the fullest extent possible throughout 2018.

STAKEHOLDER COMMENTARY BY VERITÉ

Melizel Asuncion, Research and Stakeholder Engagement Manager, Verité Southeast Asia

In 2017, Verité began working with Wilmar on a 12-month programme that held the following key objectives: (a) To build internal processes and competencies necessary to implement robust management and due diligence systems that are aligned to international and customer requirements, and informed by key stakeholders, and (b) To formulate sustainable solutions to egregious, recurring and/or systemic labour problems in its Indonesian palm oil operations, and ensure sustained company-wide conformance to social standards, and to legal and customer requirements.

We initiated the programme with ground verification in PT Daya Labuhan Indah (DLI) and PT Perkebunan Milano (Milano) on 19-25 August 2017, where we sought to understand the risk sources at both the micro and macro levels, and to identify what is driving the recurrence of issues even when policies and procedures are in place. One of the most critical aspects we identified was related to process gaps in the management system for social compliance—i.e. the lack of reflexivity in terms of intent and implementation and effectiveness of labour policies and procedures. For example, while Wilmar has an articulated grievance mechanism, the process for anonymous reporting is not very clear, there are no key performance indicators for effective grievance mechanism, and the non-reprisal policy is not linked to the process.

The absence of a well-coordinated plan can result in non-conformance to any of the social compliance standards. Moreover, it can lead to difficulty in monitoring and measuring progress, inconsistencies in the effective communication and focused implementation of key activities, and failure to meet documentation requirements of some social compliance (SC) audits. This gap is by no means unique to Wilmar. In our work with other palm oil companies, we found that their environment compliance system is much more advanced than their social compliance system, which is generally characterised by internal systems and structures that are not adequate to support and/or enable social sustainability goals.

In response to our management system findings, we organised a strategic planning workshop in January 2018 with the operations and sustainability teams of PT Milano and PT DLI to integrate new and current procedures into a working framework to support and implement social standards, identify critical success factors, and build a strategy map to achieve social responsibility goals and objectives. We are currently in the process of reviewing the draft 3-year strategy map (2018-2020), which we hope to refine and finalise through a Problem Solving Decision Making (PSDM) workshop that will be specially designed to work through specific labour issues brought up by NGO stakeholders. Strengthening Wilmar's social compliance management system will be Verité's focus in the succeeding months. The management system will be piloted in PT Milano and PT DLI, with the intention to roll it out to their entire Indonesian operations.

Reflecting on Wilmar's Sustainability Report 2017, our recommendation is that moving forward, Wilmar collects feedback from workers to measure the effectiveness of the implemented changes. Currently, the only measure of progress is based on what Wilmar reports, but whether those changes significantly and positively impact the supposed and intended beneficiaries of those improvements is not known.

In general, there is also much to be improved in terms of occupational health and safety, which should be more straightforward than systemic social and labour issues like tenure rights or child labour. As agriculture is a gendered sector, more focus must be given to women workers. While they are fewer than male workers, women workers have specific needs that gender-neutral policies will invariably miss.

Finally, the next challenge for Wilmar relates to evolving a due diligence and monitoring mechanism for their suppliers that will assure the survival of subsistence farmers while ensuring compliance with legal and Wilmar's policies.

ABOUT VERITÉ

Verité, headquartered in Amherst, Massachusetts, is a global, independent, non-profit organisation which provides consulting, training, research, and assessment services with a vision to ensure that people worldwide work under safe, fair, and legal conditions. Since its inception in 1995, Verité has partnered with hundreds of multinational brands, suppliers, and international institutions across multiple industry sectors to improve working conditions and overall social and environmental performance within global supply chains. Verité's programmes have been conducted in more than 70 countries and across multiple sectors, including electronics, apparel, footwear, agriculture, food, hard goods, and toys.

A lawyer by profession, Melizel Asuncion is a Research and Stakeholder Engagement Programs Manager in Verité Southeast Asia and as such, she has been managing research projects and multi-stakeholder initiatives on seafood, electronics, garments and palm oil, among others, including the Verité-Wilmar Programme and the Nestlé-Verité programmes on palm oil and seafood. She is also currently involved in engaging various stakeholders in government, labour, industries and multinational companies on critical and emerging labour issues across Southeast Asia and the Middle East. She is part of the Verité global research team working on trafficking and forced labour in formal manufacturing and agriculture, focusing mainly on Southeast Asia. She is part of the complaints panel of the RSPO.

FAIR WAGES AND BENEFITS

We are committed to paying fair wages to all employees, and to ensuring that our lowest wage paid always meets at least the applicable legal minimum wage. This also applies to workers subject to key performance indicators, such as harvesters who will always earn at least the daily minimum wage as long as a full work day is completed.

Palm oil operations

In 2017, the wages[1] paid to all workers employed in our palm oil operations met at least the applicable minimum wage in the various regions where we operate, across Indonesia, Malaysia, Nigeria and Ghana.

In addition to wages, every permanent worker in our palm oil operations receives free housing for themselves and their immediate family. They also receive other benefits, including access to facilities such as playgrounds and daycare centres for babies, toddlers, and children of pre-school age. We also provide access to education for the children of our employees who are of school going age.

In 2017, we addressed a key issue regarding the lack of clarity and details on workers' payslips within our Indonesian operations. Based on a review, our payslip format has been improved to provide greater clarity and reduce misinterpretation. Our payslips are now worded entirely in Bahasa Indonesia, and provide a clear salary breakdown including pay, incentives and statutory deductions. The slips now also show how many days the employees have worked each month, details on ledgers of individual harvesters' productivity, and different premiums to show that every worker is paid at least the minimum wage. Following a thorough system integration test, and several trial runs at an operational level, the new standardised payslip was implemented across Indonesia in April 2017.

Concerns have been raised in previous years that workers are being given high targets and quotas. Our harvester wage system pays a minimum wage regardless of whether these targets and quotas, also known as Key Performance Indicators (KPIs), are met. The KPIs are now used to calculate premium payments as an incentive for the harvesters, specifically for the collection of quality fruit bunches. The practice of premiums and penalties for quality fruit harvest is common among the industry, and in working through this issue with our partner Verité, we have understood that this could be seen as a form of exploitation. Based on their experience in other industries, we are now working with Verité to develop an improved incentive mechanism that is easier to understand and that mitigate the concerns of labour exploitations. In January 2017, we also collaborated with labour union leaders in PT Milano and PT DLI in our North Sumatra operations, to develop an updated SOP and to conduct a revised calibration process to determine proper KPIs for the 2017 harvesting.

We have also been working over the past year to improve workers' understanding of the Terms and Conditions of their employment, as is stated within the Collective Labour Agreement (CLA). This includes understanding the difference between the KPIs and the basic work code. We will continue to make clear that base wages will not be reduced, regardless of whether harvesters achieve the base KPI within a working day, and that the premiums and penalties related to the achievement of KPIs will not affect their basic wages or family allowance. We will also continue to make clear that harvesters are not required to pick up loose fruits during peak fruit periods, as there are separate teams tasked for that purpose during those periods.

Sugar operations

Both Australia and New Zealand have minimum wage legislation overseen by their respective governments. Industrial legislation in Australia is stipulated by the Fair Work Act 2009, which provides an absolute minimum wage for adult, non-trainee workers. Under the Act, employees covered under instruments such as Awards and Enterprise Agreements may have higher minimum wages defined in their agreements.

The Sugar Industry Award 2010 underpins the minimum wage for both milling and farming workers, predominantly in the sugar sector in Australia. Wilmar also has an Enterprise Agreement that provides over-award pay-rates for Wilmar's mill employees. Farm employees are provided wage information through common law contracts. These contracts are tested against the National Employment Standards (NES) payrates to ensure that Wilmar's contract rates (inclusive of overtime) exceed the NES rates.

We comply with the rules and regulations of labour law in the countries where we operate with regards to working hours, overtime and break times. In addition, our employees in Myanmar are provided with staff housing and meal allowances, and we ensure our cane field farm workers have access to purified drinking water distributed in bottles from the factory. Workers in planting, harvesting, and application of fertilisers and herbicides are sub-contracted through an independent agency, while all other types of labour are paid directly by Wilmar based on a daily rate.

1 *Wages includes basic pay, fixed allowances and variable allowances.*

TEMPORARY WORKERS

Temporary workers are hired to perform seasonal work, and to allow for employment flexibility for our workers.

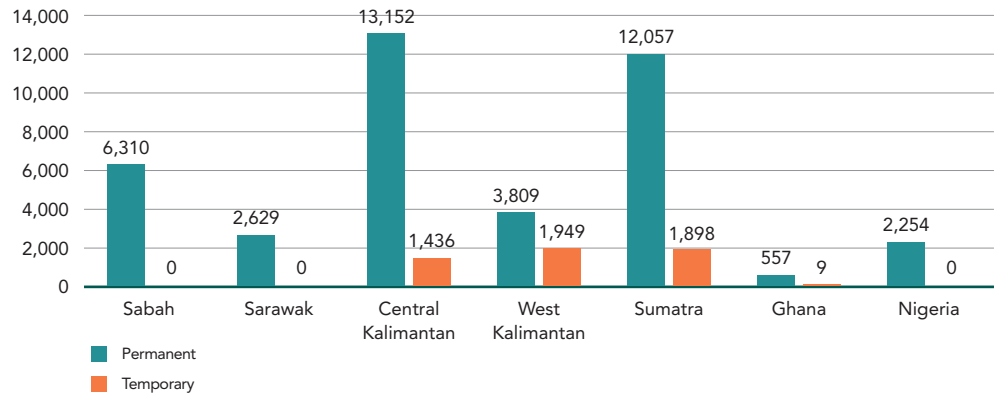
Palm oil operations

In Central Kalimantan, where there is a lack of workers among the resident population (Central Kalimantan is one of the least populous provinces in Indonesia), the number of workers with temporary status is actually lower than in other regions precisely because there are not enough workers to do the plantation work required. Although most of the workers in Central Kalimantan originate from other parts of Indonesia, they tend to reside in company housing in our plantations and stay longer than the required three-month period. Hence, they are categorised as permanent employees. In other regions, many of our employees are locals who live in communities near our plantations. Most of these workers have alternative sources of income, such as their own oil palm, rubber or paddy fields, and prefer to work on a casual basis to supplement their regular source of income.

We have been working in 2017 to reduce the proportion of temporary workers in our plantations in North Sumatra. We have been doing this by converting temporary contract holders to permanent contract holders. As at October 2017, PT DLI and PT Milano (North Sumatra region) has a total of 2,050 workers of which less than 5% are temporary – compared to 47% a year ago. From April to November 2017, we have appointed a total of 826 temporary workers into permanent positions in the estate.

Our efforts in North Sumatra are consistent with Wilmar's overall efforts countrywide, as reflected by the year-on-year increase in the average number of permanent workers in our Indonesian operations from 2015 to 2017. Between 2015 and the end of October 2017, we achieved an 11% reduction in the total number of temporary workers in our Indonesian estates. The total number of temporary workers across all of our oil palm plantations decreased by 24% between 2016 and 2017 (financial years).

Employees By Contract Type 2017
(Palm Oil Operations - mills and plantations)



Sugar Operations

Sugarcane is a seasonal crop, and a large proportion of our workforce is temporary, comprising of seasonal workers. In our Australia operations, many of the seasonal workers are locals, and foreigners are mostly from New Zealand. All of our incoming staff must provide evidence that they are residents and permitted to work in Australia. In recent years, cases of exploitation of foreign seasonal workers have been reported publicly in Australia, which has raised concerns in the Australian media and among the public, government and civil society stakeholders. To our knowledge, this does not relate to the sugar industry.

