



SUSTAINABILITY REPORT 2013



TRANSFORMATION THROUGH ENGAGEMENT

SCOPE AND BOUNDARIES



ABOUT THIS DESIGN

2013 marks a significant milestone in Wilmar's stride towards sustainability. We made a commitment to an Integrated Policy of "No Deforestation, No Peat and No Exploitation" in an effort to accelerate the market transformation for responsible palm oil. This commitment is a result of continuous dialogues and engagement with various key stakeholders. The design of this Report therefore reflects the theme we have set for Sustainability Report 2013 "Transformation Through Engagement" and the journey we have made thus far:

1) The different coloured dots represent the various stakeholders in our value chain with whom we work together; our efforts then converge to form an aperture (i.e. a focal point) that alludes to Wilmar's focus on driving change that resulted in this No Deforestation, No Peat and No Exploitation Policy. Be it our internal employees or external stakeholders such as suppliers, NGOs, the financial community, customers, etc., everyone has a part to play in driving market transformation and positive change.

2) Conversely, the dots can also be viewed as spreading out from the centre, representing the objective of spreading Wilmar's influence throughout the value chain to help transform the market through our Integrated Policy!

We have sought to apply the guidance of GRI G4 for the boundary settings, focusing on performance data and reporting on aspects which are most significant, as reflected in our Integrated Policy. We will report at policy-level on our policies with regards to crude palm oil (CPO) suppliers and fresh fruit bunches (FFB) suppliers. Due to the fact that our policy has only been in effect since December 2013, we have very limited data on FFB suppliers and outgrowers. We intend to report in more detail on our supply chain performance

and policy adherence in separate regular updates.

Performance data will be focused on Wilmar's palm oil operations globally in our upstream business. As such, we are primarily focusing on the performance of our own plantations in Indonesia and Malaysia as it is the most scrutinised among our activities and the key concern of our stakeholders. Since our African operations are still at the early stage of development, only a small proportion of indicators are covered.

Overview of Report Coverage

	DETAILED PERFORMANCE DATA ON MATERIAL ASPECTS	SPECIFIC ISSUES RAISED BY STAKEHOLDERS	POLICY COMMITMENTS
Plantations in Malaysia and Indonesia	YES	YES	YES
Wholly Owned Plantations in Africa	NO	YES	YES
JV Plantations in Africa	NO	YES	YES
FFB Suppliers	NO	YES	YES
CPO Suppliers	NO	YES	YES
Downstream operations	NO	NO	YES

The performance data disclosed does not cover:

- Operations in which Wilmar has less than 51% ownership or those that the Group does not exercise significant influence or operating control
- The Group's other upstream and downstream activities outside of oil palm plantations and mills (in particular suppliers and refineries), including Indonesia and Malaysia
- The Group's unplanted areas within the plantations for environmental figures, including those in Indonesia and Malaysia, except for fire incidences.

REPORTING PERIOD

This report covers performance data for the calendar years 2012-2013. Due to the material changes brought about by the launch of our new Integrated Policy, we have also included some information on progress in 2014 and focused on activities planned for 2014-15. We believe that this is critical to meet stakeholder expectations.

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LEADING CHANGE

DRIVING SUSTAINABLE PROGRESS

Change comes from the top. Led by a clear vision and dynamic purpose, Wilmar continues to transform itself and inspire others to pave the way for a sustainable future.

IN CONVERSATION WITH WILMAR'S CHAIRMAN & CEO

On 5 December 2013, Wilmar International announced a ground-breaking Integrated Policy with sustainability commitments entailing the company's entire palm oil supply chain. The Policy was well received by most international stakeholders, but has also caused some of its business partners to raise concerns on the implementation of the Policy.



Mr Kuok Khoon Hong

Ms Rikke Netterstrom, Managing Director of Helikonika, has asked Wilmar's Chairman and CEO, Mr Kuok Khoon Hong, to explain the rationale for these major commitments and their impact on the Group and its supply chain:



Q What prompted the No Deforestation, No Peat and No Exploitation Policy?

A In recent years, we have seen an upsurge in pollution, haze and weather changes and we cannot deny that climate change is taking place and impacting lives. People all over the world are increasingly concerned about this, and stakeholders such as green NGOs are pointing their fingers at the palm oil industry. I believe that palm oil is probably the best agricultural crop in the world if produced sustainably: it is the highest oil-bearing crop on a per-hectare of land basis, and brings greater rural development and quality jobs than any other agriculture crop. Just imagine where edible oils prices would be today and what the economy of Kalimantan and East Malaysia would be like without palm oil. The key is to develop it sustainably which to me is not too difficult or costly but it can be achieved only with the concerted effort of all stakeholders, plantations, refiners, consumers, bankers, institutional investors, governments and NGOs.

The oil palm sector continues to be embroiled in debates over deforestation, biodiversity loss, greenhouse gas emissions and social conflicts. The global discourse has been highly strained and emotionally charged, and environmental and oil palm interest groups have failed to create a constructive space for idea sharing, collaboration, and innovative problem solving. The Roundtable on Sustainable Palm Oil (RSPO) has made strides to create a constructive dialogue, and we strongly support these efforts. Yet recent conflicts over definitions of "no deforestation" demonstrate limitations of a voluntary sector-wide approach relying heavily on consumer "pull" to create incentives for changing practices at the producer level.

“We did it (“Integrated Policy”) because having seen the deterioration in the environment in many countries and changes in global climate, we felt something needed to be done and that big corporations must take the lead in mitigating climate change and work together as never before.”

A key factor preventing resolution of the conflict is that most stakeholders refuse to compromise for the greater good of the community and environment. Plantation companies want to maximise the area they can plant, believing that the more they plant, the greater their profit; refineries want to ensure that they can source maximum quantities of crude palm oil (CPO); users want to ensure that they can source the cheapest palm oil; and bankers do not want to lose customers. They do not realise that if the confrontation between the palm industry and the green lobby continues and palm oil's reputation continues to be tarnished by all the campaigns against it, eventually palm oil usage and prices will suffer and no one will be better off.

The factors above culminated in our Integrated Policy on No Deforestation, No Peat and No Exploitation which we adopted and announced in December 2013. We did not do this due to pressure from the non-governmental organisations (NGOs). We did it because having seen the deterioration in the environment in many countries and changes in global climate, we felt something needed to be done and that big corporates must take the lead and work together as never before. Furthermore, consumers globally are moving towards and favouring responsibly-produced commodities. The industry must therefore adjust to market needs and expectations if it wants to remain competitive.

Q Wilmar's Integrated Policy is seen by many stakeholders as having the potential to transform the palm oil industry. What would you like the policy to achieve?

A We hope to convince the key players of the need for sustainability for the good of our industry and to work together to achieve it. No one player can hope to achieve this objective on its own and to get consensus on implementation is impossible due to the huge number of players and their diverse interests. The only way it can be achieved is if the major stakeholders who account for the bulk of the industry can get together and implement a common policy. A handful of companies account for about 70% of the palm oil trade; if we work together I firmly believe we will succeed in bringing about real change.

Q Given that Wilmar has a large and multi-tiered 3rd-party supply base, do you think the deadline of 31 December 2015 to have all your suppliers comply with your Policy is too ambitious and unrealistic?

A It is ambitious but can be achieved if we have the support of other big stakeholders. Overall, our new Policy has been positively received. While there were some initial concerns by some plantation companies, I am heartened to hear that the younger generation of suppliers are keenly aware of these issues and understand the impetus behind this Policy; they are willing to implement in their plantation but want support from us. There will no doubt be challenges but we are devoting a lot of resources and building a large team to meet our commitments against the timelines we have set out.

Q There have been reports that Wilmar's Policy may be too strict for many smallholders and outgrowers and may restrict poor communities' access to development. Some also believe that Wilmar's commitments are being dictated by Western green NGOs. How will Wilmar work to address these concerns?

A It is true that smallholders often have a hard time. Frequently they are being sold bad seeds and planting materials, resulting in low yields and incomes. We have always been committed to supporting smallholders, and we are very clear on the fact that this Policy must not bring more hardships to smallholders. One of the areas



where we are making clear concessions to smallholders is on customary peat land. In Malaysia, Indonesia and other countries where oil palm is grown, the local governments recognise the traditional and customary land rights of local communities, including the smallholders. And unlike our larger suppliers, smallholders often only have a limited land area, and if that is peat, we do not want to exclude them from the value chain. As part of our Ingrated Policy implementation, we are devoting significant resources to ensure smallholders are supported in good agricultural practice and resources. We also encourage industry peers, government agencies, NGOs and the RSPO to work with us, so that smallholders can grow sustainable palm and still increase productivity.

Q Wilmar has long been committed to implementing the RSPO Principles & Criteria, and now the Indonesian Sustainable Palm Oil (ISPO) and Malaysian Sustainable Palm Oil (MSPO). Does Wilmar's additional commitment mean that these standards are not strong and robust enough?

A We remain committed to both the RSPO process and the national standards developed in Indonesia and Malaysia. There is no doubt about this. That said, the RSPO is a bit like the United Nations with its many members and diverse interests which sometimes means that decisions on decisive action can take too long in the face of consumer demands. These standards and organisations are critical to develop broad progress, but working with other large companies, we hope to expedite the process of achieving sustainability.



ABOUT THE INTERVIEWER

Rikke Netterstrom is the Managing Director of Helikonika, a strategic sustainability advisory services based in Malaysia. She is also on the Board of CSR Asia Ltd and a member of University of Nottingham's Industry Advisory Board. Rikke specialises in Board-level engagement to promote responsible business practices at major Asian and international companies. Rikke has extensive experience in the palm oil sector and works with many of the world's leading palm oil producers, and has been a member of the RSPO Executive Board and served as Interim Secretary General of the organisation.

She holds an MSc in International Business from Copenhagen Business School and postgraduate qualifications from Thammasat University, Thailand.

