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Additional Details

Period Ended	31/03/2017
Attachments	 Wilmar-First Quarter 2017 Update Report on its No Deforestation No Peat No Exploitation Policy.pdf Total size =747K

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No Deforestation, No Peat, No Exploitation Policy

Quarter 1 - 2017 Update



School marching band in Wilmar's estate in West Sumatra

Wilmar's No Deforestation, No Peat, No Exploitation (NDPE) Policy Implementation Progress

In the first quarter of 2017, Wilmar made good progress on a range of sustainability initiatives. Our global sustainability team engaged in several high-level dialogues around the world. Important milestones were achieved in our conservation partnerships, the Fire Free Alliance and the Atewa Living Waters project. We have also formally established a partnership with Verité to confront systemic labour issues in the palm oil industry.

Supply Chain Mapping & Traceability

Traceability Improvements Across Almost All Our Global Operations

Traceability analysis and summary data continue to be measured across Wilmar's global operations: Indonesia, Malaysia, India, Bangladesh, Sri Lanka, China, Nigeria, Ghana, South Africa, Ivory Coast, Vietnam, United States of America, Uganda, Ukraine and Europe. Traceability data has been updated to include the most recent four quarters, replacing Q4 2015 supplies with Q4 2016 supplies. The data below for all facilities relates to data on supplies and shipments for year Q1 2016 – Q4 2016. For China – Oleochemicals the drop in traceability ratings is mainly due to inclusion of lauric-based fine chemical sourcing for our Shanghai Oleochemical facility since Q4 2015. Further, there is a drop in traceability rating for India because of increased volumes received from high sea parcels which is accounted untraceable.

A few suspended mills continue to appear on the latest mill list for our refineries in Europe. Our suppliers have confirmed that they have halted purchases from the mills-in-question. As the mill lists are updated on a quarterly basis, and each update covers four calendar quarters, material from mills in the early part of 2016 shall continue to appear on the mill list throughout year 2017.

Indonesia

In total, there are 8.53 million mt of CPO and 1.20 million mt of PKO from our Indonesian refineries that are traceable at least to mills.

Refinery	Code	% Traceability			
		Mill		Plantation	
		Palm	Lauric	Palm	Lauric
PT Multimas Nabati Asahan, Kuala Tanjung	MNA, KTJ	98.6	94.8	8.6	6.3
PT Multimas Nabati Asahan, Pulo Gadung	MNA, PG	97.7	-	0.0	-
PT Multimas Nabati Asahan, Paya Pasir	MNA, PPS	-	100.0	-	5.3
PT Multimas Nabati Sulawesi, Bitung	MNS, BTG	99.9	95.4	2.0	0.0
PT Sinar Alam Permai, Kumai	SAP, KMI	99.7	-	5.8	-
PT Sinar Alam Permai, Palembang	SAP, PLG	96.0	90.1	13.9	19.3
PT Usaha Inti Padang, Padang	UIP, PDG	-	100.0	-	15.2
PT Wilmar Cahaya Kalbar, Cikarang	WICA, CKG	-	91.6	-	0.0
PT Wilmar Cahaya Kalbar, Pontianak	WICA, PTK	91.9	97.4	8.2	2.6
PT Wilmar Nabati Indonesia, Bagendang	WINA, BGD	100.0	-	0.0	-
PT Wilmar Nabati Indonesia, Balikpapan	WINA, BLK	83.3	100.0	0.0	0.0
PT Wilmar Nabati Indonesia, Dumai	WINA, DMI	94.1	70.8	5.6	0.8
PT Wilmar Nabati Indonesia, Gresik	WINA, GSK	93.8	89.2	17.3	14.6
PT Wilmar Nabati Indonesia, Padang	WINA, PDG	95.6	99.8	14.0	0.0
PT Wilmar Nabati Indonesia, Pelintung	WINA, PLT	96.2	85.6	10.8	4.6

Malaysia

In total, there are 5.08 million mt of CPO and 0.58 million mt of PKO from our Malaysian refineries that are traceable at least to mills.