Non-discrimination

Wilmar has non-discrimination and equality policies in place that are published on our Sustainability Dashboard. We are committed to providing equal employment opportunities, regardless of gender.

Given the vast cultural differences between the countries and regions in which we operate, gender distribution varies greatly. In Malaysia, where a high proportion of women are part of the formal labour force, the share of female employees is largely proportionate to the working population. In other regions where women are often outside the formal labour market, the share is much lower. In other countries, such as Australia, agriculture tends to be a male-dominated industry and our operations reflect this trend. Wilmar does not discriminate between male or female workers for any role.

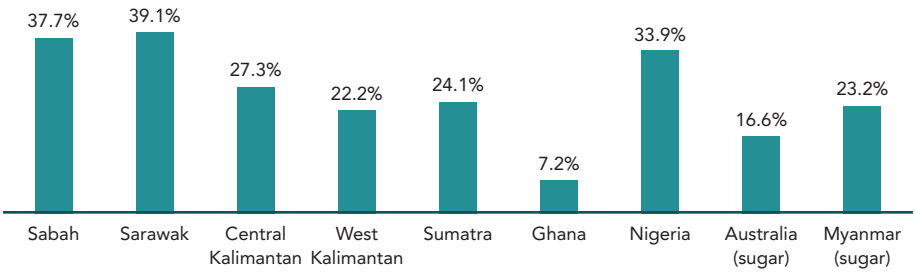
While we seek to ensure that pay and conditions are equal for men and women, we recognise that many women in our oil palm plantations are on temporary work contracts, rather than permanent employee contracts. This is often based on requests from the women, as many of the temporary female workers are spouses of permanent workers. In these cases, when provided the option for permanent employment, their preference is for employment on a casual basis as the flexible working hours also enables them to manage domestic and childcare responsibilities. Workers on permanent work contracts are generally not permitted flexible working hours. We continue to have dialogues with our workers to improve their contract terms, work conditions and work-life balance.

Employees By Contract Type 2017

(Sugar Operations - mills and plantations)

Note:
Data for temporary workers in Myanmar is only applicable for sugar mills.

Percent of women in our operations



Note:
Data for Myanmar (sugar operations) and Ghana exclude number of women in temporary workforce as gender data is not available for temporary workers.

Student marching band at a newly redeveloped school in Indonesia

PROTECTING AND SUPPORTING CHILDREN'S WELFARE

To date, the oil palm industry has largely focused on the issue of child labour and its eradication within plantations. Increasingly, however, there is a call for the industry to expand this scope to the rights and well-being of the children living in oil palm estates. While we remain committed to keeping children out of plantation operations, we are also taking action to address the wider issue of safeguarding children and their rights, using guidance from organisations such as ILO and UNICEF.

Since 2010 Wilmar has had in place a clear No Child Labour Policy, which forbids the employment of anyone below the age of 18. As part of our commitment to more fully address the issues of children's rights and welfare, we launched our new Child Protection Policy in November 2017. The Policy underlines a wider commitment to ensure that all children in our plantations, schools and facilities, as well as those under the care of our third-party suppliers and contractors, are provided with safeguards and protection from abuse and exploitation. The Policy also now contains specific remediation actions for any instances where child labour is found. The new policy is applicable across our global operations, including joint ventures, third-party suppliers, and contractors. This is the first Policy of its kind to be applied explicitly to external parties.

UNICEF was one of the key stakeholders consulted in the development of this Policy. Our next steps will include building on UNICEF's Child Safeguarding Toolkit, which will be incorporated in Wilmar's internal SOPs. We will also be rolling out training on the Child Protection Policy for all relevant staff and workers, and we will explore possibilities to do the same for our suppliers and contractors. We will be working closely with Verité on the development and implementation of the SOPs.

In specific regard to the allegations made about children working on Wilmar's North Sumatran estates, we have found no evidence that this had been taking place. Independent interviews with teachers from nearby schools, and comparisons between Wilmar's census data and school attendance records, found that 327 children were attending school daily, and that the few who were not accounted for were not likely to be missing school to work with their parents. Interviews with union representatives undertaken by independent assessors also indicated that children were not present on the plantation to help their parents, and that the rule that children cannot accompany parents is well understood by workers.

School library in a newly redeveloped school in Indonesia

However, we did find that a handful of our workers were coming into the estate and bringing their children with them, in some cases asking their children to do errands for them around the workplace (e.g. fetching lunch boxes). After speaking with these workers, we have found that the primary reason for their children's presence was a lack of access to schooling. Some of the children had developmental challenges and were not accepted in schools, while some were considered "problematic" and had been expelled. In other cases, there were children who were simply not interested in attending school, and rather than risk them getting into trouble elsewhere, employees brought them into work.

We remain committed to finding solutions together with these parents, and we continue to monitor their children. Solutions we have put in place include sending the children to non-formal education programmes (Depdiknas), vocational training or to special needs schools. While we have been successful in getting some of the children back to school, we continue to work with the remaining 15 children as of December 2017, and their parents, on pathways to reintegration.

Percentage of children who live in Wilmar plantations that attend school

In total, there are 10,888 children of compulsory school-going age living in Wilmar's palm plantations in Indonesia, Malaysia, Nigeria and Ghana. In our efforts to provide access to quality education to these children, Wilmar has embarked on a school redevelopment programme in our estates. 44.9% of children attend Wilmar operated schools#, and approximately 46.8% of children attend government schools in the vicinity (within or outside) of our estates. For our Myanmar sugar farms, about 93% of children of school going age attend schools operated by the government.

In September 2017, Wilmar together with TFT and the Malaysian Palm Oil Certification Council (MPOCC) held a workshop in Sabah titled "Children in Plantations". The workshop was attended by representatives from 25 supplying companies and was focused on sharing best practices in preventing children working in plantations. Speakers at the workshop included representatives from the Indonesian Consulate, MPOCC, UNICEF, ILO and the Humana Child Aid Society. This workshop was a good platform to raise awareness about the issue among Wilmar suppliers. It also enabled us to better understand the challenges they face in their plantations and provided a forum to discuss potential next steps and strategies.

 # The percentage only refers to the number of children living in Indonesia, Malaysia and Ghana, because there are no Wilmar operated schools in Nigeria. EY has performed limited assurance procedures on this figure.

BONDED LABOUR

In line with our commitments and the requirements of the RSPO and our NDPE Policy, we do not permit any forced, trafficked or bonded labour, either in our own operations or in our supply chain.

Forced labour often affects migrant workers or other vulnerable groups who lack means, language skills, and access to information. In the oil palm sector, the highest risk of force or coercion occurs when workers are recruited through employment agencies.

For our plantation and mill operations in Malaysia and Indonesia, we ensure that we recruit all workers directly and therefore our workers do not pay fees to recruitment agencies. We only use agents to assist with the processing of recruitment documents, such as work permits and passports, and to help arrange transport for workers to the plantations. In these cases, we take full responsibility for payment and no cost is charged to the workers. In some cases, team leaders (mandores) are requested to assist in the recruitment of local workers and they are paid an incentive to do so. In countries like Ghana and Nigeria, agents are used in the recruitment process, however we do not permit the agent to request the lodging of monetary deposits or other collateral as a condition of employment.

We also seek to ensure that employees are never subject to the unlawful withholding of wages, identification cards, passports or other travel documents, or other personal belongings, without their consent. Recognising that passport retention is a particularly important issue in Malaysia, we have taken steps to ensure that all employees have access to a secure place to store their personal belongings through the installation of lockers for our workers. Workers retain their locker keys and they can access their passport without restriction. When workers remove their passports from their locker, they are requested to enter a record into a log book.

This initiative is being rolled out to all our plantations in Malaysia. Some 750 lockers were installed in 2016 during the initial trial period, and 10,000 lockers were successfully installed in 2017. With this installation, Wilmar became one of the first oil palm plantation companies in Malaysia to return passports to all of our migrant workers. An official passport handover event was organised in March 2018, and attended by the Chief of the Indonesian Consul-General's Office in Tawau, Bapak Sulistijo Djati Ismojo.

In sugarcane production, a number of countries have been identified by the United States Department of Labor, Verité and KnowTheChain as having a high-risk of forced labour. These countries include Bolivia, Brazil, the Dominican Republic, Myanmar, and Pakistan. In our sugarcane operations in Myanmar, we contact the labour head (agent) to subcontract workers for daily operations. Labour conditions for our workers in Myanmar will be reviewed in more detail in 2018.

Our mills in Australia only buy sugarcane from farms within the country. These farms operate in a heavily unionised and legislated environment, where there is strong trade union involvement that ensures all labour is voluntary, and that all employees are able to terminate their employment of their own free will at any time. We also subscribe to sources that advise on labour-related legislation changes, and conduct regular reviews of our environmental and social standards, including labour practices.

Furthermore, we are also pursuing Bonsucro certification for our Australian mills and farms. One of the core criteria of Bonsucro standards is compliance with ILO labour conventions governing child labour, forced labour, discrimination and freedom of association and the right to collective bargaining. For our Bonsucro certified Australian operations, we have not identified any major forced labour issues in either our own mills and farms or those of third parties.

Bapak Karim, Head of the Wilmar Indonesian Workers Representative Committee in Sabahmas estate, showing the passport lockers provided for foreign workers in Wilmar's plantations in Malaysia

EMPLOYEE ENGAGEMENT AND COMPLAINTS MECHANISMS

We are committed to ensuring that workers have access to an appropriate complaints mechanism and a process for addressing grievances.

In Indonesia, all employees (including temporary workers) can make complaints verbally or in writing to their supervisor. If the complaint concerns a direct supervisor, the employee may also go to a union representative, or make use of on-site feedback boxes to make an anonymous complaint. If a complaint cannot be settled satisfactorily, the matter may be first escalated to the Human Resources Department and subsequently to senior management (general manager level). If a complaint is not resolved in a manner that is satisfactory to the employee, he or she may seek the assistance of a mediator from the Department of Manpower, or may ultimately resort to legal action. Confidentiality and the anonymity of the complainant may be requested and will be guaranteed.

Our mill and farm operations in Australia and Myanmar also have grievance processes in place for all employees. Employees are made aware of these processes at the point of employment and are given an employee handbook that outlines the details of the grievance mechanism. Employees also receive regular reminders about the grievance processes, including updates on company notice boards and our intranet, as well as in team briefings. Our workers are free to approach their supervisors, members of the HR Department, or their trade union representatives to raise any issues or complaints.

In addition to our general grievance mechanism, complaints mechanism and workers' unions, we have gender committees in place in our oil palm plantations to ensure that women can access support and raise concerns. An assessment conducted with BSR in Indonesia in 2016 found that workers had a low level of awareness about grievance mechanisms, and that it was unclear whether temporary workers were covered by existing mechanisms. We are now reviewing ways to raise awareness among our employees about the complaints options available to them.

FREEDOM OF ASSOCIATION AND UNION RELATIONS

Wilmar supports the rights of employees to form and join trade unions of their choice and to bargain collectively. Where the rights to freedom of association and to collective bargaining are restricted under law, parallel means of independent and free association and bargaining are made available for all personnel.

Unions are our key stakeholders in ensuring that we understand and appropriately address the concerns and grievances of our employees. We recognise that they play a significant role in helping our workers understand their rights, as well as in providing input for improvements to working conditions. Workers can also utilise the union as a grievance channel or for collective bargaining purposes, such as to negotiate with the company on issues related to wages and premium incentives.

Indonesia

In 2017 we have taken a very proactive approach to working with labour unions in Indonesia and have built good working relationships with key union organisations. We have also engaged with our suppliers on the need for labour improvements, and conducted training sessions involving speakers from the government, unions and civil society organisations.