OVERALL ASSURANCE STATEMENT

REPORT REVIEW BY GARY PAOLI

The transformative potential of the Policy is hard to overstate, reflecting Wilmar's size and its genuine commitment to continuous improvement and transparent governance.

Palm oil is among the most controversial agricultural commodities traded globally, at the nexus of debates on climate change and biodiversity to food security and customary rights. As the world's largest palm oil processor and trader, and one of its largest palm oil producers, Wilmar International often features in these debates, and the last three years have been no exception.

In the commentary I provided on Wilmar's 2009 and 2011 Sustainability Reports, I highlighted Wilmar's leadership in applying sustainability principles to palm oil production, while emphasizing growing stakeholder concerns over the impact of Wilmar's downstream supply chain. These trends intensified markedly during 2013, with Wilmar's downstream operations drawing criticism from diverse stakeholder groups. This trend culminated in December 2013 with the announcement of Wilmar's landmark Integrated Policy, which expands Wilmar's long-standing sustainability commitments to cover its entire palm oil supply chain.

The transformative potential of the Policy is hard to overstate, reflecting Wilmar's size and its genuine commitment to continuous improvement and transparent governance. It's also encouraging to see broad stakeholder participation already to support Policy implementation. I'm thankful for the opportunity to share my views on how these developments, as well as progress toward other objectives since 2011, are addressed in Wilmar's latest Sustainability Report.

THE REPORT CLARIFIES THE FOLLOWING KEY FACETS OF THE INTEGRATED POLICY AND ITS IMPLEMENTATION:

- Wilmar's time bound commitment to a transparent, traceable supply chain is to achieve traceability to mills by end 2015, with supply base traceability to follow.
- A clear three-part phasing for implementation is described, with goals and objectives for each phase.
- Ongoing restructuring of management systems to address new priorities is described.
- Plans are outlined for recruiting new staff to address internal needs and to provide technical support to suppliers facing challenges complying with the Policy.
- Stakeholder participation for detection of supplier non-compliance is being encouraged,

and clear channels for communicating grievances are being established

- A suspension committee has been established and procedures are being developed for engaging with non-compliant suppliers and to consider supply chain exclusion.
- Special consideration for challenges related to smallholder compliance is described

BEYOND DISCUSSIONS OF THE POLICY, SEVERAL NEW AREAS OF DISCLOSURE AND REPORTS ON PROGRESS ARE DESCRIBED AND SHOULD BE EMPHASIZED. THESE INCLUDE:

- Wilmar has responded to growing concerns over greenhouse gas (GHG) emissions by rolling out emissions accounting procedures using the PalmGHG calculator under development by the RSPO, with plans to apply this operations wide once the calculator has been finalized and approved by the RSPO's Emission Reduction Working Group. In this Report, Wilmar shares data on mills in Sabah, the first to complete a full 3-year cycle of data collection, and will report similarly on other mills in future reports.
- Wilmar has responded to concern over oil palm on peat by extending its prohibition of new developments on peat to all its suppliers, by disclosing its full extent of established plantations on peat (~13,700 ha, 5.6% of Wilmar plantations globally), and by committing to implement Best Management Practices (BMPs) to minimize GHG emissions from established plantations. Wilmar will also consider rehabilitation of plantations on peat in the future.
- A welcomed addition in this report is fuller discussion of Wilmar's operations in Africa, including disclosure of plantation assets and alleged grievances, and affirmation of its commitment to develop these new projects in compliance with RSPO and the Policy.
- Wilmar describes their associated and independent smallholder supply base, progress towards certification, and a revised time bound plan for remaining certifications.



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LOOKING BACK AT THE 2011 REPORT, I HIGHLIGHTED THREE AREAS WHERE STAKEHOLDERS MIGHT APPRECIATE MORE INFORMATION AND TARGETS FOR TRACKING PROGRESS. HOW DID WILMAR RESPOND?

- Building upon Wilmar’s commitment to reduce its water footprint, I recommended setting clear targets for continued efficiency gains in 2011. Such targets have not been finalized, but work continues, and after five years of data collection, Wilmar shows reduction in water use since 2009 in most areas. Where some areas showed increased water use, this should be explored and plans enacted to address this.
- In 2011, I suggested that Wilmar’s commitment to gender equality through ensuring equal pay and advancement opportunities for women could be strengthened by setting targets and establishing a system for tracking female employee advancement. Progress on this issue is not addressed in the Report, but Wilmar reaffirms its commitment to a discrimination-free workplace.
- In 2011, I recommended that Wilmar set explicit targets for improving CPO yields. As in past reports, Wilmar presents yield data here, and explains likely causes underlying performance, but does not set targets or elaborate progress toward meeting them. I encourage Wilmar again to set explicit targets for productivity gains tailored to local conditions of each plantation as a driver for continued improvement.

THREE FURTHER AREAS STAND OUT WHERE FURTHER DETAILS COULD BE PROVIDED IN FUTURE REPORTING:

- Wilmar has taken a strong stance on reducing its GHG footprint. Wilmar should consider setting time bound targets for completing GHG emission baselines for all mills and their supply base, as well as structured, time-bound plans to reduce emissions within six months of baseline completion. This will help drive forward progress on an issue important to stakeholders.
- Wilmar has strong commitments to smallholder development and rural livelihood improvement. Wilmar should consider a system to track and report performance of smallholder productivity and profitability, and establish targets for achieving productivity gains through expanded technical and institutional support.
- Wilmar has enacted procedures for receiving and resolving grievances lodged by stakeholders, especially local communities. Wilmar should consider systematic, operations wide reporting on the frequency of grievances and outcome of resolution efforts. This will enable robust, transparent reporting.

The level of disclosure on Wilmar operations, breadth of clarifications on the Policy, discussion of alleged grievances and update on achievements in upstream operations further illustrate Wilmar’s commitment to sustainability and leadership in transforming industry. Progress on some fronts could be faster and disclosure on some issues could be farther reaching, but overall the Report marks a significant step forward in Wilmar’s journey toward sustainability.

I congratulate Wilmar on the new Report, and look forward to tracking implementation of the Integrated Policy in the months ahead.



ABOUT DR. GARY PAOLI

He has conducted research and worked to promote biodiversity conservation in Indonesia since 1991, and is a founding director of Daemeter, a leading independent consultancy promoting sustainable natural resource management in Indonesia and other developing countries (www.daemeter.org).

Dr. Gary leads Daemeter’s established programme on sustainable palm oil, and is a leading advocate on responsible use of the High Conservation Value (HCV) approach for safeguarding social and biodiversity attributes of production landscapes. He contributes to international meetings on sustainability, especially commodity Roundtables such as the RSPO, and writes for popular media, peer-reviewed journals and open-access venues on tropical biodiversity and its conservation in human dominated landscapes.

TARGETS AND ACHIEVEMENTS

ACHIEVEMENTS

In our 2011 Sustainability Report, we committed to progress on all material aspects to demonstrate compliance with our commitment and continuous improvement.

COMMITMENT	TARGET COMPLETION	REMARKS
CERTIFICATION		
All Indonesian mills have completed RSPO P&C certification audits	2016	On track
BIODIVERSITY		
No new development prior to the completion of a High Conservation Value (HCV) assessment	Since 2008	Achieved
All existing plantations will have an HCV assessment	2013	In progress – to be completed year-end 2014
GREENHOUSE GAS EMISSIONS		
No new development on peat, regardless of depth	Since October 2011	Achieved
HERBICIDES		
No use of paraquat	Since 2011	Achieved
HEALTH AND SAFETY		
Indonesia – Maintain Lost Time Incident Rate (LTIR) below 2.5	2012	Achieved for West Kalimantan Achieved in Sumatra mills Not achieved in Sumatra plantations (4.1) Not achieved in Central Kalimantan (mills 3.6, plantations 6.6)
Malaysia – Achieve LTIR below 5 in all Malaysian operations	2012	Achieved in Sabah Achieved in Sarawak mills Not achieved in Sarawak plantations (8.6)
COMMUNITIES		
No expansion without Free, Prior and Informed Consent from local communities	2012	Achieved
SMALLHOLDERS		
All existing associated smallholders in Kalimantan have completed RSPO certification audits	2017	On track
All existing associated smallholders have completed RSPO certification audits	2019	On track 3 of 12 sites completed

ONGOING AND FUTURE TARGETS

COMMITMENT	TARGET COMPLETION
All Indonesian mills have completed RSPO Principles & Criteria (P&C) certification audits	2016
No new development prior to the completion of an HCV assessment	Since 2008
All existing plantations will have an HCV assessment	Original target reviewed from 2013 to year-end 2014
No intake of CPO to refineries from plantations developed without the completion of an HCV assessment	Ongoing
No new development on peat, regardless of depth	Ongoing
No intake of CPO to refineries from plantations developed on peat after 5 December 2013	Ongoing
No use of Paraquat in supply chain	2015
Publish quarterly progress update on the implementation of our Integrated Policy	Quarterly to year-end 2015
Indonesia – Maintain Lost Time Incident Rate (LTIR) below 2.5	Ongoing
Malaysia – Achieve LTIR below 5 in all Malaysian operations	Ongoing
No expansion without Free, Prior and Informed Consent from local communities	Ongoing
Terminate business with suppliers found in breach of our zero-burning policy	Ongoing

In addition to the above commitments, we are developing measurable targets and milestones to achieve compliance with our Integrated Policy on an ongoing basis. These will be included in our quarterly progress updates which are available from our website www.wilmar-international.com.



SEEDING GROWTH

STAYING FOCUSED ON THE TRIPLE BOTTOM LINE

As one of the largest palm oil producers and processors in the world, Wilmar is in the business of growth – developing our social, economic and environmental responsibility to our stakeholders holistically.