Refinery	Code	% Traceability			
		Mill		Plantation	
		Palm	Lauric	Palm	Lauric
Bintulu Edible Oils Sdn Bhd, Bintulu	BEO	99.8	100.0	6.4	6.2
Lahad Datu Edible Oils Sdn Bhd, Lahad Datu	LDEO	100.0	95.3	28.8	38.1
Natural Oleochemicals Sdn Bhd, Pasir Gudang	NatOleo	87.8	84.6	0.0	0.0
PGEO (Lumut Division) Edible Oils Sdn Bhd, Lumut	PGEO, Lumut	98.6	100.0	0.4	2.6
PGEO Edible Oils Sdn Bhd, Pasir Gudang	PGEO, Pasir Gudang	99.2	100.0	3.4	19.8
PGEO (Prai Division) Edible Oils Sdn Bhd, Prai	PGEO, Prai	97.8	-	0.3	-
Sandakan Edible Oils Sdn Bhd, Sandakan	SEO	100.0	100.0	27.1	26.1
TSH-Wilmar Sdn Bhd, Kunak	TSHW	98.9	100.0	0.5	7.5
Wilmar Edible Oils Sdn Bhd, Butterworth	WEO	94.7	-	0.4	-

India, Bangladesh & Sri Lanka

In total, there are 0.75 million tonnes of palm products and 0.08 million tonnes of lauric products entering our refineries that are traceable at least to mills.

Refinery	Code	% Traceability	
		Mill	
		Palm	Lauric
Adani Wilmar Limited, Haldia	AWL, Haldia	80.7	-
Adani Wilmar Limited, Kakinada	AWL, Kakinada	73.6	97.7
Adani Wilmar Limited, Krishnapatnam	AWL, Krishnapatna	39.6	-
Adani Wilmar Limited, Mangalore	AWL, Mangalore	50.8	-
Adani Wilmar Limited, Mundra	AWL, Mundra	58.1	84.1
Adani Hazira Port Pvt. Limited	Hazira	96.4	-
KOG - KTV Foodstuffs (I) Pvt Ltd, Tuticorin	KOG-KTV	37.9	-
KTV Health Food Pvt Ltd, Chennai	KTV	44.2	74.6
Bangladesh Edible Oil Limited	BEOL	96.8	-
Shun Shing Edible Oil Limited	SSEOL	68.0	-
Pyramid Lanka (Private) Limited	PL	99.8	100.0

China – Specialty Fats

In total, there are 0.33 million mt of palm products and 0.09 million mt of lauric products entering our refineries in China that are traceable at least to mills.

Refinery	Code	% Traceability	
		Mill	
		Palm	Lauric
Yihai (Guangzhou) Oils & Grains Industries Co Ltd	Guangzhou O&G	16.5	98.2
Kerry Speciality Fats (Shanghai) Ltd	Kerry SF - Shanghai	44.6	86.6
Kerry Oils & Grains (Tianjin) Ltd	Kerry O&G - Tianjin	21.9	87.5
Yihai (Lianyungang) Speciality Fats Industries Co.Ltd	Lianyungang SF	39.1	0.0
Qinhuangdao Goldensea Foodstuff Industries Co Ltd	QHD Goldensea	17.4	97.8
Southseas Oils & Fats Industrial (Chiwan) Ltd	Southseas - Chiwan	36.5	98.2

China – Oleochemicals

In total, there are 0.34 million mt of palm products and 0.05 million mt of lauric products entering our refineries in China that are traceable at least to mills.

Refinery	Code	% Traceability	
		Mill	
		Palm	Lauric
Wilmar Oleochemical (Dongguan) Co., Ltd	Oleo - Dongguan	83.4	87.6
Wilmar Oleochemical (Lianyungang) Co., Ltd	Oleo - Lianyungang	76.0	39.0
Wilmar Oleochemical (Shanghai) Co., Ltd	Oleo - Shanghai	59.7	29.2
Wilmar Oleochemical (Tianjin) Co., Ltd	Oleo - Tianjin	91.6	86.6

Africa

In total, there are 1.02 million tonnes of palm products and 0.05 million tonnes of lauric products entering our refineries in Africa that are traceable at least to mills.