In our North Sumatra operations, we are working closely with Serbundo (a North Sumatra–based union affiliated with the International Union of Food Workers). Together, we have developed a Collective Labour Agreement (CLA) for both PT DLI and PT Milano since 2015. We have recently renewed and finalised the CLA covering years 2018 – 2020. CLAs are developed jointly with workers' union representatives to provide clarity and assurance on the rights and responsibilities of both plantations/mills and workers, as well as on workers' benefit entitlements. These agreements are negotiated between the plantation/mill management and workers, who are represented by the respective labour union, and are valid for workers who are members of the union. Our permanent worker's contract refers to the CLA that has been accepted by the workers' union representatives. This CLA is reviewed every two years.

Workers' training session

Our positive and ongoing engagements with Serbundo resulted in the appointment of five union leaders from our North Sumatran plantations in August 2017. Recognising the progress we have made in the province, Serbundo conducted a field visit to both PT DLI and PT Milano in October 2017 to gain better insight into our practices. During the visit, Serbundo's team spoke to our workers and union representatives to learn more about working conditions at Wilmar. Based on these experiences, we have involved Serbundo in our supplier training workshops, so they can engage directly with our third-party suppliers and help them improve their own labour practices.

Apart from Serbundo, we have also recently started working more closely with KSBSI-HUKATAN, a national union affiliated to the Dutch federation CNV. We have so far conducted three co-training sessions on workers' rights and improving industrial relations in Riau. On 31 October 2017, we adopted the KSBSI-HUKATAN multiple site work agreement template for our mill in West Sumatra, PT Bumi Pratama Khatulistiwa (PT BPK), as the new CLA for the workers there.

Workers at our sugar refinery PT Refined Jawamanis in Indonesia are also fully unionised and we have a CLA in place.

Malaysia, Ghana, Nigeria and Myanmar

In Ghana and Nigeria, the majority of our workers are unionised. Unions also play a significant role in our Myanmar operations, particularly in securing legislated protection and rights for workers. Wilmar has in place a robust framework and process for determining rates of pay, including regular negotiations with trade unions.

Our Malaysian operations are not unionised, but we have ongoing engagements with workers on conditions and pay. For collective bargaining purposes, we have a Social & Welfare Committee in place to discuss related matters, including wages. The Committee meets three times a year and is chaired by the manager of the estate or mill and represented by both management and worker representatives.

Australia and New Zealand

Union rights and collective bargaining rights are well embedded in Australia and New Zealand. A large percentage of our workforce is unionised, and there are collective bargaining agreements in place. Some of our sugar suppliers are Bonsucro certified and we are therefore confident that they also have such practices in place, as it is a core requirement under indicator 2.1.4 (Respect the right of all workers to form and join trade unions and/or to bargain collectively).

Accidents, Severity Rate and Fatalities

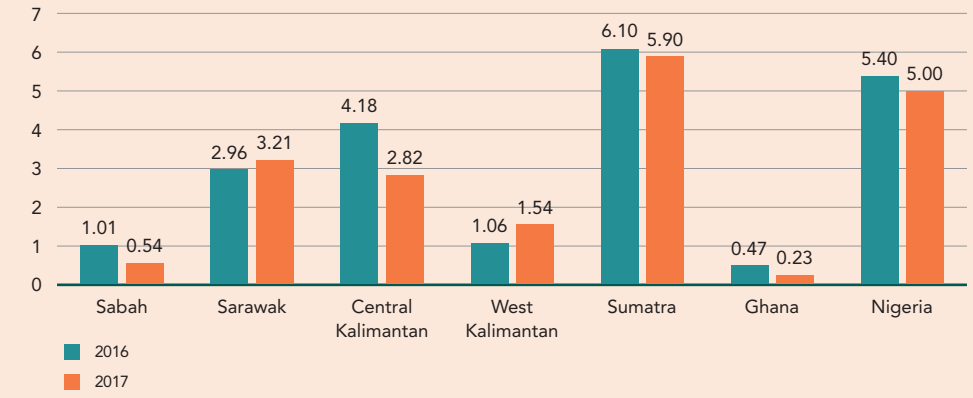
PALM OIL OPERATIONS

Improving health and safety at our plantations and mills has been one of our key workplans throughout 2017. This includes better allocation, efficacy and training on use of Personal Protective Equipment (PPE) and improved communication of workers' health screening results by doctors in our estate clinics.

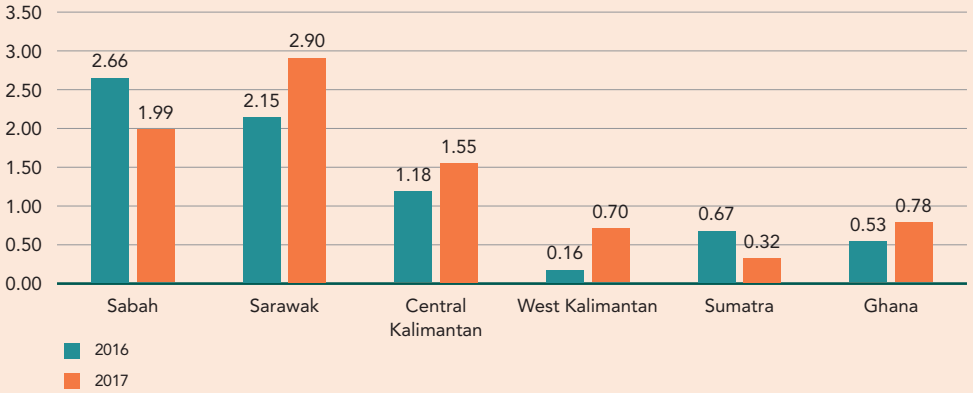
Occupational Safety and Health (OSH) training will continue to be conducted on a regular basis for all workers. This is to ensure that workers fully understand PPE use and our safe work practices. We have also drafted a comprehensive standard operating procedure (SOP) in Malaysia and Indonesia on the issue of working during haze events based on government-issued guidelines in each country. We have included in this specification the identification and provision of PPE that is appropriate for any haze occurrence. We have consulted a range of stakeholders, including medical professionals, in the development of this specific SOP, which was finalised in early 2018.

We are also looking to address certain non-work-related behaviours that put workers at risk. For example, to stop workers using herbicide containers for storing drinking water we are providing drinking containers and potable water in the field. We have also implemented a triple-rinsing process for empty herbicide containers. We maintain our focus on safety and are following through with our efforts to strengthen our safety culture. Key indicators that link employees' remuneration to their health and safety performance are now being set to instil a behaviour-based safety culture, support increased safety awareness and improve safety practices.

Lost Time Injury Frequency Rate (LTIFR) per 200,000 Working Hours
(Oil Palm Plantations)



Lost Time Injury Frequency Rate per 200,000 Working Hours
(Palm Oil Mills)



Note:
Robust systems for accident reporting for our Nigeria mills is still being established. We expect to include accident reporting in our Sustainability Report 2018.

Provision of healthcare

We provide free healthcare from the Wilmar-funded estate clinics to all workers in our oil palm plantations, both permanent and temporary as well as their families. The terms and conditions related to healthcare and health benefits for permanent workers are stipulated in the workers' contract which is negotiated and accepted by the workers' union representatives and the estate. In addition to free on-site healthcare, our permanent workers are covered by medical insurance, which allows them to claim for reimbursement of medical fees on outpatient treatment sought outside of Wilmar's clinics. Permanent workers are also entitled to dental care benefits and subsidies on spectacles, dentures and hearing aids. Regular hearing checks are conducted for our mill employees that work in areas where exposure to elevated noise levels is a risk.

All employees working with chemicals are provided with regular medical check-ups and a biannual blood test to ensure that they are not adversely affected. In certain instances, where medical evaluations demonstrate high blood chemical levels, we reassign chemical workers to non-chemical handling jobs and continue to monitor their health every three months.

We recognise that it is also important for our workers to understand the process through which medical feedback is provided to them. Since 2017, we have instructed our doctors to clearly explain the health screening process and to directly communicate any abnormal results (and their implications) to affected workers. All workers that have undergone a screening now receive feedback on their results from the appointed doctor.

SUGAR OPERATIONS

Where sugarcane is cultivated manually there is a high risk of accidents and injuries, especially during the cane-cutting process. The use of heavy machetes can cause musculoskeletal injuries, and the protection of eyes is crucial as cutting can leave workers vulnerable to cuts and injuries from cane stalks. These specific risks are not present in our Australian sugarcane operations where machines are used to plant, harvest and apply any chemicals.

To ensure that health and safety is properly addressed, we have a specific Sugar Environment, Health and Safety (EHS) Policy in place. This EHS Policy outlines our commitments towards promoting awareness, identifying and communicating hazards and risks, and providing training for our employees. In addition, the EHS Policy commits us to conducting our operations in compliance with all applicable legislation, licences, codes of practice and industry standards, and providing and maintaining safe and healthy working areas and methods of work, while minimising our environmental impact.

For our operations in Australia and New Zealand, we also have a dedicated EHS management system that outlines our EHS framework, and explains the policies, standards and procedures within our sugar operations. The focus of the management system is compliance with legislative requirements and ensuring activities are carried out in a manner that complies with the system's guiding requirements. These include:

- Wilmar's Integrated Management System
- National Workers Compensation Self-Insurance Licence
- Australian and New Zealand Environmental Authorities
- Bonsucro Certification
- Smart Cane Best Management Practice Accreditation

Country	Lost time injury frequency rate per 200,000 working hours	
	Sugarcane plantations	Sugar mills
Australia	2.3	1.09

Note:
Robust systems for accident reporting for our Myanmar mills and plantations is still being established. We expect to include accident reporting in our Sustainability Report 2018.

In Myanmar, our joint venture Great Wall-Wilmar Holdings has a Safety Committee which oversees the company's production safety management and employee safety and health. The Safety Committee is responsible for ensuring that practices are in line with the relevant national safety laws and regulations, as well as with Wilmar's requirements.

Safety briefing for palm oil mill workers

FATALITIES

Every fatality is followed by a thorough review of its cause and actions are defined to prevent recurrence. The reviews are reinforced with continued efforts in training and PPE use to minimise, if not eliminate, risks.

In 2017, it is with regret that we report five work-related employees fatalities in Malaysia and Indonesia. There were two fatalities in our plantation in Sumatra, one in our plantation in Sabah, and two in the mills of Sumatra and Central Kalimantan. Three of these fatalities were as a result of electrocution and two from vehicle related accidents.

In both of the vehicle related cases, the incidents occurred as a result of a lack of training, and in one case, specifically also because the vehicle was being operated by an unlicensed operator. The three incidents related to electrocution occurred as a result of lack of training, awareness and management, malfunctioning equipment, and because procedures were not followed.

All incidents were thoroughly investigated, and a range of steps have been taken with regards to improving training and awareness, ensuring that appropriate risk assessments are conducted, fixing faulty equipment, ensuring appropriate tools and PPE are provided, and ensuring that all personnel are licensed and trained to operate assigned vehicles and equipment.

Number of fatalities across Wilmar's operations

	2013	2014	2015	2016	2017
Australia	-	-	0	0	0
Myanmar	-	-	0	1	0
Nigeria	0	0	0	0	0
Ghana	0	0	0	0	0
Indonesia	0	1	3	0	4
Malaysia	1	1	1	1	1
Total	**1**	**2**	**4**	**2**	**5**

Note:
Fatality data covers all Wilmar employees only.