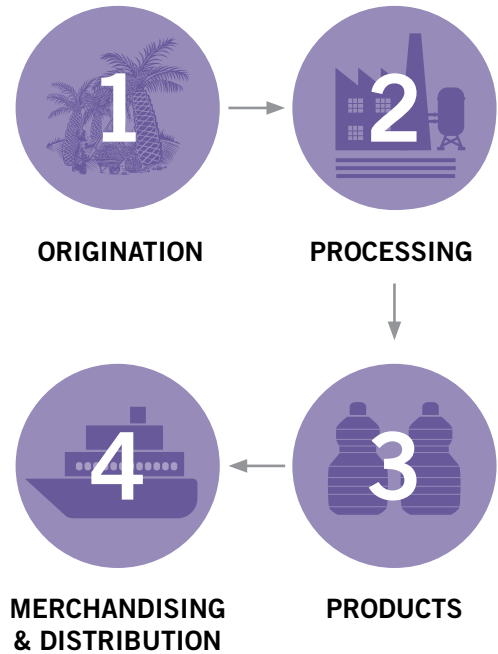
ABOUT WILMAR

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

Our business activities include oil palm cultivation, oilseed crushing, edible oils refining, sugar milling and refining, specialty fats, oleochemical, biodiesel and fertiliser manufacturing and grain processing. At the core of Wilmar's strategy is a resilient integrated agribusiness model that encompasses the entire value chain of the agricultural commodity processing business, from origination and processing to branding, merchandising and distribution of a wide range of agricultural products. We have over 450 manufacturing plants and an extensive distribution network covering China, India, Indonesia and some 50 other countries. The Group is backed by a multinational workforce of about 90,000 people.

Wilmar's portfolio of high quality processed agricultural products is the preferred choice of the food manufacturing industry, as well as the industrial and consumer food businesses. Its consumer-packed products occupy a leading share in its targeted markets. 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.

INTEGRATED BUSINESS MODEL

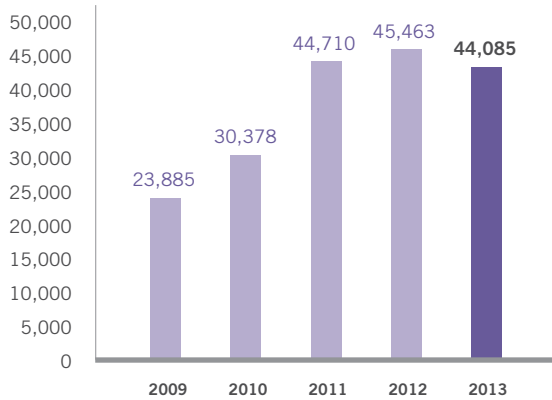


Our business activities can be classified into the following segments:

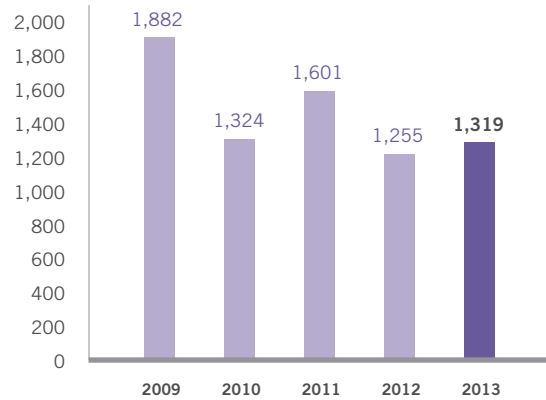
BUSINESS SEGMENT		ACTIVITIES
MERCHANDISING AND PROCESSING	Palm and Laurics	Refining and fractionation of edible oils, production of specialty fats, biodiesel and oleochemicals
	Oilseeds and Grains	Crushing of oilseeds and milling of flour and rice
CONSUMER PRODUCTS		Blending, packaging, branding and marketing of edible oils. Other consumer products include rice, flour, grains and soy milk powder.
PLANTATIONS AND PALM OIL MILLS		Cultivation and milling of oil palm
SUGAR		Milling of sugarcane to produce raw sugar, molasses and ethanol, and refining of raw sugar to produce food-grade sugars
OTHERS		Manufacturing of fertilisers as well as ship owning and chartering

FINANCIAL HIGHLIGHTS

Revenues USD millions

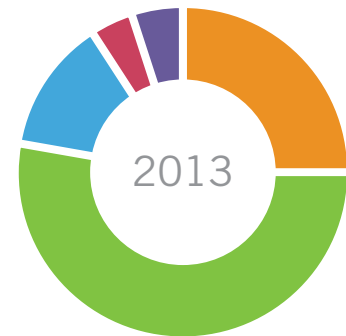


Net Profits USD millions



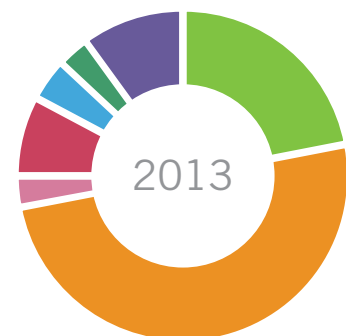
Employees by Region 2013 Total 90,785

Region	Employees	%
China	22,313	25
Indonesia	48,264	53
Malaysia	12,096	13
Europe & Africa	3,716	4
Others (includes United States)	4,396	5
Total	90,785	100%






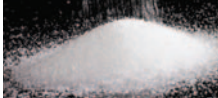
Revenues by Region 2013

Region	Revenues	%
Southeast Asia	9,645,254	22
China	22,000,210	50
India	1,244,612	3
Europe	3,479,008	8
Australia / New Zealand	1,800,170	4
Africa	1,502,916	3
Others	4,412,831	10
Total	44,085,001	100%









PRIMARY BRANDS, PRODUCTS AND SERVICES

BUSINESS-TO-BUSINESS PRODUCTS (BULK)

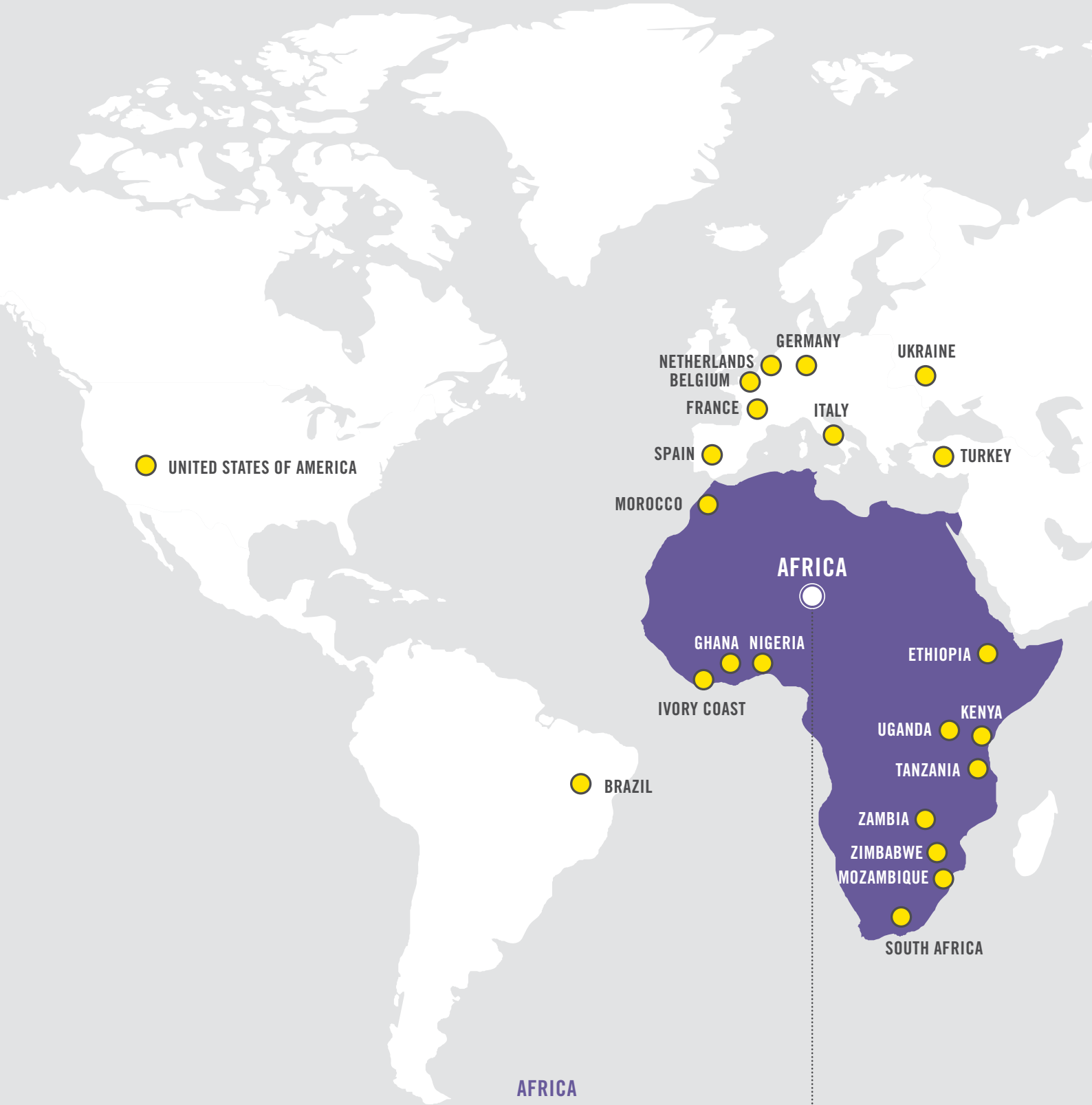
CATEGORY	PRODUCT	
Palm & Laurics	Bulk oil such as RBD* palm oil, RBD palm olein, RBD palm stearin, RBD palm kernel oil; specialty fats; oleochemicals and biodiesel	
Oilseeds and grains	Oilseed meals, edible oils, wheat flour, rice and bran	
Plantations & Palm Oil Mills	Crude palm oil and palm kernel	
Sugar	Raw and refined sugar; sweeteners	