Refinery	Code	%Traceability	
		Mill	
		Palm	Lauric
Wilmar Africa Limited	WAL	99.6	100.0
PZ Wilmar Ltd	PZ Wilmar	87.1	-
Wilmar Continental Edible Oils & Fats (Pty) Limited	Wilmar Continental	98.8	95.5
Sania CIE	Sania	99.7	100.0
Bidco Uganda Limited	Bidco	34.5	85.3

Europe

In total, there are 1.06 million mt of palm products and 0.16 million mt of lauric products entering our refineries in Europe that are traceable at least to mills.

Refinery	Code	%Traceability	
		Mill	
		Palm	Lauric
Olenex Edible Oils GmbH	Brake	100.0	100.0
Wilmar France Holdings	Lavera	-	68.2
Olenex Edible Oils GmbH – Werk Noblee	Noblee	100.0	97.8
Olenex Edible Oils GmbH – Werk Noblee	OMH	99.9	-
Olenex Edible Oils B.V.	Rotterdam	99.8	98.6
Wilmar Oleochemicals B.V.	Rozenburg	-	83.0

Olenex Edible Oils GmbH (Brake), Olenex Edible Oils GmbH – Werk Noblee (Noblee), Olenex Edible Oils GmbH – Werk Noblee (OMH) and Olenex Edible Oils BV (Rotterdam) is now under parent company name Olenex Holdings B.V.

United States of America

In total, there are 0.15 million mt of palm products entering our refinery in United States of America that are traceable at least to mills.

Refinery	Code	%Traceability	
		Mill	
		Palm	Lauric
Wilmar Oils & Fats (Stockton) LLC	WOFS	98.7	-

Vietnam

In total, there are 0.32 million mt of palm products and 0.007 million mt of lauric products entering our refineries in Vietnam that are traceable at least to mills.

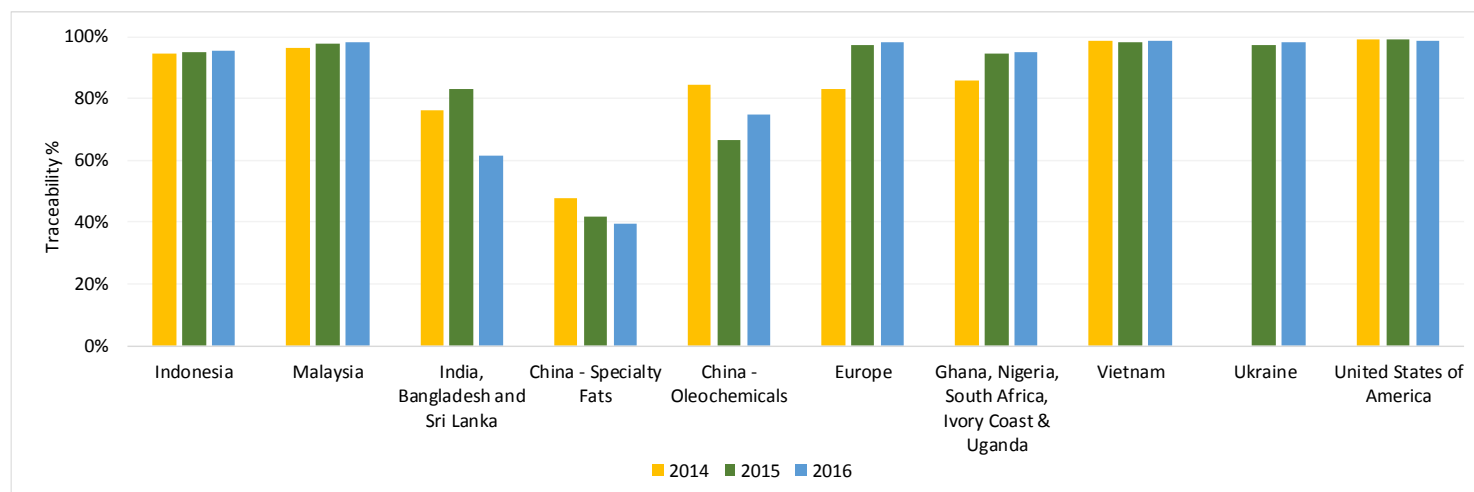
Refinery	Code	%Traceability	
		Mill	
		Palm	Lauric
Calofic Hiep Phuoc	Hiep Phuoc	99.4	92.9
Calofic Quang Ninh	Quang Ninh	97.3	-