Smallholders Support

Smallholders are an integral part of the palm oil industry and facilitating their inclusivity in the supply chain is a priority for Wilmar. Smallholder inclusivity is not only important for securing our social license to operate, but also for securing our future fruit supply and maintaining our relations with local communities. The RSPO estimates that sustainable methods and best agricultural practices will boost smallholder productivity by up to 85%, thereby enhancing many incomes and livelihoods. We therefore strongly support certification as a component in incentivising smallholders to implement sustainable practices. However, we also believe that this incentive requires that smallholders understand the direct value of sustainability as an integral part of producing quality FFB.

While our formal programmes with smallholders and external partners have a strong focus on certification, we also engage in ongoing consultations with our oil palm and sugar smallholder suppliers and provide them with technical assistance to support their compliance with our NDPE Policy. These smallholders benefit from better yields with the application of good agronomic inputs and practices, as well as improved market access. To address a vast diversity of cultures, traditions, land tenure models and local development needs, the format and focus of our smallholder work is shaped locally and in partnership and dialogue with communities and local government bodies.

Wilmar sources from both plasma and independent smallholders. We are committed to helping our own scheme smallholders achieve certification under the RSPO Smallholder Principles & Criteria. We have also continued to grow our independent smallholder base. In 2017, we bought a total of 3,620,630 tonnes of FFB from independent smallholders, of which about 97% was from Indonesia, about 2% was from Malaysia and the remainder from Ghana.

Scheme smallholders

as at 31 December 2017

Country	Smallholders planted area (ha)	RSPO-certified smallholder area (ha)
Indonesia (plasma)	32,874*	3,876
Ghana	1,650	1,650
Total	**34,524**	**5,526**

* *Excludes plasma planted area for PT Tritunggal Sentra Buana (TSB).*

Independent smallholder FFB volume purchased

as at 31 December 2017

Country	FFB volume purchased (MT)
Malaysia	79,497
Indonesia	3,511,931
Ghana	29,202
Total	**3,620,630**

Our joint venture Great Wall-Wilmar Sugar Mill in Maung Kong, Yangon, is the biggest sugar mill in Myanmar with a market share of nearly 30%. Since 2016, we have been conducting training programmes for smallholder farmers who account for a significant supply of sugarcane to this mill. By improving technical capacity and knowledge in best management practices, the farmers have benefited from higher yields and incomes. In 2017, we conducted 10 farmers' meetings in various locations for 425 attendees in total to share knowledge of advanced farming systems. The training workshops are also a platform for farmers to share their experiences and seek help in overcoming specific challenges on their farms.

Schemed and contracted smallholders in Myanmar for 2017-18 season

Country	Smallholders planted area (ha)	Sugarcane volume purchased (MT)
Myanmar	28,131	987,050

Note:
Harvesting season in Myanmar takes place during November to April, and therefore, financial year runs from 1 April to 31 March each year (not based on calendar year). As a result, smallholders planted area, and sugarcane volume purchased is taken as at 31 March 2018.

SMALLHOLDER SUPPORT INITIATIVES

Wilmar also works with a variety of partners on smallholder empowerment projects. These projects focus on improving yields through technical support and improved practices, as well as on meeting national requirements and obtaining certification.

Supporting independent smallholders and outgrowers in Asia to achieve certification

In 2017, Wilmar's smallholder development team in Indonesia embarked on a programme to train and facilitate smallholders in obtaining the Indonesia Sustainable Palm Oil certification (ISPO). The programme was piloted in the Riau province in August 2017 with 225 smallholders (covering 450 hectares) from the Sekato Jaya Lestari cooperative. This programme has the potential to scale up to benefit 4,300 smallholders covering a total land area of 8,600 hectares.

We have also established a partnership with the Malaysian Palm Oil Certification Council (MPOCC) to assist all of our Malaysian suppliers in achieving certification against the Malaysian Sustainable Palm Oil (MSPO) standard by the end of 2019. Over 260 supplier mills covering more than 55% of the mills in Malaysia are expected to benefit from through this collaboration. Underpinned by mutual sustainability interests, three areas of collaboration have been identified to generate the biggest impact within the two-year timeframe. They have been conceptualised to engage, share knowledge and lend support to the suppliers in preparing them for MSPO certification.

The three areas include:

Supplier Reporting Tool

The tool enables suppliers to measure their performance against the MSPO requirements and Wilmar's NDPE Policy. Wilmar and MPOCC will in turn be able to identify gaps and deploy resources (e.g. audit assistance) more effectively. The tool was successfully rolled out at the end of March 2018 for suppliers of Wilmar's PGEO refinery in Johor Bahru. It will be extended to all of Wilmar's suppliers in Malaysia by the end of 2018.

Group certification for small and medium suppliers in Sabah

Wilmar has identified several small and medium growers in the Sapi region who are facing challenges in meeting MSPO requirements. These suppliers will be linked to specific mills and will have access to training and assistance for group certification under the MSPO Certification Scheme.

Sustainable best practices training for suppliers in Sarawak

A roadshow is planned in collaboration with MPOCC to build capacity among Sarawak suppliers towards the adoption of sustainable practices, including good agriculture practices, which forms part of MSPO requirements.

Launch of pilot outgrower scheme at Biase Plantations, Nigeria

We have continued supporting independent FFB suppliers in Nigeria. In October 2017, Biase Plantations Ltd (BPL) launched its Pilot Outgrower Scheme for outgrowers in the Biase Local Government Area. The project, which is fully funded by BPL, covers four smallholder groups and is expected to benefit 43 individual smallholders. The programme is designed to empower local farmers by demonstrating best practices for sustainable smallholder oil palm development. BPL is implementing the Pilot Outgrower Scheme in partnership with the Heritage Bank of Nigeria. Heritage Bank received special recognition from the Central Bank of Nigeria in December 2017, as the BPL Pilot Outgrower Programme won second place in the Sustainability Transaction of the Year in Agriculture Award.

Wilmar Smallholders Support in Honduras (WISSH)

Smallholders own more than 40% of the total planted area of oil palm in Honduras – Latin America's third largest palm oil producer and a key player in the supply of palm oil to Europe. In 2016, we initiated Wilmar Smallholders Support in Honduras (WISSH) in partnership with the Industrial Association of Palm Oil Producers in Honduras (AIPAH). WISSH aims to enhance smallholders' technical capacities on best agricultural management practices in order to bring about better environmental outcomes as well as increasing yields and income. By the end of the programme's first year, it had achieved its first training target: 86% of the 4,000 AIPAH smallholders were trained on Wilmar's NDPE Policy. By the close of 2017, 426 training sessions had been conducted for 3,200 independent and associated smallholders. A survey of the associated smallholders showed that 97% were satisfied with the WISSH programme and 99% applied the knowledge they had acquired on their plantations.

The last two WISSH training topics for independent smallholders and assessments for associated smallholders were completed in February 2018. Following this, a series of assessments has commenced to review the implementation of best practices. The assessments are targeting around 170 smallholders to verify implementation and identify instances of non-compliance with Wilmar NDPE Policy. The outcome of the assessments will be an action plan to close any identified gaps.

A short video that showcases the impact of WISSH over last two years can be accessed at https://youtu.be/HGR0_EP1Ym4

Wilmar small growers support in Colombia (WISSCo)

Modelling the success of the WISSH programme, we have partnered with the Sustainable Trade Platform, Solidaridad and NES Naturaleza to launch WISSCo in Colombia. This programme reaches independent smallholders and small growers supplying up to 10 mills on less than 500 hectares of land. Launched in August 2017, the programme will comprise a series of eight training sessions. A total of 235 small growers, owning a total area of 28,715 hectares, are expected to benefit. Like the WISSH programme, WISSCo also aims to enhance smallholders' capacity to implement good environmental and social practices in accordance with Wilmar's NDPE Policy.

SMALLHOLDER INTERVIEW – LEO MENSAH, BOPP GHANA

I have been a smallholder with Benso Oil Palm Plantation (BOPP) since 1998. I can say that the benefits of this association have improved since Wilmar took over in 2011. I have gained practical knowledge in oil palm management and this has increased both my yields and my earnings.

In terms of specific training organised by BOPP, I have participated in RSPO programmes on buffer zone management, health and safety and conservation. These programmes have helped me focus on building safe and more sustainable practices into my daily work.

It also helps to have regular contact with BOPP management. As part of a group of farmers, I meet with BOPP's Smallholder Management Team every quarter to discuss any issues that have arisen. I also have access to a BOPP Smallholder Manager if there is an immediate concern that needs to be resolved.

Of course, being a smallholder has its challenges. Access is limited by poor road conditions, so improvements to the road network are always on the wish list. The company does perform occasional grading on roads, but it would be a significant benefit if this happened on a more regular basis.

Another issue we have raised is the necessity of leaving harvested crops in the field overnight – which can impair FFB quality – when the mill reaches capacity in busy periods. BOPP has recently upgraded the mill capacity from 20 to 30 tonnes per hour, and I believe this will speed up crop reception at the mill and ensure our crops are collected in a timely manner.

Repaying the cost of fertilisers is another ongoing concern. This is a substantial outlay for a smallholder to cover up front, and has seen some of us get into arrears. BOPP management could do more to support smallholders by helping us pay outstanding arrears and subsidising future fertiliser purchases.

But beyond these challenges, my association with BOPP has brought many benefits. The most significant was being able to contribute towards RSPO certification, which the company received in 2014. I was part of the entire process, from preparations to the audits, and I am proud to say that I was personally interviewed by the auditors. Participating in this way gives me a lot of satisfaction and a sense of recognition.

The smallholder programme has so far had positive outcomes. I hope that BOPP's top management expands the project so that more people will benefit. This will help to alleviate poverty in our communities.

PETER LEO MENSAH
BOPP, Ghana

Leo Mensah (left), a smallholder with BOPP

COMMUNITY RELATIONS AND CONFLICT RESOLUTION

Wilmar works to obtain the free, prior and informed consent (FPIC) of local communities for all development projects. The principle of FPIC is recognised in the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), and upholds that local communities have the right to give or withhold their consent to proposed projects that may affect the lands they customarily own, occupy or otherwise use. When carried out properly, FPIC is a participatory process that empowers local communities to negotiate the conditions under which a project will be designed, implemented, monitored and evaluated.

Land use and land ownership are inherently complex matters in most of the countries we operate in, with overlapping or undelineated land rights in land concessions. Shaped by a nation's development policies and projects, these can sometimes have an unintentional impact on local communities and result in disagreements and conflicts. We endeavour to be respectful of local communities whenever such disputes arise and are committed to building long-term relationships as part of our goal of achieving harmonious relations with all our stakeholders.

Making reference to the UN Food and Agriculture Organisation's Voluntary Guidelines on the Responsible Governance of Tenure, Wilmar's policy guidelines are:

- Wilmar will respect the resource (e.g. land, forests and fisheries) and tenure rights of local communities. This is done in cognisance of the national obligations, constitutions, local laws and regulations of the country we are operating in. We diligently strive to ensure that we use land to which we have a legal right, and in which the country's government recognises us as the rightful entity to manage the land in question.
- If there are land disputes, Wilmar seeks to resolve them in an open and consensual manner. In the event of loss or damage affecting legal or customary rights, property, resources or livelihoods, we endeavour to undertake all measures to remedy such loss or damage.

Wilmar pledges to recognise and respect the long-term customary and individual rights of indigenous and local communities. We also commit to ensuring legal compliance and that international best practices on FPIC are implemented, in accordance with the full scope of our NDPE Policy, prior to commencing any new operations.

Our standard practice involves negotiating with individual landowners and local community leaders, or the government, depending on the country. With respect to compensation, we strive for a fair compensation to the local community leaders for existing crops, with statutory levels of compensation as a minimum. We also implement progressive community development programmes through employment opportunities and smallholder schemes, making every effort to ensure that communities are satisfied with the socioeconomic benefits that development will bring. We continually strive to improve and strengthen our land claims resolution system through an inclusive, multi-stakeholder approach, and by working closely with local civil society groups and social experts.