* RBD – Refined, Bleached and Deodorised

BUSINESS-TO-CONSUMER PRODUCTS (CONSUMER PACK)

COUNTRY	CONSUMER BRAND	
China	Arawana “金龙鱼”, Koufu “口福”, Orchid “胡姬花”, Gold Ingots “元宝”, Golden Carp “鲤鱼”, Huaqi “花旗”, Baihehua “百合花”, Wonderfarm “香满园”	
Indonesia	Sania, Sania Royale, Fortune	
India	Fortune, King's, Bullet, Raag	
Vietnam	Neptune, Simply, Meizan, Cai Lan	
Bangladesh	Rupchanda, Meizan	
Australia and New Zealand	CSR™, Chelsea™	

OUR GLOBAL PRESENCE



AFRICA

- Leading importer of edible oils into East and South Africa
- Operates oil palm plantations, refineries and produces consumer pack oils
- Third largest sugar producer in Africa

#1 PLAYER IN CHINA

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

● RUSSIA

● JAPAN

CHINA

BANGLADESH

INDIA

MYANMAR

PHILIPPINES

VIETNAM

● SRI LANKA

MALAYSIA

SINGAPORE

INDONESIA

AUSTRALIA

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

AUSTRALIA

● NEW ZEALAND

INDIA

- Leading branded consumer pack oils producer, oilseeds crusher and edible oils refiner

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

GOVERNANCE AND MANAGEMENT



Our Board of Directors is the highest governing body of Wilmar International, 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, business management and specific relevant industry experience.

The Board has 10 members, comprising three Executive Directors and seven Non-Executive Directors, of whom four are considered independent. Eight are Singaporeans, one is Malaysian and one is American.

The Board is led by Mr Kuok Khoon Hong, who is the Chairman and CEO. A lead independent director, Mr Yeo Teng Yang, is appointed to ensure adequate accountability and transparency in the decision-making process.

The Board is supported by a management team who are responsible for the execution of the Group's strategy and operations.

Wilmar emerged the winner of Most Transparent Company Award (Food & Beverages category) in the Investors' Choice Awards organised by the Securities Investors Association Singapore (SIAS) in 2012 and 2013. In conjunction with the award, a Corporate Governance research report by SIAS and Singapore Management University – Sim Kee Boon Institute for Financial Economics also recognised Wilmar's performance from 2010 to 2012 with a five-star

rating for our corporate governance standards. We outperformed industry peers and average of all SGX-listed companies across all rated components, in particular scoring 100% in 'Equitable Treatment of Shareholders' and a very high score in 'Disclosure and Transparency'.

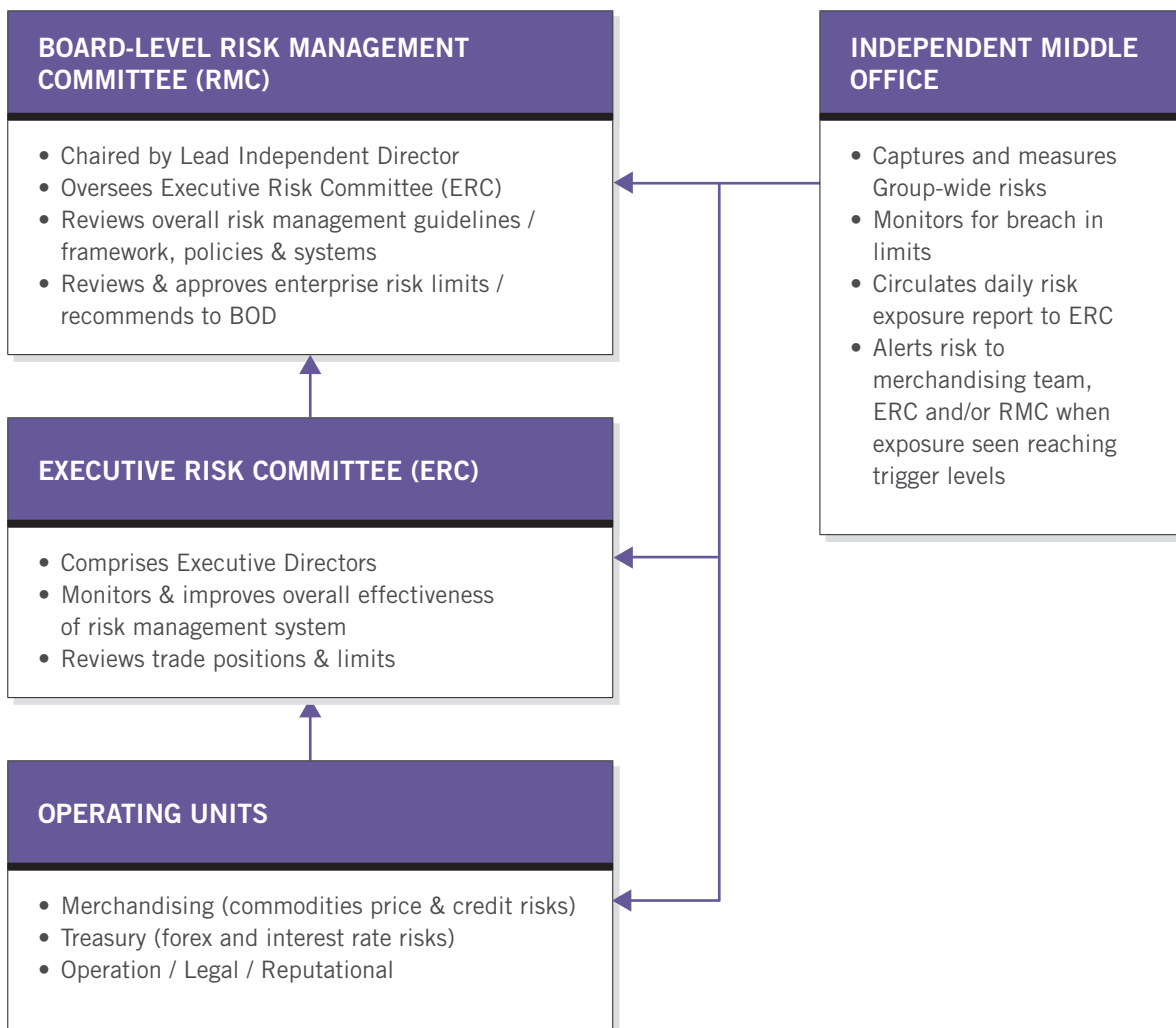
ETHICS POLICY

The new RSPO 2013 Principles & Criteria review requires that companies have in place an ethical policy. This is included in our company's Code of Conduct that prohibits the giving and receiving of any types of bribes, including gifts, entertainment or other benefits which may influence our employees' ability to carry out duties legally and / or in line with company interest. Any benefits or gifts must be declared to the reporting superior. This Code of Conduct is codified in our employee handbook.

In 2013, we also issued an expanded Whistleblowing Policy which sets out guarantees for confidentiality and freedom from reprisals, as well as a number of contact points for reporting of fraud, corruption and non-compliance with legal requirements and company policies.



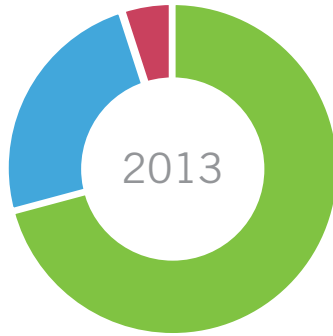
RISK GOVERNANCE STRUCTURE



OUR OIL PALM PLANTATIONS

The crude palm oil (CPO) and palm kernel produced by our oil palm mills are predominantly supplied to our own refineries and palm kernel crushing plants.

Plantations Geographic Location
As at 31 December 2013



Region	% of planted area
Indonesia	71
Malaysia	24
Africa	5

Wilmar is one of the largest oil palm plantation owners in the world with a total planted area of 241,048 hectares (ha) as of 31 December 2013.

About 71% of the total planted area is located in Indonesia, 24% in East Malaysia and 5% in Africa. We also manage 41,037 ha under the Group's Plasma Scheme. We process fresh fruit bunches (FFB) sourced from our own plantations, schemed smallholders and outgrowers, as well as independent third-party suppliers. The crude palm oil (CPO) and palm kernel produced by our oil palm mills are predominantly supplied to our own refineries and palm kernel crushing plants.

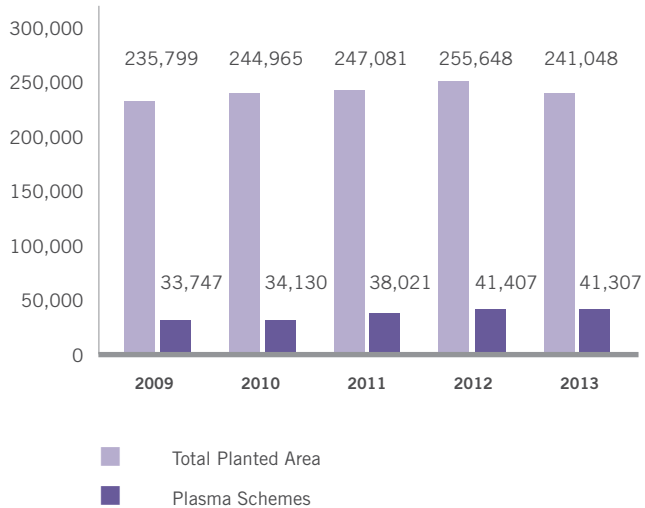


Geographical location of our plantations and mills in Indonesia, Malaysia and Africa.