Ukraine

In total, there are 0.22 million mt of palm products and 0.006 million mt of lauric products entering our refineries in Ukraine that are traceable at least to mills.

Refinery	Code	%Traceability	
		Mill	
		Palm	Lauric
Delta Wilmar CIS Ltd	DW	98.3	94.8

The following graph represents our progress from the time we started traceability reporting back to mills in 2014 to 2016



Stakeholder Engagement

Active Participant in Multi-stakeholder Partnerships

WEF Annual Meeting, Davos

The annual meeting of the World Economic Forum (WEF) was held in Davos, Switzerland, in January 2017. Chief Sustainability Officer, Mr Jeremy Goon, participated in roundtable on “Investing in the Production of Sustainable Commodities”. He spoke about the challenges faced by smallholders, and shared about Wilmar’s smallholder projects in Indonesia, Malaysia and Honduras. Supporting smallholders and ensuring that they are equipped to follow sustainable practices is critical to ensuring that increasing palm oil production to meet growing global demand is decoupled from deforestation.

TFA 2020 Africa Palm Oil Initiative – Country Implementation Dialogue, Geneva

The Africa Palm Oil Initiative’s Country Implementation Dialogues, organised by Tropical Forest Alliance 2020, were held in Geneva, Switzerland in February 2017. The objective of the forum was to provide a platform for multi-stakeholder engagement in the implementation of the Marrakesh Declaration and identification of how public-private collaboration can help realize the shared objective of deforestation-free palm oil development in Cote d’Ivoire, Ghana and Liberia.



Group Manager of Benso Oil Palm Plantation (BOPP), Mr Samuel Avaala Awonnea represented Wilmar at the dialogue, and explored

opportunities for collaboration with industry stakeholders.

Agri Masterclass for Banks, Kuala Lumpur

WWF, in collaboration with Bursa Malaysia, organised an Agri-Masterclass in Kuala Lumpur, Malaysia, for the Malaysian banking industry in March 2017. The objective of the workshop was to highlight the need for banks to integrate Environmental, Social and Governance (ESG) criteria in their due diligence process. Wilmar’s General Manager for Group Sustainability, Ms Perpetua George, shared about the real risks of plantation companies being suspended by their major customers, such as Wilmar, for failing to comply with No Deforestation, No Peat, No Exploitation



(NDPE) policies. Banks providing funds to plantation companies would face increased credit risks if such ESG factors are not taken into consideration. Increased attention to ESG factors by banks could help accelerate the transformation of the agricultural industry towards more sustainable practices.

TFA 2020 General Assembly, Brasilia

Tropical Forest Alliance (TFA) 2020 hosted its second general assembly in Brasilia in March 2017. The objective of this two-day event was to discuss and track the progress of TFA’s aim to eliminate deforestation from commodity supply chains. Some of the topics highlighted included (i) the role of government, (ii) women and indigenous peoples, (iii) forest risk in supply chains and (iv) smallholder engagement.

In the smallholder breakout session, Sustainability Manager for Wilmar Europe, Ms. Daphne Hameeteman, presented on the WISSH (Wilmar Smallholders Support Honduras) program, to showcase how private sector initiatives could help empower smallholders and improve their livelihoods. This model could potentially be replicated by other agri-commodity companies, and contribute to better environmental and social outcomes on-the-ground.

Oil Palm Regulatory Board, Takoradi

A stakeholder consultative workshop was held in Takoradi, Ghana, in March 2017, to discuss the setup of an Oil Palm Regulatory Board in Ghana. Wilmar was represented by the Group Manager of Benso Oil Palm Plantation (BOPP), Mr Samuel Avaala Awonnea, who also serves as the President of the Oil Palm Development Association of Ghana (OPDAG).