SUPPORTING COMMUNITY DEVELOPMENT

Given the nature of our business, many of our operations are located in remote parts of developing countries, and often close to local communities. Our business activities have a direct impact on the livelihoods and quality of living of both our employees and individuals in these neighbouring communities. Our approach is therefore to ensure that we bring meaningful and lasting benefits to communities, and build open, honest and mutually beneficial relationships.

In accordance with this approach, we are committed to addressing the needs of locals, but also to facilitating self-reliance, particularly through the provision and support of education, healthcare and infrastructure. In some of the areas we operate in, we also facilitate basic services. In rural Sabah, for example, we are supporting the communities to retrospectively register births and apply for national identification. This gives them access to public services.

SDG 4 - Quality Education

In line with SDG 4, which concerns improving access to inclusive and quality education for all, we strongly believe that education is a cornerstone for empowering individuals and communities to break out of poverty and build meaningful lives in the long term. We provide a range of services in our oil palm plantations, including childcare, kindergartens and schools, to ensure that all our workers' children have access to daycare and education while their parents are at work.

We have 15 schools in our Indonesian plantations, which together cover kindergarten, primary and secondary-level curricula. We also support the education of more than 5,000 children in our local communities, including our employees' children. A short video was made about our school redevelopment programme in Indonesia in 2017, which can be accessed here www.wilmar-international.com/sustainability/wp-content/uploads/2017/11/School%20Redevelopment%20video%20(1).mp4

WILMAR'S FREE, PRIOR AND INFORMED CONSENT PROCESS

RSPO COMPLAINTS CASE – UPDATE 2017

Ongoing social issue at PT Permata Hijau Pasaman I

In 2015, we were made aware of a case that was filed with the RSPO regarding our subsidiary PT Permata Hijau Pasaman I (PHP I), in which the community of Nagari Kapa requested clarity on the extent of PT PHP I's nucleus estate and requested that PT PHP I's land use right application to the National Land Agency over the customary land of Nagari Kapa not be accepted.

- Following a review of the case, in March 2015, the RSPO Complaints Panel made a preliminary decision that PT PHP I was in compliance with the RSPO Principle and Criteria No. 2 on Compliance with Applicable Laws and Regulations, and that the HGU was issued properly in accordance with the law. The Complaints Panel sent a letter to the community of Nagari Kapa informing them of this decision and the case was initially dismissed.
- The complainant objected the Complaints Panel's decision. All parties agreed to move forward with a ground-checking in order to have a clear understanding of the case.
- In February 2017, the RSPO Complaints Panel decided that the land in dispute would be measured through participatory mapping. This would entail the participation of the community of Nagari Kapa and surrounding settlements (Nagari), the complainants and the local authority. PT PHP I would be required to assign an independent expert to conduct the participatory mapping and the result of the participatory mapping would need to be submitted by the involved parties to the National Land Agency (BPN).
- In April 2017, Wilmar was compelled to file an appeal after our review found possible breaches in the complaint handling process within the RSPO. Along with the appeal, Wilmar requested to postpone the participatory mapping activities as the exercise would require the direct involvement of Indonesian government regulatory bodies. Proceeding with the exercise would therefore not be appropriate until the completion of the appeal process.
- In November 2017, Wilmar withdrew the appeal, based on the view that the appeals process was impeding the resolution process with the complainant. The withdrawal of the appeal was granted by the RSPO. This reinstated the initial decision made by the Complaints Panel on 1 February 2017.

Status as at December 2017/January 2018: Wilmar and the complainant have jointly appointed an independent party to carry out the decision made by RSPO.

In our estates in Malaysia we have a total of 17 primary schools that benefit a total of 747 children. In addition, we are working with the non-profit organisation Humana Child Aid Society of Sabah to provide for the children of immigrant workers in our operations in Malaysian Borneo. The educational syllabus is designed based on the Malaysian curriculum, but also integrates Indonesia-centric subjects to help ease the Indonesian children's transition into mainstream societies whether they choose to stay in Malaysia or return to Indonesia. As well as providing free education, we also subsidise uniforms, books and food every year.

Through our joint venture, Great Wall-Wilmar Sugar Mill (GWWH), we are providing donations for school redevelopment programmes in the vicinity of the mill. Further, there are kindergartens in the factory compound, and 80 students are children of employees.

With our strong support in providing access to quality education for children in our plantations, an estimate of about 88% of children living in our plantations of compulsory school-going age attend school (see page 73 for more information).

Kindergarten students at a newly redeveloped school in Indonesia

School redevelopment programmes

As part of our endeavour to ensure that the children of our plantation workers and in our local communities have access to quality education, we have embarked on school redevelopment programmes in Indonesia, Nigeria and Ghana. In addition to upgrading and providing new facilities, we have also made provision for students to participate in extra-curricular activities ranging from music and arts to sports and uniformed groups. Outstanding students are offered scholarships to pursue further education at provincial and national universities.

We are aiming to upgrade and modernise 15 schools in and around our Indonesian oil palm estates by 2020. Two pilot schools have been completed, and the process will be replicated across the 15 schools in Wilmar's plantation estates. Redevelopment work is underway in five schools. Following redevelopment, students will have access to computer and science labs, a library, as well as a range of extracurricular activities. This will benefit between 6,500 and 7,000 children from pre-primary school age through to secondary school age annually. Our aim is to ensure that these children have the opportunity to excel and succeed, just like their peers in urban areas. We are working closely with the Indonesian Education Ministry to ensure that our privately-run schools are in compliance with all government standards. Where there are already existing government schools close to our estates, we have also planned for their improvement. Two government schools in North Sumatra have benefited from this redevelopment programme. One located in PT DLI is scheduled for completion in December 2017, while a second school at PT Milano is budgeted for redevelopment in 2018.

Wilmar's team in Cross River State, Nigeria, has kickstarted a project to rebuild schools in surrounding communities that contributed land for plantation development. Redevelopment work has commenced at two secondary schools and one primary school near our estates. Besides overseeing the construction and renovation of schools, Wilmar's staff volunteers will also support the management of schools. The aim is to improve the quality of school infrastructure and facilities, teaching standard and extra-curricular activities offered to students. Another batch of scholarships were awarded in 2017 to outstanding students from local communities to support their tertiary education. So far, Wilmar has awarded 115 university scholarships. We plan to redevelop all schools in the vicinity of our estates in Nigeria.

In Ghana, one junior high school has been redeveloped and there are plans to expand the programme to more schools.

Provision of healthcare

Goal 3 of the Sustainable Development Goals concerns ensuring healthy lives and promoting well-being for all, at all ages. At Wilmar, we also consider health and well-being to be essential components of sustainable development. In addition to providing healthcare to workers and their families, our clinics in the oil palm plantations are also open to local communities and provide them with basic healthcare services. Our employees are also highly supportive of our healthcare programmes. For example, our Malaysian operations organise annual blood donation drives to support local hospitals.

Clinic in one of Wilmar's oil palm plantations in East Malaysia

Base Data

Income Statement[1]

US$ Million	FY2017	FY2016	FY2015	FY2014	FY2013
Revenue	43,846	41,402	38,777	43,085	44,085
Profit before tax	1,598	1,300	1,379	1,538	1,775
Net Profit	1,219	972	1,023	1,156	1,319

Balance Sheet

US$ Million	FY2017	FY2016	FY2015	FY2014	FY2013
Total assets	40,933	37,032	36,926	43,558	46,632
Total liabilities	23,947	21,653	21,625	27,147	30,745
Shareholders' funds	15,964	14,435	14,394	15,495	15,005

Segmental Sales Volume[2]

MT '000	FY2017	FY2016	FY2015	FY2014
Tropical oils[3]	23,163	23,368	23,500	24,607
Oilseeds & Grains	33,295	29,529	28,706	25,081
Sugar	11,882	13,544	13,118	9,714

Segmental Profit Before Tax Breakdown

US$ Million	FY2017	FY2016	FY2015	FY2014	FY2013
Tropical oils	426.2	689.2	491.5	969.2	1,125.4
Oilseeds & Grains	735.0	251.1	689.8	348.5	451.1
Sugar	-24.6	125.3	84.3	134.4	126.6
Others	242.0	100.6	17.4	20.0	-21.3

Geographical Revenue Breakdown

US$ Million	FY2017	FY2016	FY2015	FY2014	FY2013
Southeast Asia	8,930	8,633	7,661	10,024	9,645
People's Republic of China	22,392	19,983	19,371	19,622	22,000
India	1,754	1,317	1,338	1,463	1,245
Europe	2,586	2,711	2,485	3,390	3,479
Australia / New Zealand	1,052	1,501	1,411	1,724	1,800
Africa	2,445	2,352	2,024	2,036	1,503
Others	4,687	4,904	4,488	4,826	4,413

Production

Palm oil

	FY2017	FY2016	FY2015	FY2014	FY2013
FFB Production (MT)	3,922,904	3,817,969	4,481,022	4,323,960	4,040,785
FFB yield (MT FFB/ha)	19.7	19.0	21.4	20.6	18.8
CPO (MT)	1,742,618	1,740,298	1,995,800	1,909,355	1,848,148
PK (MT)	421,574	424,913	472,968	437,776	423,481
CPO Extraction Rate (%)	20.0	20.0	20.5	20.6	20.4
PK Extraction Rate (%)	4.8	4.9	4.9	4.7	4.7

1 *FY2015 figures were restated upon adoption of Amendments to FRS 16 Property, Plant and Equipment and FRS 41 Agriculture: Bearer Plants. FY2013 – FY2014 figures are not adjusted.*
2 *Due to the segmental reclassification with effect from FY2015, sales volume information for FY2013 is not available.*
3 *Excludes plantation volume.*

Production

Sugarcane

	FY2017	FY2016
Sugarcane Production (MT) - Australia	491,340	521,777
Sugarcane Production (MT) - Myanmar[4]	29,146	13,979
Sugarcane Yield (MT/ha) - Australia	94.0	102.0
Sugarcane Yield (MT/ha) - Myanmar[4]	64.8	73.1

Conservation Area

(ha)

Hectares	FY2017	FY2016	FY2015	FY2014	FY2013
Sabah	6,063	6,060	6,083	6,083	6,083
Sarawak	1,705	1,721	1,658	1,658	1,658
Central Kalimantan	15,083	15,088	15,087	15,098	15,098
West Kalimantan	2,041	2,036	2,033	2,168	3,255
Sumatra	3,114	3,128	3,043	3,352	4,631
Ghana	83	83	83	57	-
Nigeria	1,653	1,635	1,635	-	-
Australia	675	675	-	-	-
Myanmar	0	0	-	-	-
Total	**30,417**	**30,426**	**29,622**	**28,416**	**30,725**

Fire Incidents

Year	Item	Central Kalimantan	West Kalimantan	Sumatra	Australia	Myanmar
2013	Planted hectares burnt	15.00	7.09	9.25	-	-
	Unplanted hectares burnt	113.87	0.40	0.00	-	-
	Total number of fires	**33**	**8**	**5**	-	-
2014	Planted hectares burnt	448.10	711.93	115.18	-	-
	Unplanted hectares burnt	386.74	0.00	2.10	-	-
	Total number of fires	**245**	**82**	**26**	-	-
2015	Planted hectares burnt	504.30	9.11	428.30	2,808	119
	Unplanted hectares burnt	1,028.40	2.00	205.10	0	0
	Total number of fires	**323**	**9**	**82**	**0**	**0**
2016	Planted hectares burnt	0	1.37	0.02	2,807	312
	Unplanted hectares burnt	82.88	0	0	0	0
	Total number of fires	**17**	**5**	**1**	**0**	**0**
2017	Planted hectares burnt[5]	N/A	N/A	N/A	N/A	N/A
	Unplanted hectares burnt[5]	N/A	N/A	N/A	N/A	N/A
	Total number of fires	**20**	**1**	**2**	**1**	**0**

4 Harvesting season in Myanmar takes place during November to April, and therefore, financial year runs from 1 April to 31 March each year (not based on calendar year). As a result, production and yield data for Myanmar for the 2017 financial year is taken as at 31 March 2018.