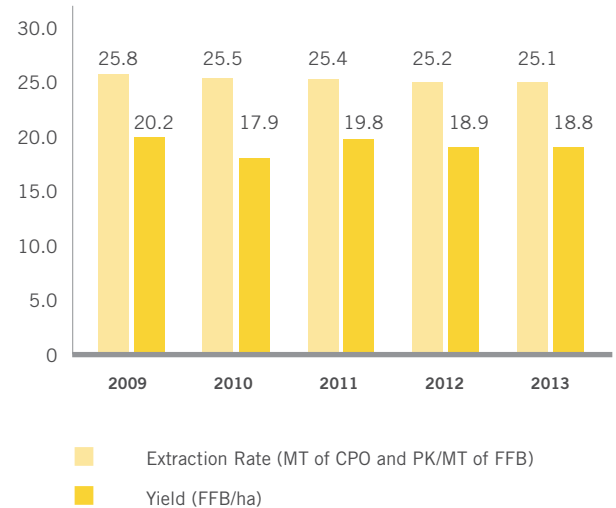
LEGEND

- Oil Palm Plantation
- Palm Oil Mill

Oil Palm Hectares



Group Yield And Extraction Rate



We are also involved in plantations in Uganda and West Africa via joint ventures. Total planted area in Uganda and West Africa are approximately 6,000 ha and 39,000 ha respectively. In addition, the joint ventures manage over 140,000 ha under smallholders and outgrowers schemes.

In 2013, our plantations produced 4.0 million MT of fresh fruit bunches (FFB), a 4% reduction from 2012 due to lower yields. The lower production yield was a result of a number of factors, including a low crop trend in Sarawak, delayed peak harvest season in Sabah, the after effects of dry weather in Kalimantan and Sumatra during the first nine months of 2013, as well as the wet weather in Indonesia that affected the harvesting process in the fourth quarter of the year.





SETTING STANDARDS

DELIVERING ON OUR COMMITMENT

Wilmar's new Integrated Policy of "No Deforestation, No Peat, No Exploitation" is primed to set industry benchmarks. It is a testament to our commitment to uphold the highest standards to accelerate sustainable industry transformation for palm oil.

OUR INTEGRATED POLICY

A NEW LANDMARK IN SUSTAINABILITY

We believe that the palm oil industry can provide a sustainable and affordable source of vegetable oil to meet rising global demand for responsible products, and that it is possible to produce palm oil in a way that protects forests, safeguards air quality, respects local communities and contributes to development and prosperity in palm oil growing regions.

To build a structured approach to sustainability we joined the Roundtable on Sustainable Palm Oil (RSPO) in 2005. We achieved certification of all our Malaysian mills in 2010; and we expect to complete certification audit of the remaining mills in Indonesia and Ghana by 2016, followed by our smallholders by 2019.

We know from our customers and other stakeholders that there is a strong and rapidly growing demand for traceable, deforestation-free palm oil; we took a further step in December 2013 with the launch of a new “No Deforestation, No Peat, No Exploitation” (‘Integrated Policy’) which builds on our RSPO commitment.

The Policy establishes mechanisms to ensure that palm oil from Wilmar’s own plantations and companies from which Wilmar sources will be free from links to deforestation or abuse of human rights. It includes measures to avoid High Carbon Stock (HCS), High Conservation Value (HCV) and peat landscapes, and to ensure respect for community rights and support for development.

The commitments and plans set out in the Policy were developed as a result of several years’ engagement with critical stakeholders, and was crafted in close collaboration with sustainability experts and advisors like The Forest Trust (TFT) and Climate Advisors.

We have set a highly ambitious target to implement the full Policy across our own operations and supply chain by the end of 2015 and are currently developing detailed plans and consulting with key stakeholders including governments, local communities, civil society, non-profit organisations and business partners to guide effective implementation of the Policy.

It is possible to produce palm oil in a way that protects forests, safeguards air quality, respects local communities and contributes to economic development.

INTEGRATED POLICY COMMITMENTS

NO DEFORESTATION

- No development of High Carbon Stock (HCS) Forests
- No development of High Conservation Value (HCV) Areas
- No burning
- Progressively reduce greenhouse gas (GHG) emissions on existing plantations

NO DEVELOPMENT ON PEAT

- No development on peat regardless of depth
- Best Management Practices for existing plantations on peat
- Where feasible, explore options for peat restoration by working with expert stakeholders and communities

NO EXPLOITATION OF PEOPLE AND LOCAL COMMUNITIES

- Respect and support the Universal Declaration of Human Rights
- Respect and recognise the rights of all workers including contract, temporary and migrant workers
- Facilitate the inclusion of smallholders into the supply chain
- Respect land tenure rights
- Respect the rights of indigenous and local communities to give or withhold their
- Ensure Free, Prior and Informed Consent (FPIC) to operations on lands to which local communities hold legal, communal or customary rights
- Resolve all complaints and conflicts through an open, transparent and consultative process.

Implementation and mapping

Given the extent of Wilmar's commitment, we adopt a phased approach to achieving our objectives.

Phase I work includes a preliminary scoping review of our operations culminating in an action plan to guide implementation activities in Phase II, as well as a series of rapid actions that Wilmar needed to undertake to show our commitment in action and progress towards our vision.

PHASE I – Mapping, Engagement and Assessment



- Obtain buy-in, stakeholder engagement, in particular socialising its policy to our suppliers;
- Review all existing policies that are related to the new Policy commitment;
- Review corporate management structures and develop a clear picture of Wilmar's palm oil operations
- Review logistic and supply chain;
- Conduct high level desktop risk assessments that focus on both Wilmar's managed operations and that of its key suppliers;
- Undertake a series of field visits to high-risk sites identified through the assessments above;
- Visit/assess high-risk sites (ongoing).

PHASE II – Embedding, Guiding and Implementing



- Setting up Grievance Panel to handle stakeholder complaints;
- Setting up a dashboard to report on key sustainability performance indicators;
- Continually engage with stakeholders on Policy, including Wilmar's employees and affiliates (JV partners), suppliers, NGOs, customers, bankers, investors and other concerned stakeholders;
- Develop HCS research/studies and assessments;
- Build and empower capacity (internal and external):
 - *HCS – develop tools/guides for plantation planning and conduct workshops to train on use of these tools;*
 - *FPIC – develop manuals/guidelines and conduct workshops to train on use of these manuals.*

OUR VISION FOR YEAR-END 2015



Traceability back to source and supply chain delinked from human rights abuses and deforestation.

To ensure that the Policy is being appropriately implemented and progressing towards a traceable supply of palm oil products our first step is to build on our existing supply chain map in order to trace supply flows from ports and refineries back to oil palm mills and over time to plantations. This work will help build much greater transparency of our operations, including supplier locations and knowledge of practices being used on the ground.

We already have robust data on our own plantations and the next step is therefore to work with suppliers to obtain data on particular mills and refineries. Priority areas are being identified since it will be challenging to complete mapping to all plantations, including smallholders, by end of 2015. To put this task in context, more than 680 mills supplied crude palm oil (CPO) to our refineries in 2013, and some of these mills have more than 200 fresh fruit bunch (FFB) suppliers.

Ultimately, we want to achieve full traceability, not just to mills, but back to plantations. Where this is possible, this will be incorporated into our efforts to map mill suppliers. However, full traceability back to supply base will be a focus area only once we have completed our initial commitments for 2015.

TFT is supporting us in developing guidelines to help suppliers work through difficult and challenging issues. For example, practical guidance is under development to enable responsible development of Native Customary Rights (NCR) lands. Other guidance is being developed to help suppliers work through issues with High Carbon Stock (HCS) forest and peat.

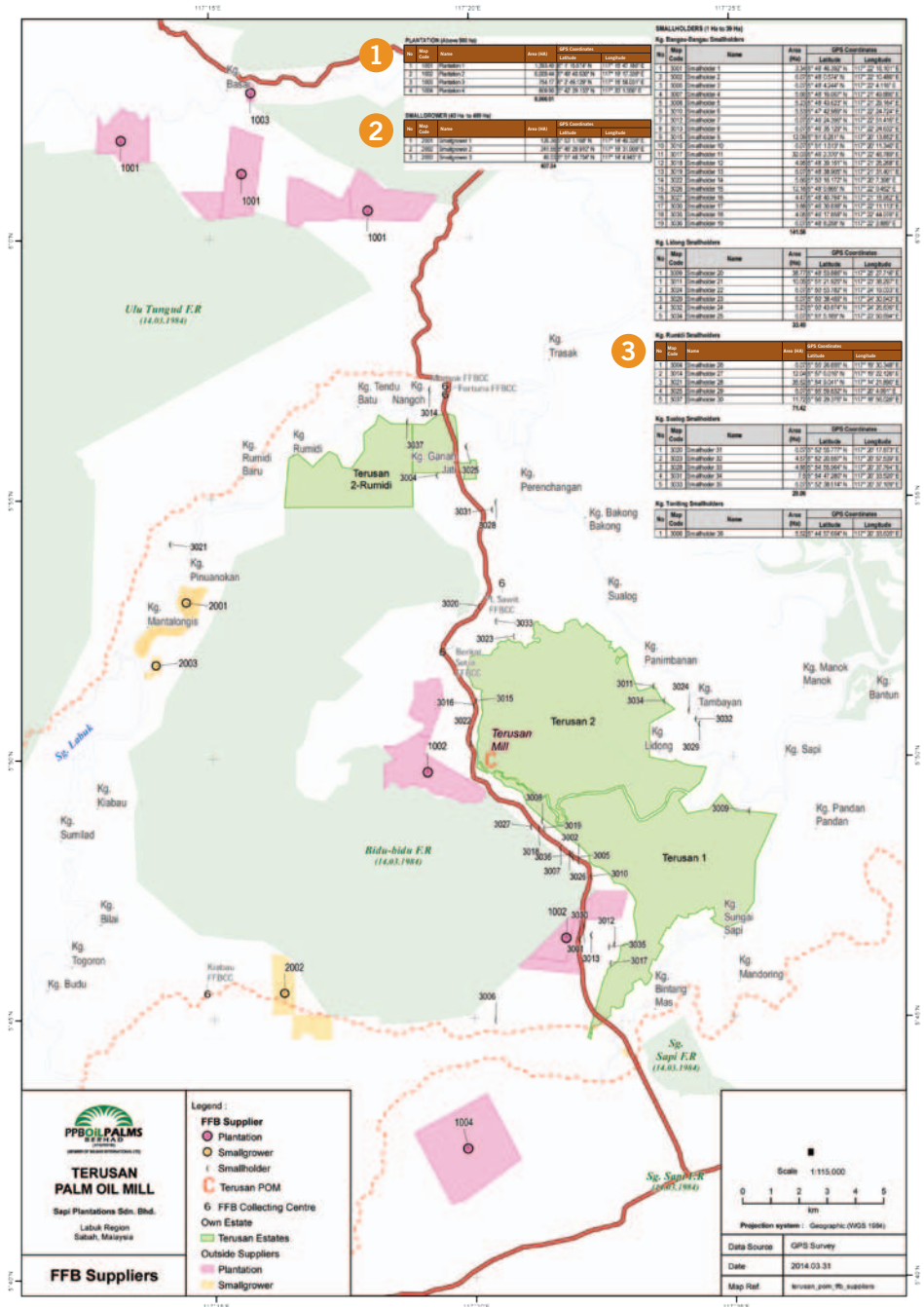
We believe that ongoing engagement and proactive assistance is most effective in achieving compliance with our Policy commitments. Where we identify ongoing and repeated breaches, we will take remedial action and refer such cases to our Suspension Committee who will assess whether as a last resort whether the supplier should be excluded from our procurement process.