The Oil Palm Regulatory Board will provide the policy framework to regulate the oil palm sector in Ghana. Its proposed functions include:

- putting in place a strategic national plan for oil palm development in Ghana;
- monitoring agricultural and industrial growth through opportunity areas mapping;
- establishing a strategic consultative council or sub-committee to implement the elements of the strategic development plan; and
- approving and legitimising development activities, thereby mainstreaming the industry into the national development agenda.

Empowering Smallholders

Building Capacity of Independent Smallholders

WISSH Programme (Wilmar Smallholders Support in Honduras)

February 2017 marked the first year anniversary of the WISSH programme, a partnership between Wilmar Europe and The Industrial Association of Palm Oil Producers in Honduras (AIPAH) to strengthen good agricultural and environmental practices of palm oil smallholders in Honduras.

The programme achieved its first year training target; 86% of the 4,000 AIPAH smallholders were trained on Wilmar's NDPE policy, to enhance their environmental, social and productive capacities.



In Q1 2017, the second "Train the Trainers" session was held. 50 supervisors from the nine mills associated with AIPAH attended the session. Following this, smallholder trainings to strengthen business acumen were held. A total of 2038 smallholders were trained over 75 sessions.

Conservation Initiatives

Biodiversity Conservation and Climate Change Mitigation

Atewa Living Waters' Project – Business in Environment Stewardship Network (BESNet)

The Atewa Forest Reserve is one of the Guinean Forest Biodiversity hotspots, and is one of Ghana's high biodiversity significant areas. The forest also provides ecosystem services, such as serving as a watershed for three main rivers.

Wilmar's Benso Oil Palm Plantation (BOPP) is a member of the Atewa Living Waters' private sector working group, which facilitated the establishment of a conservation plan for the Atewa Forest. The project was

completed in March 2017, and the working group has formed the Business in Environment Stewardship Network (BESNet), with the support of ARocha Ghana and the International Union for the Conservation of Nature (IUCN). BESNet will continue advocating for the conservation of the Atewa Forest.



The inauguration ceremony of BESNet on 10 March 2017 was attended by Ghana's Minister of Lands and Natural Resources. BESNet

has nine members, and is open to private sector organisations committed to the sustainable management of Natural Resources.

Community Outreach for Environmental Restoration, Kalangala

Wilmar's Oil Palm Uganda Limited (OPUL) has been engaging with communities and smallholder farmers in Kalangala, Uganda, to raise awareness on the importance of environmental conservation, and to seek their help in restoration efforts in degraded areas.



Tree seedlings had been issued to communities for replanting. In January 2017, OPUL, together with representatives from the Kalangala District office, made visits to monitor the

growth of the seedlings and provide advice on environmental restoration.

Policy Compliance

Supplier Compliance and Fire Management

Grievance Procedure

Two new grievance cases were logged in Q1 2017.

One of the cases relates to the subsidiary of our supplier, which operates in Myanmar. Although Wilmar does not source from Myanmar, we have initiated engagements with the supplier when allegations of their subsidiary's non-compliance to our NDPE policy were brought to our attention.

Another case concerns Wilmar's crude palm oil (CPO) supplier allegedly sourcing non-compliant Fresh Fruit Bunches (FFB) from a plantation and subsequently delivering the processed palm product to Wilmar. Although Wilmar has offered our assistance in verifying

the allegations, the supplier has decided to cease sourcing from the plantation company in question instead.

Stakeholders can view our full list of grievance cases, and follow the latest developments of the cases at this link:

<http://www.wilmar-international.com/sustainability/grievance-procedure/>

Progress on Aggregator Refinery Transformation (ART) in Malaysia and Indonesia

As of end Q1 2017, we have completed 67 assessments covering mills in Indonesia, Malaysia, Latin America, and West Africa.