5 From year 2017, reporting will be based on area burnt within concession boundaries and area burnt outside concession boundaries (within 5km radius).

BOD Levels By Region And Discharge Destination – Palm oil

(mg/L)

	FY2017	FY2016	FY2015	FY2014	FY2013
BOD Level – River discharge					
Sabah	26	25	32	25	24
Sarawak	19	17	16	13	14
West Kalimantan	94	90	83	74	63
Sumatra	94	52	79	57	84
BOD Level – Land application					
Central Kalimantan	506	271	363	448	636
West Kalimantan	317	251	169	241	236
Sumatra	1,171	1,065	928	898	768
Ghana	134	60	77	93	-

Water Usage – Palm oil

	FY2017	FY2016	FY2015	FY2014	FY2013
Water use (m^3) per tonne of FFB (Palm Oil Mills)					
Sabah	1.64	1.55	1.68	1.59	1.59
Sarawak	1.26	1.65	1.55	1.13	0.98
Central Kalimantan	1.46	1.33	1.61	1.46	1.68
West Kalimantan	1.27	1.53	1.49	1.50	1.66
Sumatra	1.12	1.55	1.40	1.74	1.47
Ghana	1.52	1.43	1.63	1.52	-
Nigeria	1.20	1.25	1.00	0.97	-

Herbicide Usage[6] – Palm oil

	FY2017	FY2016	FY2015	FY2014	FY2013
Herbicide usage toxicity units per ha					
Sabah	598	647	737	801	508
Sarawak	684	541	534	718	694
Central Kalimantan	283	253	328	337	318
West Kalimantan	271	256	464	416	296
Sumatra	563	317	257	231	219
Ghana	316	259	-	-	-
Nigeria	111	629	-	-	-

6 *With the exception of Ghana and Nigeria, historical data for 2013-2015 were incorrectly stated in Wilmar's 2016 Sustainability Report for all other locations. The data for 2013-2015 have therefore been restated in this report.*

Herbicide Types

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[7]
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
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	

7 *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
Diuron[8]	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[8]	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

Wilmar's Lowest Wage Rates and Legal Minimum Wage By Country

	Wilmar lowest monthly wage (excl. piece-rate)	Legal minimum wage
Palm oil operations		
Indonesia (Rupiah)[9]	1,882,900	1,882,900[10]
Malaysia (Ringgit)[11]	920	920
Nigeria (Naira)	23,400	18,000
Ghana (Cedi)[12]	632.88	237.60
	Wilmar lowest wage (excl. piece-rate)	**Legal minimum wage**
Sugar operations (excluding Australia)		
Myanmar (Burmese Kyat)	108,000 / month	108,000 / month
Indonesia (Rupiah) – PT Duta Sugar International Refinery	3,258,900 / month	3,258,866 / month
Indonesia (Rupiah) – PT Jawamanis Refinery	3,500,000 / month	3,331,998 / month
New Zealand (NZD)	15.75 / hour	15.75 / hour

Wilmar's Lowest Wage Rates and Legal Minimum Wage – Australia[13]

2016 - 2017	Legal minimum wage/ hour (Australia) (Effective from 1 July 2016 - 30 June 2017)	Sugar Industry Award minimum wage/hour (Effective from 1 July 2016 - 30 June 2017)	Wilmar Enterprise Agreement rate/hour (Effective from 6 Dec 2015 - 3 Dec 2016)	Wilmar's employee rate/hour
Milling general operator - level 2	17.70 (AUD)	17.70 (AUD)	24.47 (AUD)	24.47 (AUD)*
Distilling and services operator - level 2	17.70 (AUD)	17.70 (AUD)	24.47 (AUD)	24.47 (AUD)*
Cultivation/cane production level 1	17.70 (AUD)	19.21 (AUD)	Not Applicable	21.12 (AUD)**
2017 - 2018	**Legal minimum wage/ hour (Australia) (Effective from 1 July 2017 - 30 June 2018)**	**Sugar Industry Award minimum wage/hour (Effective from 1 July 2017 - 30 June 2018)**	**Wilmar Enterprise Agreement rate/hour (Effective from 4 Dec 2016 - 2 Dec 2017)**	**Wilmar's employee rate/hour**
Milling general operator - level 2	18.29 (AUD)	18.29 (AUD)	25.08 (AUD)	25.08 (AUD)***
Distilling and services operator - level 2	18.29 (AUD)	18.29 (AUD)	25.08 (AUD)	25.08 (AUD)***
Cultivation/cane production level 1	18.29 (AUD)	19.84 (AUD)	Not Applicable	21.12 (AUD)****

8 Strict controls in place for when and how much can be applied for Australia operations.
9 Indonesia's 2017 list of legal minimum wages in different provinces can be accessed at wageindicator.org
10 This refers to the lowest legal minimum wage listed among the provinces where Wilmar has oil palm operations.
11 For Sabah and Sarawak.
12 Ghana's minimum wage is based on a daily wage of 8 Cedi. To calculate the monthly national minimum wage, we have multiplied this daily wage by 27 working days.
13 Minimum wage is updated by Fairwork annually, taking effect from 1 July each year. The Sugar Industry Award is updated at the same time.
** Effective from 6 Dec 2015 - 3 Dec 2016.*
*** Effective from 1 July 2016 - 30 June 2017.*
**** Effective from 6 Dec 2016 - 3 Dec 2017.*
***** Effective from 6 Dec 2017 - 3 Dec 2018.*

Breakdown of Wilmar Employees by Gender - Plantations, Mills, Refineries

FY2017	Males	Females
Number of male and female employees (palm oil operations)		
Sabah	3,932	2,378
Sarawak	1,601	1,028
Central Kalimantan	10,604	3,984
West Kalimantan	4,478	1,280
Sumatra	10,590	3,365
Ghana[14]	517	40
Nigeria	1,604	821
Total	**33,326**	**12,896**
Number of male and female employees (sugar operations)		
Australia	1,928	426
New Zealand	185	39
Indonesia	621	24
Myanmar[14]	843	255
Total	**3,577**	**744**

Lost Time Injury Frequency Rate

(Plantations)

	FY2017	FY2016	FY2015[15]	FY2014	FY2013
LTIFR palm oil plantations (per 200,000 working hours)					
Sabah	0.54	1.01	-	1.37	2.33
Sarawak	3.21	2.96	-	7.82	8.60
Central Kalimantan	2.82	4.18	-	5.27	6.56
West Kalimantan	1.54	1.06	-	0.79	0.09
Sumatra	5.90	6.10	-	7.06	4.12
Ghana	0.23	0.47	-	0.26	-
Nigeria	5.00	5.40	-	-	-
LTIFR palm oil plantations (per 200,000 working hours)					
Australia	2.3	0	-	-	-

Lost Time Injury Frequency Rate

(Mills)

	FY2017	FY2016	FY2015[15]	FY2014	FY2013
LTIFR palm oil mills (per 200,000 working hours)					
Sabah	1.99	2.66	-	3.99	3.44
Sarawak	2.15	2.15	-	0.84	4.01
Central Kalimantan	1.55	1.18	-	1.01	3.62
West Kalimantan	0.70	0.16	-	0.51	0.75
Sumatra	0.67	0.67	-	0.84	0.33
Ghana	0.78	0.53	-	0.18	-
LTIFR sugar mills (per 200,000 working hours)					
Australia	1.09	-	-	-	-

14 Figures exclude number of women and men in temporary workforce as gender data was not available for temporary workers.

15 In the course of compiling data for our Sustainability Report 2015, 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 LTIFR reporting in our 2015 report. We resumed LTIFR reporting in our Sustainability Report 2016 after setting a more consistent reporting standard across the Group.

Fatalities

	FY2017	FY2016	FY2015	FY2014	FY2013	FY2012
Fatalities – Plantations (Palm oil and sugarcane)						
Sabah	1	1	1	1	0	1
Sarawak	0	0	0	0	1	0
Central Kalimantan	0	0	1	1	0	0
West Kalimantan	0	0	0	0	0	0
Sumatra	2	0	0	0	0	1
Ghana	0	0	0	0	-	-
Nigeria	0	0	0	-	-	-
Australia	0	0	0	-	-	-
Myanmar	0	0	0	-	-	-
Fatalities – Mills (Palm oil and sugar)						
Sabah	0	0	0	0	0	1
Sarawak	0	0	0	0	0	1
Central Kalimantan	1	0	0	0	0	0
West Kalimantan	0	0	0	0	0	0
Sumatra	1	0	2	0	0	1
Ghana	0	0	0	0	-	-
Nigeria	0	0	0	-	-	-
Australia	0	0	0	-	-	-
Myanmar	0	1	0	-	-	-

Global Reporting Initiative (GRI) 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.

There are two options for preparing a report in accordance with the GRI Standards: Core and Comprehensive. This report has been prepared in accordance with the GRI Standards: Core option.

GRI 101: Foundation 2016		
GRI 102: General Disclosures 2016		
Disclosure		Page or reason for omission
Organisational Profile		
102-1	Name of organisation	About Wilmar 9
102-2	Activities, brands, products, and services	About Wilmar 9-13 Annual Report 2017 26-33
102-3	Location of headquarters	About Wilmar 9
102-4	Location of operations	About Wilmar 9-11 Palm oil operations 17-19 Sugar operations 20
102-5	Ownership and legal form	About Wilmar 9
102-6	Markets served	About Wilmar 9-13 Annual Report 2017 26-33
102-7	Scale of the organisation	About Wilmar 9-15 Palm oil operations 17-19 Sugar operations 20 Annual Report 2017 inside front cover and 120-185
102-8	Information on employees and other workers	About Wilmar 9-11, 15 No exploitation of people and local communities 69-71, 74 Base data 91
102-9	Supply chain	Palm oil operations 17-19 Sugar operations 20-22 Supply chain and traceability 32-35 Smallholders support 80-82
102-10	Significant changes to the organisation and its supply chain	Annual Report 2017 6-9
102-11	Precautionary Principle or approach	Our approach to sustainability 24-44 Note: The HCS Approach and RSPO require a precautionary approach
102-12	External initiatives	Our approach to sustainability 24-44 Environment - Protecting our environment 45-60 No exploitation of people and local communities 64-68
102-13	Membership of associations	Sustainability certification 30-31 Engagement and empowerment 37-38
Strategy		
102-14	Statement from senior decision-maker	Statement from the Board 4-5 Annual Report 2017 6-9
102-15	Key impacts, risks, and opportunities	Scope and boundary 1-3 Our approach to sustainability 24-44
Ethics and Integrity		
102-16	Values, principles, standards, and norms of behaviour	Ethical policies and grievance mechanisms 44 Our approach to sustainability 24-44
102-17	Mechanisms for advice and concerns about ethics	Ethical policies and grievance mechanisms 44