TOWARDS FULL TRACEABILITY

The past two years have demonstrated to us that our customers and their consumers want to be able to trace the origin of raw materials and ensure these are not linked to deforestation, threats to wildlife or human rights abuses. As a business we have to respond to these concerns and provide adequate reassurance to the marketplace that palm oil sold by Wilmar meets these standards.

In June 2013, Wilmar, through its joint venture company Olenex C.V., announced a partnership with New Britain Palm Oil Limited (NBPOL) to form an integrated supply chain to Continental Europe with fully traceable and segregated palm oil from NBPOL's RSPO certified plantations. The certified palm oil is supplied to Wilmar's refinery in Brake, Germany which is dedicated to the production of a wide range of sustainable palm products and blends for the European food market.

Our Integrated Policy is the next step to ensure that all palm oil produced and processed by us will be traceable to the mills by the end of 2015, and over time to their supply bases.



1 PLANTATION (ABOVE 500 HA)

No	Map Code	Name	Area (HA)	GPS Coordinates (Latitude)	GPS Coordinates (Longitude)
1	1001	Plantation 1	1,393.40	6° 1' 15.674" N	117° 15' 47.180" E
2	1002	Plantation 2	6,009.44	5° 49' 40.536" N	117° 19' 17.339" E
3	1003	Plantation 3	754.17	6° 2' 49.129" N	117° 15' 58.031" E
4	1004	Plantation 4	809.90	5° 42' 29.133" N	117° 20' 1.556" E
Total			8,966.91		

2 SMALLGROWER (40 HA TO 499 HA)

No	Map Code	Name	Area (HA)	GPS Coordinates (Latitude)	GPS Coordinates (Longitude)
1	2001	Smallgrower 1	126.36	5° 53' 1.168" N	117° 14' 40.338" E
2	2002	Smallgrower 2	241.55	5° 45' 29.910" N	117° 16' 31.009" E
3	2003	Smallgrower 3	40.03	5° 51' 48.754" N	117° 14' 4.943" E
Total			407.94		

3 KG RUMIDI SMALLHOLDERS (1 HA TO 39 HA)

No	Map Code	Name	Area (HA)	GPS Coordinates (Latitude)	GPS Coordinates (Longitude)
1	3004	Smallholder 26	6.07	5° 55' 26.895" N	117° 19' 30.348" E
2	3014	Smallholder 27	12.04	5° 57' 6.016" N	117° 19' 22.126" E
3	3021	Smallholder 28	35.52	5° 54' 9.041" N	117° 14' 21.890" E
4	3025	Smallholder 29	6.07	5° 55' 59.832" N	117° 20' 4.091" E
5	3037	Smallholder 30	11.72	5° 56' 29.376" N	117° 18' 56.026" E
Total			71.42		

SUSTAINABILITY CERTIFICATION

RSPO CERTIFICATION

We achieved full certification for our Malaysian oil palm mills in 2010 and are currently on track to complete RSPO certification audits for our Indonesian operations by year-end 2016. At the time of publication, 22 of our mills had successfully completed certification audits. As of December 2013, the Group's annual production capacity of RSPO certified palm oil was about 700,000 MT. We have had to make some minor adjustments to our time-bound plan, but are still on track to have all complete audits of our wholly-owned plantations by 2016.

STATUS OF INDONESIA MILL CERTIFICATION

NAME OF MILL	LOCATION	STATUS
PT Milano (Pinang Awan)	North Sumatra	Completed
PT Mustika Sembuluh	Central Kalimantan	Completed
PT Kencana Sawit Indonesia	West Sumatra	Completed
PT Kerry Sawit Indonesia	Central Kalimantan	Completed
PT Tania Selatan	South Sumatra	Completed
PT AMP Plantation	West Sumatra	Completed
PT Agro Nusa Investama (Sambas)	West Kalimantan	Completed
PT Buluh Cawang Plantations 1	South Sumatra	Completed
PT Bumi Sawit Kencana	Central Kalimantan	Completed
PT Gersindo Minang Plantations	West Sumatra	Completed
PT Sarana Titian Permata	Central Kalimantan	Completed
PT Daya Labuhan Indah 2	North Sumatra	RSPO approval pending
PT Mustika Sembuluh 2	Central Kalimantan	RSPO approval pending
PT Kerry Sawit Indonesia 2	Central Kalimantan	RSPO approval pending
PT Murini Sam Sam	Riau	2014
PT Sinarsiak Dianpermai	Riau	2014
PT Musi Banyuasin Indah	South Sumatra	2014
PT Agro Palindo Sakti 1	South Sumatra	2014
PT Mentaya Sawit Mas	Central Kalimantan	2014
PT Agro Nusa Investama (Landak)	West Kalimantan	2016
PT Agro Palindo Sakti 2	West Kalimantan	2016
PT Karunia Kencana Permaisejati	Central Kalimantan	2016
PT Rimba Harapan Sakti	Central Kalimantan	2016

- On track according to 2011 plan
- Adjustments to audit dates

PT Asiatic Persada, PT Citra Riau Sarana 1, 2 and 3 have been removed from the plan as they are no longer within scope of our time-bound plan.

.....

AFRICA

In Ghana, preparation for certification audits of mills and plantations is in progress, and the compliance audit is expected to be completed by year-end 2014.

Our Nigerian plantations are part of our RSPO time-bound plan. Unplanted areas are being developed according to the RSPO New Planting Procedures, including undergoing the Free, Prior and Informed Consent (FPIC) process and High Conservation Value (HCV) area assessments, which will be conducted by independent consultants.

ISCC CERTIFICATION

Wilmar first started pursuing the International Sustainability and Carbon Certification (ISCC) standards which are developed for the biomass and bioenergy sectors in 2011. As at end of 2013, 26 of the Group's sites were certified. ISCC certification of further sites will be determined based on commercial considerations.

ISPO CERTIFICATION

The Government of Indonesia introduced in 2011 the Indonesia Palm Oil Certification (ISPO) as a mandatory requirement for all companies operating in Indonesia. As of mid-year 2014, four mills and their supply bases had achieved ISPO certification while seven others have completed certification audits and are awaiting approval.

There are two audit stages under the ISPO certification scheme. We target to complete the first stage of audit for all our mills by end 2014.

