

Ms Ginger Cassady
Executive Director
Rainforest Action Network
425 Bush Street, Suite 300
San Francisco, CA 94108
USA

19 March 2020

Dear Ms Cassady,

Efforts by Wilmar to deliver NDPE Commitments

Thank you for your letter dated 10th March 2020. We share your concerns and recognise that 2020 is indeed a critical year for the private sector to deliver on its sustainability commitments, in particular those addressing deforestation, new development on peatlands and exploitation of people and local communities.

Having witnessed an upsurge in pollution, haze and erratic weather, Wilmar adopted an Integrated Policy on No Deforestation, No Peat and No Exploitation (NDPE) which was announced in December 2013.

At Wilmar, we maintain our focus on the impact of our oil palm operations and drive compliance with our NDPE policy at multiple levels. In our wider supply chain, we use our refineries as central hubs for engaging, assessing and enhancing supplier performance. We recognised that there needed to be stronger implications for NDPE non-compliance, and in December 2018 Wilmar issued a [Joint Statement](#) with Aidenvironment Asia and supporting consumer goods companies to reaffirm our commitment to break the link between oil palm cultivation and deforestation, peatland development, and social conflict. This statement detailed an updated approach to supplier monitoring and engagement.

Effective from 1 January 2019, Wilmar implemented immediate halting of sourcing from suppliers at group level that are involved in verified cases of deforestation and/ or new developments on peatland. However, to avoid suspensions from inadvertently contributing to a growing unsustainable market or negatively impacting oil palm smallholders, post-suspension engagement is crucial, enabling us to assist suppliers in bringing their operations to compliance. Suspended suppliers will need to meet re-entry criteria that specify minimum thresholds for Wilmar to consider resuming sourcing.

We acknowledge that establishing a deforestation-free supply chain requires the provision of remediation measures, also known as Recovery Plans, for past non-compliance(s) related to deforestation and peat development. Therefore, we have adopted a conversion cut-off date of 31 December 2015 to determine the extent of non-compliance, where suppliers will be required to submit their Recovery Plans commensurate with the scale of their non-compliant development.

Since 2013, we have engaged Aidenvironment Asia to conduct proactive mapping and monitoring of geospatial information using regular satellite updates of at-risk areas. The Supplier Group Compliance Programme (SGCP) entails a more efficient mapping and monitoring process and helps Wilmar make decisions on suspensions and re-engagements to strengthen our NDPE policy implementation. While we are still having this data externally assured, we can share that as of end 2019, the SGCP monitors more than 20 million hectares, and its scope covers

446 parent groups representing approximately 3,000 individual plantation units across Indonesia, Malaysia, Papua New Guinea, Cambodia, Myanmar, and Thailand.

Further, Wilmar's [NDPE policy](#) and [Grievance Procedure](#) was updated in 2019, and this now provides more clarity on the processes in place for suspensions and how issues shall be investigated. We recognised that there needs to be similar clarity on decisions related to No Exploitation non-compliances, and so in 2019 we initiated the development of a specific protocol for No Exploitation grievance cases. This protocol is still in development, and I am pleased to say that RAN has also been actively involved in the consultation process.

As a publicly-listed company and in line with our practices on transparency, large portion of data requested is made available in our Annual Reports, Sustainability Reports and our [sustainability dashboard](#). Currently we are still undergoing a process of external assurance for 2019 data and expect to publish our 2019 Annual Report and Sustainability Report in May 2020.

Rest assured Wilmar shall continue to persevere towards reaching our collective sustainability goals and commitments.

I would also like to take this opportunity to appreciate the team at RAN for being highly constructive in our engagements thus far, notably in Wilmar's NDPE policy refresh in 2019 and the continuing consultation in the development of the No Exploitation grievance protocol. We look forward to continuing engaging in such positive and solution-driven manner. Should you need any additional information on Wilmar's sustainability endeavors, please feel free to write to us.

Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. George'.

Ms Perpetua George – General Manager - Group Sustainability, Wilmar International Limited

On behalf of

Mr Jeremy Goon - Chief Sustainability Officer, Wilmar International Limited

Cc: Mr Kuok Khoon Hong – Chief Executive Officer, Wilmar International Limited