GRI 101: Foundation 2016		
GRI 102: General Disclosures 2016		
Disclosure		**Page or reason for omission**
Governance		
102-18	Governance structure	Corporate governance 16 Sustainability management and governance structure 28-29
102-19	Delegating authority	Sustainability management and governance structure 28-29
102-20	Executive-level responsibility for economic, environmental, and social topics	Sustainability management and governance structure 28-29
102-21	Consulting stakeholders on economic, environmental, and social topics	Our approach to sustainability 24-44
102-22	Composition of the highest governance body and its committees	Corporate governance 16 Annual Report 2017 16-25, 53-72
102-23	Chair of the highest governance body	Corporate governance 16
102-24	Nominating and selecting the highest governance body	Annual Report 2017 60
102-25	Conflicts of interest	Annual Report 2017 53-72
102-26	Role of highest governance body in setting purpose, values, and strategy	Corporate governance 16 Annual Report 2017 53-72
102-28	Evaluating the highest governance body's performance	Annual Report 2017 60
102-30	Effectiveness of risk management processes	Annual Report 2017 51-52
102-31	Review of economic, environmental, and social topics	Corporate governance 16
102-32	Highest governance body's role in sustainability reporting	Corporate governance 16
102-35	Remuneration policies	Annual Report 2017 61-64
102-36	Process for determining remuneration	Annual Report 2017 61-64
Stakeholder Engagement		
102-40	List of stakeholder groups	Scope and boundary 1-3 Sustainability management and governance structure 28-29 Supply chain and traceability 32-36 Engagement and empowerment 37-38 Aggregator Refinery Transformation 39-43 Environment - Protecting our environment 47-51 No exploitation of people and local communities 64-68, 80-85
102-41	Collective bargaining agreements	Freedom of association and union relations 75-76 Note: Percentage of employees covered not currently available. We will review whether to proceed with collection of this data in 2018.
102-42	Identifying and selecting stakeholders	Scope and boundary 1-3 Supply chain and traceability 32-36 Engagement and empowerment 37-38 Aggregator Refinery Transformation 39-43 Environment - Protecting our environment 47-51 No exploitation of people and local communities 64-68, 80-85
102-43	Approach to stakeholder engagement	Scope and boundary 1-3 Supply chain and traceability 32-36 Engagement and empowerment 37-38 Aggregator Refinery Transformation 39-43 Environment - Protecting our environment 47-51 No exploitation of people and local communities 64-68, 80-85
102-44	Key topics and concerns raised	Scope and boundary 1-3 Supply chain and traceability 32-36 Engagement and empowerment 37-38 Aggregator Refinery Transformation 39-43 Environment - Protecting our environment 47-51 No exploitation of people and local communities 64-68, 80-85

GRI 101: Foundation 2016		
GRI 102: General Disclosures 2016		
Disclosure		**Page or reason for omission**
Reporting Practice		
102-45	Entities included in the consolidated financial statements	Annual Report 2017 182-185 Scope and boundary 1-3
102-46	Defining report content and topic Boundaries	Scope and boundary 1-3
102-47	List of material topics	Scope and boundary 1-3
102-48	Restatements of information	No restatements were made in this report
102-49	Changes in reporting	Scope and boundary 1-3
102-50	Reporting period	Scope and boundary 1-3
102-51	Date of most recent report	Scope and boundary 1-3 Statement of the Board 4-5
102-52	Reporting cycle	Annually
102-53	Contact point for questions regarding the report	Contact Us 105
102-54	Claims of reporting in accordance with the GRI Standards	Scope and boundary 1-3 GRI Index 93
102-55	GRI content index	GRI Index 93-100
102-56	External assurance	EY Assurance Statement 101-102

Material Topics			
GRI Standard	**Disclosure**		**Page or reason for omission**
ECONOMIC			
Economic Performance			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	About Wilmar 9-16 Annual Report 2017
	103-2	The management approach and its components	About Wilmar 9-16 Annual Report 2017
	103-3	Evaluation of the management approach	About Wilmar 9-16 Annual Report 2017
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	About Wilmar 9-16 Annual Report 2017
	201-2	Financial implications and other risks and opportunities due to climate change	Reducing our greenhouse gas emissions 54-57 CDP submission 2017
Market Presence			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	No exploitation of people and local communities 64-76
	103-2	The management approach and its components	No exploitation of people and local communities 64-76
	103-3	Evaluation of the management approach	No exploitation of people and local communities 64-76
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Scope and boundary 1 No exploitation of people and local communities 64-76 Base data 90
Indirect Economic Impacts			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Smallholders support 80-82 Supporting community development 83-85
	103-2	The management approach and its components	Our targets 7-8 Engagement and empowerment 37-38 Ethical policies and grievance mechanisms 44 Smallholders support 80-82 Community relations and conflict resolution 83 Supporting community development 83-85 Annual Report 2017 43
	103-3	Evaluation of the management approach	Smallholders support 80-82 Supporting community development 83-85

Material Topics			
GRI Standard	**Disclosure**		**Page or reason for omission**
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Smallholders support 80-82 Supporting community development 83-85 Annual Report 2017 43
	203-2	Significant indirect economic impacts	Our approach to sustainability 24-27 Smallholders support 80-82
Procurement Practices			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Smallholders support 80-82 Aggregator Refinery Transformation 46-51
	103-2	The management approach and its components	Smallholders support 80-82
	103-3	Evaluation of the management approach	Smallholders support 80-82 Aggregator Refinery Transformation 39-43
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Smallholders support 80-82 Aggregator Refinery Transformation 39-43
Anti-corruption			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Ethical policies and grievance mechanisms 44
	103-2	The management approach and its components	Ethical policies and grievance mechanisms 44
	103-3	Evaluation of the management approach	Ethical policies and grievance mechanisms 44
ENVIRONMENTAL			
Materials			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	About Wilmar 9-16 Palm oil operations 17-19 Sugar operations 20-22
	103-2	The management approach and its components	About Wilmar 9-16 Palm oil operations 17-19 Sugar operations 20-22
	103-3	Evaluation of the management approach	About Wilmar 9-16 Palm oil operations 17-19 Sugar operations 20-22
GRI 301: Materials 2016	301-1	Materials used by weight or volume	About Wilmar 9-16 Palm oil operations 17-19 Sugar operations 20-22
Water			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Safeguarding water quality 58-60
	103-2	The management approach and its components	Safeguarding water quality 58-60
	103-3	Evaluation of the management approach	Safeguarding water quality 58-60
GRI 303: Water 2016	303-1	Water withdrawal by source	Safeguarding water quality 58-60
Biodiversity			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Our approach to sustainability 24-31 Environment - Protecting our environment 45-62
	103-2	The management approach and its components	Our approach to sustainability 24-31 Environment - Protecting our environment 45-62
	103-3	Evaluation of the management approach	Our approach to sustainability 24-31 Environment - Protecting our environment 45-62
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	Environment - Protecting our environment 45-62
	304-2	Significant impacts of activities, products, and services on biodiversity	Environment - Protecting our environment 45-62
	304-3	Habitats protected or restored	Environment - Protecting our environment 45-62
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Refer to Sustainability Report 2011 46

Material Topics			
GRI Standard	**Disclosure**		**Page or reason for omission**
Emissions			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Reducing our greenhouse gas emissions 54-57
	103-2	The management approach and its components	Our targets 7-8 Reducing our greenhouse gas emissions 54-57
	103-3	Evaluation of the management approach	Reducing our greenhouse gas emissions 54-57
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Promoting zero burn practices in the oil palm industry 52-53 Reducing our greenhouse gas emissions 54-57 CDP submission 2017
	305-2	Energy indirect (Scope 2) GHG emissions	Reducing our greenhouse gas emissions 54-57 CDP submission 2017
	305-3	Other indirect (Scope 3) GHG emissions	Reducing our greenhouse gas emissions 54-57 CDP submission 2017
	305-4	GHG emissions intensity	Reducing our greenhouse gas emissions 54-57 CDP submission 2017
	305-5	Reduction of GHG emissions	Reducing our greenhouse gas emissions 54-57 CDP submission 2017
Effluents and Waste			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Safeguarding water quality 58-60
	103-2	The management approach and its components	Safeguarding water quality 58-60
	103-3	Evaluation of the management approach	Safeguarding water quality 58-60
GRI 306: Effluents and Waste 2016	306-1	Water discharge by quality and destination	Safeguarding water quality 58-60
	306-5	Water bodies affected by water discharges and/or runoff	Safeguarding water quality 58-60
Supplier Environmental Assessment			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Our approach to sustainability 24-44
	103-2	The management approach and its components	Our targets 7-8 Our approach to sustainability 24-44
	103-3	Evaluation of the management approach	Our approach to sustainability 24-44
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Our targets 7-8 Achievements in 2017 6 Sustainability certification 30-31 Supply chain and traceability 32-36 Aggregator Refinery Transformation 39-43
	308-2	Negative environmental impacts in the supply chain and actions taken	Our targets 7-8 Achievements in 2017 6 Sustainability certification 30-31 Supply chain and traceability 32-36 Aggregator Refinery Transformation 39-43 Ethical policies and grievance mechanisms 44 No Deforestation and forest conservation 46-51 No exploitation of people and local communities 64-85
SOCIAL			
Employment			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	No exploitation of people and local communities 64-79
	103-2	The management approach and its components	Our approach to sustainability 25 No exploitation of people and local communities 64-79 Annual Report 2017 48-49
	103-3	Evaluation of the management approach	No exploitation of people and local communities 64-79

Material Topics			
GRI Standard	**Disclosure**		**Page or reason for omission**
GRI 401: Employment 2016	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Scope and boundary 1-3 No exploitation of people and local communities 64-79 Supporting community development 83-85 Annual Report 2017 48-49
Labour/Management Relations			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	No exploitation of people and local communities 64-79
	103-2	The management approach and its components	No exploitation of people and local communities 64-79
	103-3	Evaluation of the management approach	No exploitation of people and local communities 64-79
Occupational Health and Safety			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	No exploitation of people and local communities 64-68 Accidents, Severity Rate and Fatalities 77-79
	103-2	The management approach and its components	No exploitation of people and local communities 64-68 Accidents, Severity Rate and Fatalities 77-79 Occupational Health & Safety Policy Wilmar Sugar Environment, Health & Safety Policy Wilmar Sugar Injury Management Policy
	103-3	Evaluation of the management approach	No exploitation of people and local communities 64-68 Accidents, Severity Rate and Fatalities 77-79
GRI 403: Occupational Health and Safety 2016	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Reducing our use of chemicals 61-62 Accidents, Severity Rate and Fatalities 77-79 Base data 91-92
	403-3	Workers with high incidence or high risk of diseases related to their occupation	Reducing our use of chemicals 61-62 Accidents, Severity Rate and Fatalities 77-79
Diversity and Equal Opportunity			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	No exploitation of people and local communities 65 Non-discrimination 71 Annual Report 2017 48
	103-2	The management approach and its components	No exploitation of people and local communities 65 Non-discrimination 71 Annual Report 2017 48 Equal Opportunity Policy
	103-3	Evaluation of the management approach	No exploitation of people and local communities 65 Non-discrimination 71
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	No exploitation of people and local communities 65 Non-discrimination 71 Annual Report 2017 48
Non-discrimination			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	No exploitation of people and local communities 65 Non-discrimination 71 Annual Report 2017 48
	103-2	The management approach and its components	No exploitation of people and local communities 65 Non-discrimination 71 Annual Report 2017 48 Equal Opportunity Policy
	103-3	Evaluation of the management approach	No exploitation of people and local communities 65 Non-discrimination 71