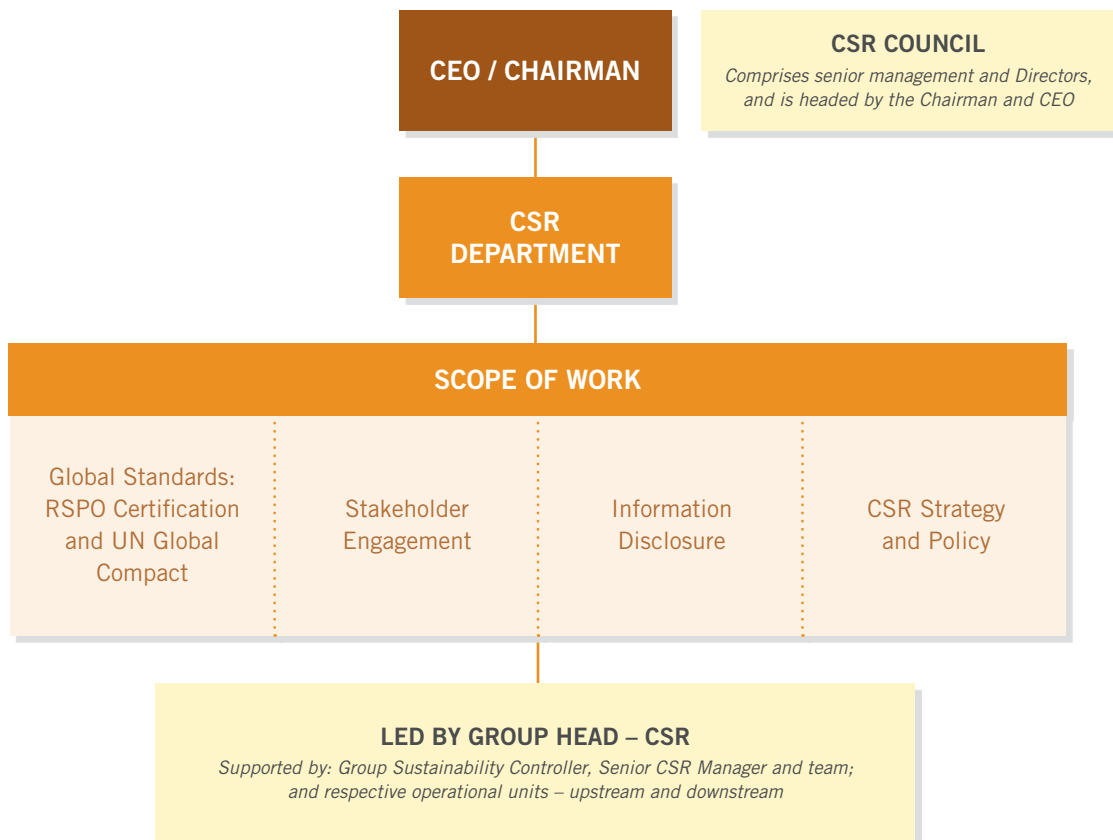


SUSTAINABILITY MANAGEMENT AND GOVERNANCE

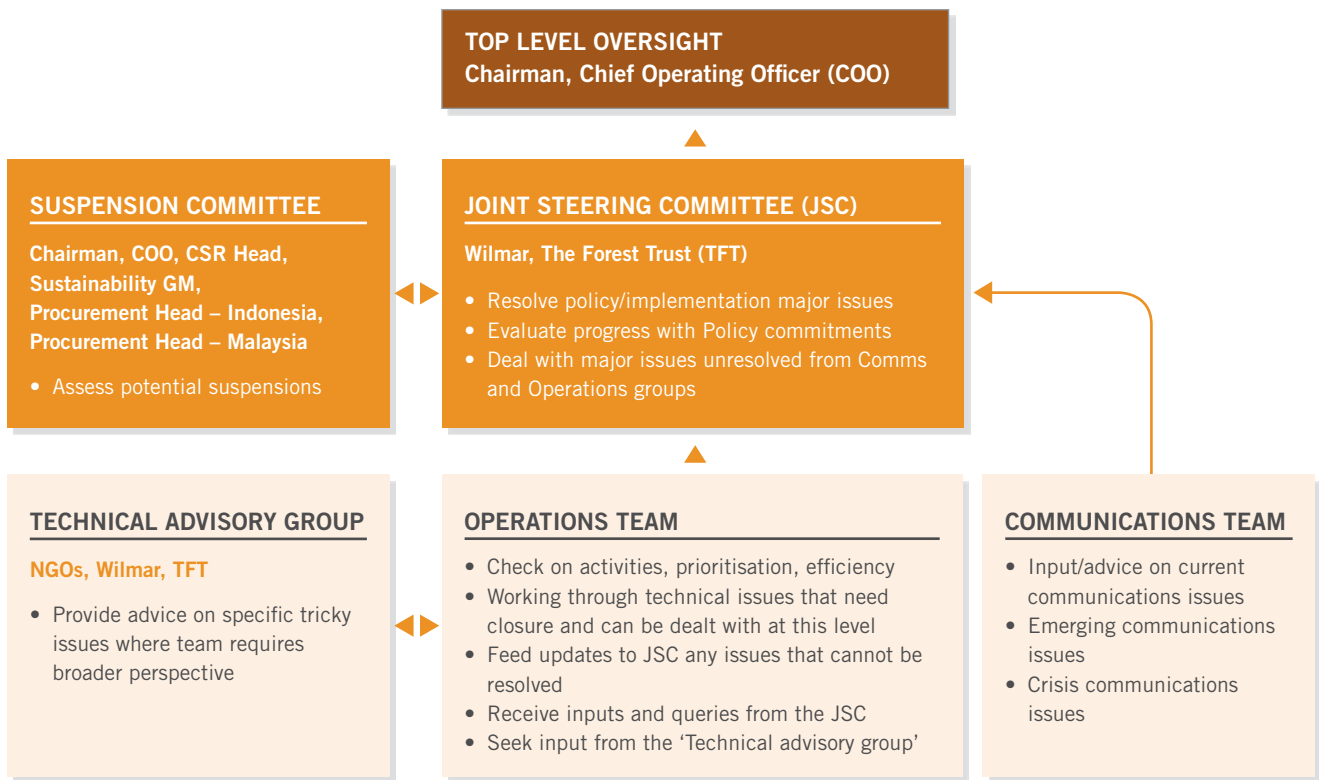


Sustainability forms a core part of our Group's palm oil strategy, and is guided by our Board of Directors and CEO, who sign off on all critical initiatives. To implement sustainability strategies set out by the Board, we have a core team comprising 37 employees with a wide range of local and/or subject matter expertise. At head quarter level, the team is led by our Group Head of CSR supported by a Senior CSR Manager, who are responsible for overall policy development, reporting and international stakeholder engagement. On the ground, implementation of our commitments, policy and initiatives is coordinated and directed by our Group Sustainability General Manager. Due to the significant demands on engagement for implementation of new policies, we expect to expand and restructure this team significantly over the course of 2014, and add numerous subject specialists as we move through the implementation phases to ensure that we have the relevant skills and capacity to support our internal teams as well as suppliers needing support.

CSR MANAGEMENT STRUCTURE



CSR GOVERNANCE STRUCTURE



With operations spread out globally, it is critical that our staff and management teams are well briefed and prepared to address local challenges and engage with stakeholders from local to international levels. For the Plantation and Mill Divisions, briefings have been made to a large group of senior managers to ensure widespread understanding of the Integrated Policy and its implications; these managers have been socialising the Policy to their field staff in Malaysia and Indonesia as well as Nigeria and Uganda.

For the Procurement, Sales & Marketing Divisions, targeted presentations were also made in Malaysia, Indonesia, Singapore and Europe to ensure they fully understand the core provisions of the Policy to guide them in their sourcing activities and communications to customers.

We have also ensured that relevant operational staff have been present at stakeholder dialogue sessions. Through such engagements, we ensure that, for example, estate managers and others responsible for ongoing implementation

understand the concerns of stakeholders and are able to address these in an effective manner.

Implementation of our Integrated Policy requires guidance and input at the commercial, technical and top management level. We have therefore established a governance structure specifically for this purpose, led by our Chairman and Chief Operating Officer.

We wish to ensure that we can take early action and avoid issues. To ensure that we are able to identify breaches of our Policy at an early stage, we are proactively mapping high-risk areas and have put in place a range of monitoring mechanisms. Our expanded Whistleblowing Policy allows any individual to report suspected non-compliance issues. In addition, we have built and are constantly expanding a network of civil society organisations, consultants and local experts who reports on-the-ground concerns or allegations of misconduct. We also make use of the latest monitoring tools such as the Global Forest Watch to identify suspicious patterns of vegetation change.

ENGAGING GLOBAL STAKEHOLDERS

STAKEHOLDER ENGAGEMENT

As part of our ongoing operations, we engage extensively with communities, employees and international as well as grassroots NGOs. As a leading company in our sector however, we also find it critical to be part of a larger global dialogue about the direction and expectations of agribusinesses. This provides us with external perspectives and assists us in identifying future priorities and challenges.

OVERVIEW OF STAKEHOLDER ENGAGEMENT 2012-13

STAKEHOLDER GROUP	TYPE OF ENGAGEMENT	MAJOR ISSUES RAISED	OUTCOME
Financial Community	Investor Briefings; Questionnaires; One-on-one Communications	Deforestation; Social Conflicts; RSPO Certification	
Employees	Annual Appraisals; Social Impact Assessments; Trade Union Engagement; Gender Communities	Talent Retention; Employee Development	Feedback from annual performance appraisals were incorporated into strategies for talent retention
Local Communities	Social Impact Assessments; Free, Prior & Informed Consent (FPIC)	Native Customary Rights	
Non-Governmental Organisations	One-on-one Communications; Multi-stakeholder Forums; NGO Events	Deforestation (High Carbon Stock); Social Conflicts (including FPIC); Third-party Suppliers Traceability; Fire and Haze; Palm Oil Sourcing	Partnerships; Palm Oil Innovation Group (POIG); Manifesto
Government and Regulators	Dialogues; Official Trade Missions and Delegation Trips	Fire and Haze	Singapore Haze Charter
Suppliers	One-on-one Communications	Traceability - many suppliers are reluctant to share their supply base information	
Customers	One-on-one Communications; Multi-stakeholder Forums	Traceability	Indonesian Sustainable Palm Oil (ISPO) Certification; Malaysian Sustainable Palm Oil (MSPO) Certification; POIG; Manifesto
Industry Multi-stakeholder Groups	GAPKI (Indonesian Palm Oil Association); Malaysian Palm Oil Association (MPOA); Roundtable on Sustainable Palm Oil (RSPO)	Legal Compliance; Deforestation (High Carbon Stock); Social Conflicts (including FPIC); Fire and Haze	
Media	One-on-one Communications; Corporate events; Multi-stakeholder Forums	Deforestation; Social Conflicts; Third-party Suppliers	

**NO
DEFORESTATION,
NO
PEAT,
NO
EXPLOITATION
POLICY**

NGO ENGAGEMENT

We engage at both grassroots and international levels with non-governmental organisations (NGOs) and other civil society groups. Some engagements take place in a structured environment through the Roundtable on Sustainable Palm Oil (RSPO), but we also engage extensively through one-on-one dialogues. Over the past years, many of these dialogues have centred around the subjects of deforestation, the sourcing of FFB from external suppliers and social issues in Indonesia and Africa.

The major outcome of these engagements has been the design of our Integrated Policy, which touches not only on our plantations operations, but also our third-party supply chain.

ENGAGEMENT WITH FINANCIAL INSTITUTIONS

For the past years, we have seen a growing interest from our investors in sustainability related issues, who see value in the reputational, competitive and operational assets which come with good sustainability management. We are increasingly incorporating sustainability topics in our investor briefings, and our CSR team works closely with the Corporate Finance and Investor Relations Departments to ensure that our financial community is kept abreast of the latest developments.

After the launch of the Integrated Policy, we hosted a two-day briefing in Malaysia, attended by investors and almost all of the major local banks. We met with a number of European and regional funds to explain our Policy and our implementation plan.