Indonesia

In Q1, the continued focus in Indonesia was on engaging with suppliers on details of mill assessment findings and the development of action plans. We have conducted two follow up meetings this quarter, taking place at both mill and headquarter levels to discuss the findings of field visits, and to establish action plans to improve practices and close gaps. We have also conducted two return visit programmes with our suppliers who participated in the ART field assessment in 2015. The objectives of the return visits are to assess their progress and to provide further guidance to the suppliers to close the gaps identified in the previous field assessments.

We conducted the second broad-level engagement workshop in Indonesia on 20 February 2017, to share key findings identified in the overarching report with our suppliers. TFT, Wilmar and our customers were speakers at the workshop.

Netherlands, Europe

Olenex Edible Oils BV, Wilmar's Rotterdam refinery in Netherlands is owned by our JV partner, Olenex Sarl. This destination refinery is supplied with palm products from different parts of the world: Asia, Africa and Latin America. As part of the ART plan for this refinery, three mill assessments were conducted in Latin America in the Q1 2017. The assessments started in January 2017 in Guatemala, followed by two more assessments in Colombia in February 2017.

Labour Progress in Wilmar's North Sumatran Operations

Wilmar was made aware of labour issues in our North Sumatran estates in Q3 2016. Since then, two internal reviews and three external reviews have been conducted at PT Perkebunan Milano and PT Daya Labuhan Indah.

The first external review was completed by Business for Social Responsibility (BSR) on 15 December 2016, and the assessment methodology involved visual observations, interviews, focus group discussions and documentation reviews. More than 100 Wilmar employees, almost all of whom are non-management workers, were interviewed by BSR. The public review report was delivered to Wilmar in March 2017, and can be accessed at this [link](#). External due diligence audits also took place in these operations via the RSPO and ISCC certification processes in January and February 2017 respectively.

A compilation of findings and our action plan are summarised from both our internal assessments, as well as external assessments completed by Business for Social Responsibility (BSR), Roundtable on Sustainable Palm Oil (RSPO) and International Sustainability & Carbon Certification (ISCC). The action plan is available at this [link](#).

A multi-stakeholder workshop was held on 22-23 February 2017, to discuss the gaps identified in the existing labour practices in the palm oil sector, and to explore practical business processes and solutions to address key labour challenges in the sector. This was attended by over 50 industry players, including palm oil companies, consumer business companies, NGOs and sustainability consultancies.

In another step towards labour progress in Wilmar's palm oil supply chain, we have formalised a collaboration with Verité South East Asia, a non-profit organisation focused on labour rights in Q1 2017. The partnership with Verité builds on [our collaborative work with Business for Social Responsibility \(BSR\)](#), on the review of current labour practices in three of our plantations in North Sumatra and Central Kalimantan.

Our partnership with Verité will help us formulate sustainable solutions to systemic labour problems existing in the Indonesian palm oil sector as well as ensure sustained company-wide conformance to social standards and to legal and customer requirements.

Fire Free Alliance (FFA) One Year Review

Since joining the Fire Free Alliance at its inception in February 2016, Wilmar socialised the 'Fire-Free Community' programme to 61 villages in South Sumatra and Central Kalimantan in 2016. 1.39 ha of planted area and 67.15 ha of unplanted area were burnt in 2016, representing an improvement of approximately 90% on previous years. Our 2017 goal is to halve the mean average incidence of fires from 2011-2015 in Indonesia plantations and reduce fires in the buffer areas 5km beyond plantation boundaries.

The FFA focuses on fire prevention through community engagement. Founding members include APRIL, Asian

Agri, IDH, Musim Mas, PM.Haze and Wilmar. Sime Darby and IOI Group officially joined as members in March 2017, further extending the reach of the FFA's community fire prevention and management programmes across Indonesia and Malaysia.



According to the [‘FFA Members Review 2016’](#)

report released in March 2017, the FFA has rapidly expanded fire

prevention outreach to 218 villages in various parts of Indonesia. Of these, 77 villages signed up with FFA members for intensive fire-free programmes in 2016. This is 756% increase in the number of villages since the Fire Free Village Programme (FFVP) was launched mid-2015. In some cases, FFA members have reported reductions in fire incidences of between 50% and 90% from 2015 to 2016.