Material Topics			
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	No exploitation of people and local communities 64-67 Bonded labour 74 Employee engagement and complaints mechanisms 75 Freedom of association and union relations 75-76
	103-2	The management approach and its components	No exploitation of people and local communities 64-67 Bonded labour 74 Employee engagement and complaints mechanisms 75 Freedom of association and union relations 75-76
	103-3	Evaluation of the management approach	No exploitation of people and local communities 64-67 Freedom of association and union relations 75-76
GRI 407: Freedom of Association and Collective Bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Freedom of association and union relations 75-76
Child Labour			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	No exploitation of people and local communities 64-67 Protecting and supporting children's welfare 72-73
	103-2	The management approach and its components	No exploitation of people and local communities 64-67 Protecting and supporting children's welfare 72-73 Child Protection Policy
	103-3	Evaluation of the management approach	No exploitation of people and local communities 64-67 Protecting and supporting children's welfare 72-73
GRI 408: Child Labour 2016	408-1	Operations and suppliers at significant risk for incidents of child labour	Scope and boundary 1-3 Protecting and supporting children's welfare 72-73
Forced or Compulsory Labour			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	No exploitation of people and local communities 64-67 Bonded labour 74
	103-2	The management approach and its components	No exploitation of people and local communities 64-67 Bonded labour 74 Human Rights Policy
	103-3	Evaluation of the management approach	No exploitation of people and local communities 64-67 Bonded labour 74
GRI 409: Forced or Compulsory Labour 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Bonded labour 74
Rights of Indigenous Peoples			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Community relations and conflict resolution 83
	103-2	The management approach and its components	Community relations and conflict resolution 83 NDPE Policy
	103-3	Evaluation of the management approach	Community relations and conflict resolution 83
GRI 411: Rights of Indigenous Peoples	411-1	Incidents of violations involving rights of indigenous peoples	Community relations and conflict resolution 83 Ethical policies and grievance mechanisms 44

Material Topics			
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	No exploitation of people and local communities 64-68
	103-2	The management approach and its components	No exploitation of people and local communities 64-68 Human Rights Policy
	103-3	Evaluation of the management approach	No exploitation of people and local communities 64-68
GRI 412: Human Rights Assessment 2016	412-1	Operations that have been subject to human rights reviews or impact assessments	No exploitation of people and local communities 64-68 Ethical policies and grievance mechanisms 44
Local Communities			
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programmes	Smallholders support 80-82 Community relations and conflict resolution 83 Supporting community development 83-85
Supplier Social Assessment			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Our approach to sustainability 24-29 Aggregator Refinery Transformation 39-43 No exploitation of people and local communities 64-68
	103-2	The management approach and its components	Aggregator Refinery Transformation 39-43 No exploitation of people and local communities 64-68
	103-3	Evaluation of the management approach	Aggregator Refinery Transformation 39-43 No exploitation of people and local communities 64-68
GRI 414: Supplier Social Assessment 2016	414-2	Negative social impacts in the supply chain and actions taken	Aggregator Refinery Transformation 39-43 Ethical policies and grievance mechanisms 44 No exploitation of people and local communities 64-68

Independent Limited Assurance Statement

Building a better working world

INDEPENDENT LIMITED ASSURANCE STATEMENT IN CONNECTION WITH THE SUBJECT MATTERS INCLUDED IN THE SUSTAINABILITY REPORT OF WILMAR INTERNATIONAL LIMITED

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 2017 ('the Sustainability Report').

Subject Matters

Our limited assurance engagement covers the following Subject Matters:

No	Material Matter	Information for Assurance	Scope for Palm Oil segment		Scope for Sugar segment	
1	Access to education & schooling facilities	% of compulsory school going age children living in Wilmar's plantations who attend Wilmar school	Plantations	Indonesia, Malaysia, Ghana, Nigeria	Plantations	Australia, Myanmar
2	Supplier / supply chain monitoring; Supply chain transformation	Process undertaken for the Aggregator Refinery Transformation (ART) programme and Mill Prioritisation Process (MPP)	Mills	Indonesia, Malaysia	N.A.	N.A.
3		% traceability back to mills	Mill: Origin facilities	Indonesia, Malaysia	N.A.	N.A.
4	Deforestation/HCS/ HCV	Size of HCV and HCS areas (in 2017 as compared to 2009)	Plantations	Indonesia, Malaysia, Ghana, Nigeria	N.A.	N.A.
5	GHG Emissions	Annual emission reduction from methane gas capture from POME	Mills	Indonesia, Malaysia, Ghana, Nigeria	N.A.	N.A.
6	Corporate governance, ethics and anti-corruption; Transparency and accountability	No. of grievance incidences registered per nature and actions taken	Plantations & Mills	Indonesia, Malaysia, Ghana, Nigeria	Plantations & Mills	Australia, Myanmar
			Refineries	Indonesia, Malaysia	Refineries	Australia, New Zealand, Indonesia
7	Community relations & conflict resolution	No. of social conflicts* under grievance incidents and actions taken (part of selected disclosure no. 6) *Social conflicts are defined by Wilmar as relating to land disputes with local communities.	Plantations & Mills	Indonesia, Malaysia, Ghana, Nigeria	Plantations & Mills	Australia, Myanmar
			Refineries	Indonesia, Malaysia	Refineries	Australia, New Zealand, Indonesia
8	Sustainability certification	No. of mills and % of planted areas certified under RSPO and national standards (such as ISPO standards and MSPO standards)	Plantations & Mills	Indonesia, Malaysia, Ghana, Nigeria	Plantations & Mills	Australia, Myanmar

A hash 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 2017, 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 2017 to 31 December 2017 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 2017 and subsequent to 31 December 2017, 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 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.

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:
   a. Understand principal business operations,
   b. Appreciate key sustainability issues and developments,
   c. Map out information flow for sustainability reporting and the relevant controls,
   d. Identify data providers with their responsibilities, and
   e. Recognise the likelihood of fraud on the sustainability information.
2. Undertake multiple visits to:
   a. Wilmar's headquarters in Singapore and
   b. Wilmar's selected plantations and mills in West Sumatra.
3. Interviews with and clarifications sought from employees and Management in Singapore, Indonesia, Malaysia, Ghana and Nigeria (e.g. Sustainability team, Human Resources, Estate Managers) to understand key sustainability issues related to the selected indicators, collection processes and accuracy of reporting. For Myanmar, Australia and New Zealand, clarifications were secured through emails.
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. Conduct general media research (including reports from reputable NGOs) on the concerned subject matters.
7. Checking that data and statements had been correctly transcribed from corporate systems and / or supporting evidence, in relation to concerned subject matters.

Observations and areas for improvement

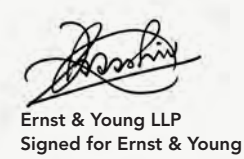
Our observations and areas for improvement will be raised in a separate report to Wilmar's Board of Directors and Management. These observations and areas for improvement do not affect our conclusion on the aforementioned Subject Matters included in the Sustainability Report.

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 in the Report was 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

K Sadashiv
Managing Director, Climate Change and Sustainability Services

Singapore, 30 April 2018

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

Glossary

Bagasse
The dry, fibrous matter that remains after the extraction of juice from sugarcane.

Biodiversity
The diversity (number and variety of species) of plant and animal life.

Biological Oxygen Demand (BOD)
The amount of oxygen used when organic matter undergoes decomposition by micro-organisms. Testing for BOD is done to assess the amount of organic matter in water.

Bonsucro
A global standard for responsible sugarcane production aimed at creating lasting value for people, communities, businesses, economies and eco-systems in all cane-growing areas.

CO_2 Equivalents
Carbon dioxide equivalents (CO_2 eq) provide a universal standard of measurement against which the impacts of releasing (or avoiding the release of) different greenhouse gases can be evaluated.

Effluents
Water discharged from one source into a separate body of water, such as mill process water.

Extraction rate
The amount of oil extracted from oil palm fruit at a mill. Crude palm oil (CPO) is extracted from the flesh; palm kernel oil (PKO) from the nut.

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 weight of the fruit bunch ranges between 10 kg to 40 kg depends on the size and age.

High Conservation Values (HCVs)
HCVs are biological, ecological, social or cultural values which are considered outstandingly significant or critically important, at the national, regional or global level.

High Carbon Stock Approach (HCS Approach)
The HCS Approach is a methodology to avoid deforestation in land development, initially developed in a partnership between Greenpeace, TFT and Golden Agri-Resources. The approach stratifies the vegetation on an area of land into different classes using analyses of satellite images and field plot measurements. Each vegetation class is validated through calibrating it with carbon stock estimates in the above-ground tree biomass.

Independent Director
According to the Listing Manual of SGX, an independent director is one who has no relationship with the company, its related corporations (i.e. a corporation that is the company's holding company, subsidiary or fellow subsidiary), its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement with a view to the best interests of the company.

Independent smallholder
Small growers with less than 50 hectares, which are self-financed, managed, and equipped and are not bound to any one 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 (more common in Africa).

Integrated Pest Management (IPM)
IPM is the careful consideration of all available pest control techniques and subsequent integration of appropriate measures that discourage the development of pest populations and 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)
Is a tripartite world body representative of labour, management and government, and is an agency of the United Nations. It disseminates labour information and sets minimum international labour standards called "conventions", offered to member nations for adoption.

Land application
In the context of Wilmar's palm oil operations, land application refers to wastewater from FFB processing at Wilmar's mills (POME) applied to land as a fertiliser.

Mass Balance
The Mass Balance system allows for mixing of RSPO certified and non-certified palm oil at any stage in the supply chain provided that overall company quantities are controlled. The mass balance model is constructed in such a way that volumes of RSPO certified product shipped will never exceed volumes received by the end-user.

Non-executive director
A board director who does not currently hold other employment with the company. Unlike an independent director, a non-executive can have significant financial interests or close personal ties to the company.

Non-governmental organisation (NGO)
Is used in this report to refer to grassroots and campaigning organisations focused on environmental or social issues.

Palm oil mill effluent (POME)
By-product of processed fresh fruit bunch (FFB).

Peat and Peatland
Peat is an accumulation of partially decayed vegetation matter. Peat forms in wetlands or peat lands, variously called bogs, moors, muskegs, pocosins, mires, and peat swamp forests. Land with soil having more than 65% organic matter is considered peatland.

Plasma schemes
A programme initiated by the Indonesian government to encourage the development of smallholders' plantations with the assistance and cooperation of plantation companies (the nucleus) which assist and support the surrounding community plantations (the plasma).

Raw Sugar
Sugar that still contains molasses, giving it more colour (and impurities) than white sugar. Mills produce raw sugar, and white sugar is produced during the refining phase.

River discharge
In the context of Wilmar's palm oil operations, river discharge refers to wastewater from FFB processing at Wilmar's mills (POME) released into local rivers.

Roundtable on Sustainable Palm Oil (RSPO)
A multi-stakeholder organisation based in Kuala Lumpur, Malaysia. The organisation has developed a certification scheme for sustainable palm oil.

Segregation
The Segregation supply chain model assures that RSPO-certified palm oil and its derivatives delivered to the end-user come only from RSPO-certified sources. It permits the mixing of RSPO-certified palm oil from a variety of sources.

Singapore Exchange (SGX)
The Singapore Exchange is 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.

Stakeholders
Any group or individual who are affected by or can affect a company's operations.

Sustainability
A term expressing a long-term balance between social, economic and environmental objectives. Often linked to sustainable development, which is defined as "development that meets the need of current generations without compromising the needs of future generations".

Sustainable Development Goals (SDGs)
A set of 17 global goals with the aim to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. Each goal has specific targets to be achieved over the next 15 years. The goals build on the Millennium Development Goals, while including new areas such as climate change, economic inequality, innovation, sustainable consumption, peace and justice, among other priorities.

For more information, please see https://www.un.org/sustainabledevelopment/sustainable-development-goals/

Contact Us

We welcome suggestions on improvements to ensure that we remain cognisant, responsive and inclusive. If you have any comments or questions on the contents of this report or on our sustainability performance, we welcome your contribution. Please contact us:

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www.wilmar-international.com/sustainability/grievance-procedure/

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