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News Release

Wilmar urges Greenpeace to take collaborative and constructive action

Singapore/Indonesia, 25 September 2018 - Wilmar urges Greenpeace to take collaborative action with Wilmar and the palm oil industry if it is genuine in wanting to improve the palm oil industry. Greenpeace's action at Wilmar's palm oil refinery in Bitung is not only a criminal act of trespassing and vandalism but a safety risk to the activists as well as Wilmar staff. No organisation is above the law, and we urge Greenpeace to adopt a collaborative mindset and work with the palm oil industry to take genuine and positive action.

Response to 'Final Countdown' report

We are disappointed with the allegations made by Greenpeace that discredits the genuine efforts and progress made by Wilmar and the palm industry to promote the sustainable development of palm oil. Reports by [TFA2020 and Forest Trends](#) show that the palm oil industry has achieved more in the last four to five years both in the quality of no deforestation commitments and the implementation of those commitments. The NDPE commitments of 365 traders and consumer goods companies have resulted in 29 percent of Indonesia's leased out land bank becoming undevelopable, which is equivalent to [6.1 million hectares](#) or 10 million football fields.

Wilmar was neither provided a copy of the latest Greenpeace report nor an opportunity to comment. Hence it must be clarified that, out of the 25 companies listed, Wilmar is buying from 13 supplier groups, not 18 as alleged in the report.

Of these 13 companies that we are buying from:

- Two have confirmed that the concessions named in the report do not belong to them.
- Eight are already registered on our grievance list since several months ago, and we have been providing regular updates on the cases to Greenpeace since early 2018.
- As for the remaining three, Greenpeace has refused our request since May 2018 for details of non-compliance. We have, upon receiving the report, registered these cases on our Grievance List.

Greenpeace has singled out Wilmar in their report due to our size and scale of our operation but have neglected the fact that deforestation is being driven by the availability of a leakage market made up of suppliers without NDPE commitments. This is currently at 30% combined refining capacity in Indonesia and Malaysia. Greenpeace, as a key stakeholder, must also contribute to finding solutions to help the entire industry to support and buy only NDPE-compliant palm oil.

Supplier monitoring

Greenpeace's allegation that Wilmar is failing at monitoring our supply chain is based on a wilful lack of understanding of our work on the ground. Wilmar, with support from Aidenvironment Asia, executes the [Supplier Group Compliance \(SGC\) Verification programme](#). Launched since December 2013, currently monitoring 11 million hectares, which

covers 117 parent groups representing approximately 1,500 individual plantations and close to 500 mills spanning across Malaysia, Indonesia and Papua New Guinea.

With over 1,000 direct suppliers in our supply chain, we have invested substantial resources in developing extensive programmes to socialise and implement our NDPE policy across our supply chain, and we continue to address the risk of association, even from mills and plantations that we do not source from, as long as they belong to an existing supplier.

Grievance management

When a grievance is raised, we strive to establish dialogue, offer training and guidance, conduct assessments and monitor progress, in order to change our suppliers' behaviour towards more sustainable practices. There are many positive cases, where we have succeeded in helping our suppliers adopt similar NDPE commitments. The most recent example is Gama Plantations which has committed to a comprehensive [NDPE policy](#), and is [working with Aidenvironment](#) in its policy implementation.

However, in instances where suppliers repeat non-compliant behaviour or appear unwilling to comply with our NDPE policy, we will suspend trade with the supplier at a group level.

We have thus far suspended 16 suppliers at a group level, as they failed to convincingly improve their policies and/or actions, supply chain exclusion at a group level has been imposed. This has resulted in more than one million MT loss of supply to our operations. Of this one million MT, only around 10% comes from our direct supplying mills while the remainder was lost due to our suppliers' group activities outside our supply chain.

Concession maps publication

The disclosure of such third-party information raises confidentiality issues.

We have access to maps and geo-spatial information of our suppliers on Aidenvironment's Webgis platform (which we have access to as part of our Supplier Group Compliance monitoring), as well as from our own internal supplier due diligence process. Although we have permission to use this information internally, we currently do not have our suppliers' permission to publicise such information, as they own the data and permission must come from them. Nevertheless, we are [actively encouraging our suppliers](#) to voluntarily publish their maps in the public domain, either through the WRI – Global Forest Watch platform, or through their own websites.

For the Wilmar group's own concession maps, as with other RSPO grower members, these have been published in the public domain via the RSPO on the Global Forest Watch (GFW) map platform.

Action plan to improve and accelerate NDPE implementation

To overcome challenges that still exist in our sustainability efforts, we will be working collectively with all our policy implementation partners to lay out a path to improve and accelerate progress of our NDPE implementation.

- i. With The Forest Trust (TFT): To formulate a new time-bound action plan that lays out a path to improve and accelerate progress of our NDPE implementation. The action plan, details of which will be released by 30 September 2018, will include but not be restricted to:
 - a. Using a more comprehensive global monitoring and verification system to track the environmental and social performance of Wilmar's supply chain and in particular to monitor supplier groups and their concessions.
 - b. Full public, transparent disclosure of progress.

- c. Strengthened engagement with stakeholders, clients and social and environmental NGOs. Wilmar will also work with stakeholders to address priority grievance and issues flagged (e.g. supplier companies that are linked to deforestation)
- d. Acceleration of NDPE implementation across Wilmar's suppliers globally, with a specific focus on Indonesia.
- ii. With Aidenvironment Asia: Monthly public reporting of supplier group compliance monitoring that is being carried out via Aidenvironment's Webgis platform
- iii. With Proforest and Daemeter: Strengthening of ART programme at refinery level for improved verification of NDPE compliance linked to sold volumes
- iv. With Verite: Strengthening assessment of Human and Labour Rights compliance within our ART programme

Indonesia cultivates 12 million hectares of oil palm and the industry employs approximately 3.7 million people. Palm oil development brings jobs, education, health care and decent living conditions to millions of Indonesians. As key stakeholders, NGOs including Greenpeace need to be critical but also constructive and recognise the strides that the industry has taken. NGO campaigns often focus on attacking the biggest companies in the palm oil industry like Wilmar, however this singular approach has proven to be counter-productive. NGOs that work genuinely towards further industry transformation also have the responsibility of bringing to the table pragmatic solutions that can be adopted by the entire industry.

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ABOUT WILMAR'S SUSTAINABILITY

As a leading agribusiness group, Wilmar recognises we have a fundamental role to play in developing quality products required by the world while ensuring a responsible and sustainable manner of production. We adopt a holistic approach to sustainability that is fully integrated with our business model. Guided by the philosophy that our business must enhance stakeholder value while minimising our environmental footprint, our business practices are aligned with universally acceptable social and environmental standards. Wilmar's [No Deforestation, No Peat and No Exploitation policy](#) underpins our aspiration to make a positive impact and drive transformation across the palm oil industry.

For more information, go to www.wilmar-international.com/sustainability.

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