In the beginning of 2013, the Norwegian Government Pension Fund decided to withdraw investments from an extensive list of palm oil companies, including Wilmar. This was followed by another divestment by Norway's largest insurer Storebrand in early 2014. As a longstanding and active member of the RSPO and with significant progress achieved in certifying our extensive operations, this was a disappointment, particularly as there was little engagement prior to the announcement.



However, we were pleased to note the great encouragement¹ we had from a separate group of investors representing more than USD 250 billion in assets under management, which issued a detailed letter of support for our new Integrated Policy in January 2014.

GLOBAL NETWORKS AND MEMBERSHIPS

Wilmar has been a member of the RSPO since 2005. Our Sustainability Controller represents Malaysian Palm Oil growers on the organisation's Board of Governors, and over the past two years we have been active participants in a range of working groups, including the 2nd GHG Working Group and the P&C Review Taskforce. We also engage with the palm oil sector players through membership of the Malaysian Palm Oil Association and the Indonesian Palm Oil Association, better known as GAPKI (Gabungan Pengusaha Kelapa Sawit Indonesia).

In 2013, we also became a member of The Forest Trust (TFT), a partnership we believe will support and strengthen the implementation of our Integrated Policy.

We have been a signatory to the United Nations Global Compact (UNGC) since 2008, as a commitment to conduct business in a responsible manner, especially in the areas of environmental protection, human rights, workers' rights and anti-corruption (See page 56 for integrated GRI/ UN Global Compact Index).

The major outcome of these engagements has been the design of our Integrated Policy, which touches not only on our plantations operations, but also our third-party supply chain.

¹ <http://greencentury.com/wilmar-statement-with-signatories/>



SUSTAINING ENVIRONMENTS

NURTURING A GREENER FUTURE

Wilmar's plantations cover a considerable amount of land, which is why our responsibility to preserve the Earth is even greater. We strive to continuously refine our practices and policies that will enable us to protect the best of nature.

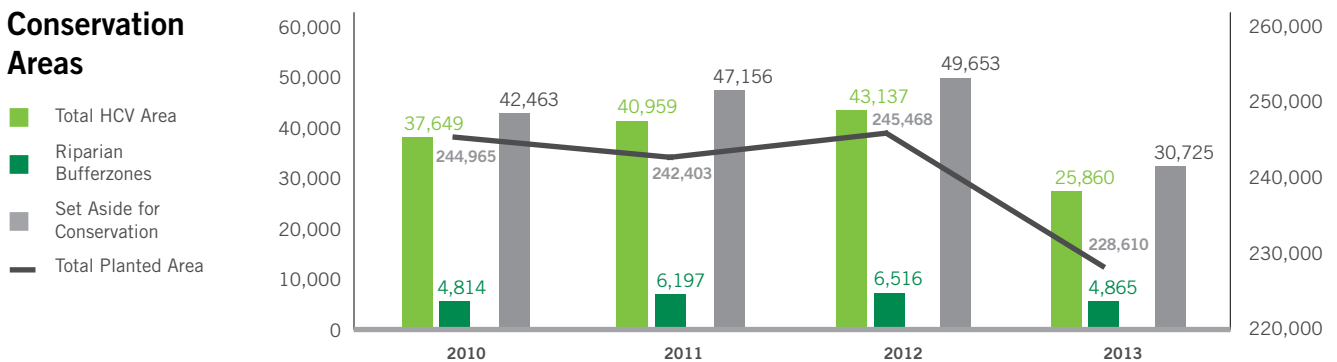
PROTECTING OUR ENVIRONMENT

NO DEFORESTATION

CONSERVING HIGH CONSERVATION VALUE AREAS

Our commitment to no High Conservation Value (HCV) development goes back to our initial joining of the RSPO in 2005. Over these years, the proportion of our land set aside for conservation has grown significantly as we are implementing HCV assessments for all new plantings and finalising HCV assessments for existing plantations.

Conservation Areas



* The chart above only illustrates Malaysia and Indonesia figures.

** Reduction in 2013 hectareage because in 2011, the estates in West Kalimantan held a valid Location Permit (Izin Lokasi) which was temporal in nature. The estimated HCV areas then (19,110 ha) was based on what was found within the location permits. As at end 2013, all those location permits had expired. With the expiry of these permits, companies are no longer allowed to acquire land from the local communities within the location permit. All that is left are areas which the company has secured through negotiations with local communities for the release of their land through the Free, Prior and Informed Consent process while the location permit was valid. A good part of the HCVs that were earlier identified were within the local communities land. As the local communities were not willing to release their land which also contained the HCV areas, the company has to carve out those HCV areas from our land concession when we applied for the Land Cultivation Right Permit (HGU – Hak Guna Usaha). This is why the total HCV and Riparian conservation area was reduced from 19,110 ha to 3,255 ha for in West Kalimantan. The inability to secure a contiguous area also posed a big challenge for us to manage our plantations and the HCV areas because of the fragmentations. However, we need to respect community decision to give or withhold their land.

CHALLENGES

Meetings were held with a large palm oil supplier group in response to allegations of ongoing forest clearance by one of its subsidiary companies during 2014. Wilmar continues to engage with them towards assurance that clearance will cease until HCS and HCV assessments are undertaken by credible assessors and the outcomes adopted in their plantation development plans.

We have also been in ongoing dialogue with WWF due to allegations on illegal forest clearing in Riau, Sumatra (See page 35 'Tesso Nilo' for details).

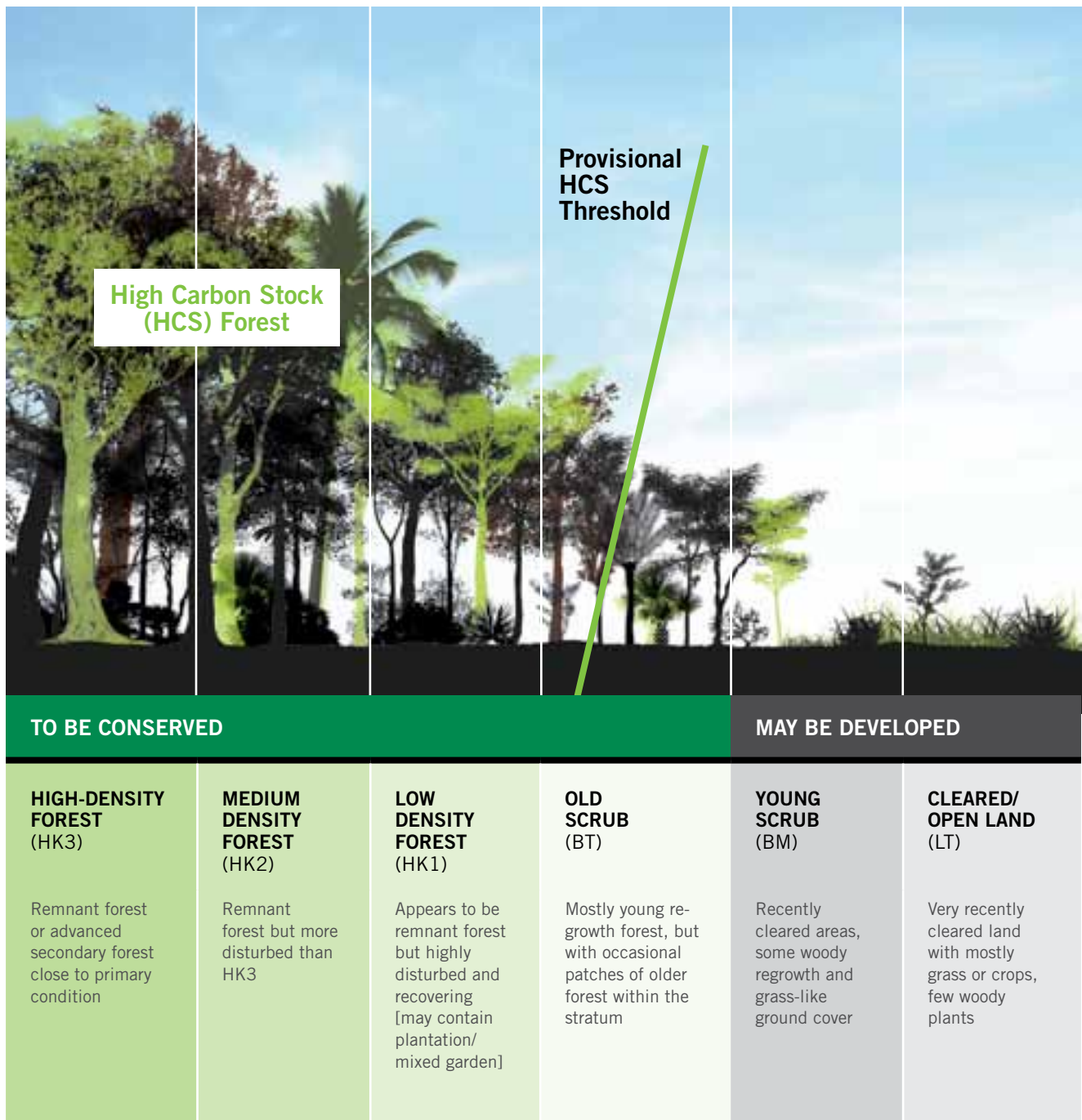


PROTECTING OUR ENVIRONMENT

AVOIDING HIGH CARBON STOCK

Over the past few years, international NGOs have increasingly called attention to concerns about forest areas containing high carbon stock (HCS). HCS assessment is a new methodology, which aims to reduce greenhouse gas (GHG) emissions from forest conversion and help conserve ecologically viable areas of natural forests. It identifies areas of HCS where development should be avoided; as well as degraded lands on which it is possible to continue the expansion of oil palm plantations.

HCS STRATIFICATION



Source: Greenpeace

WHAT IS HIGH CARBON STOCK?

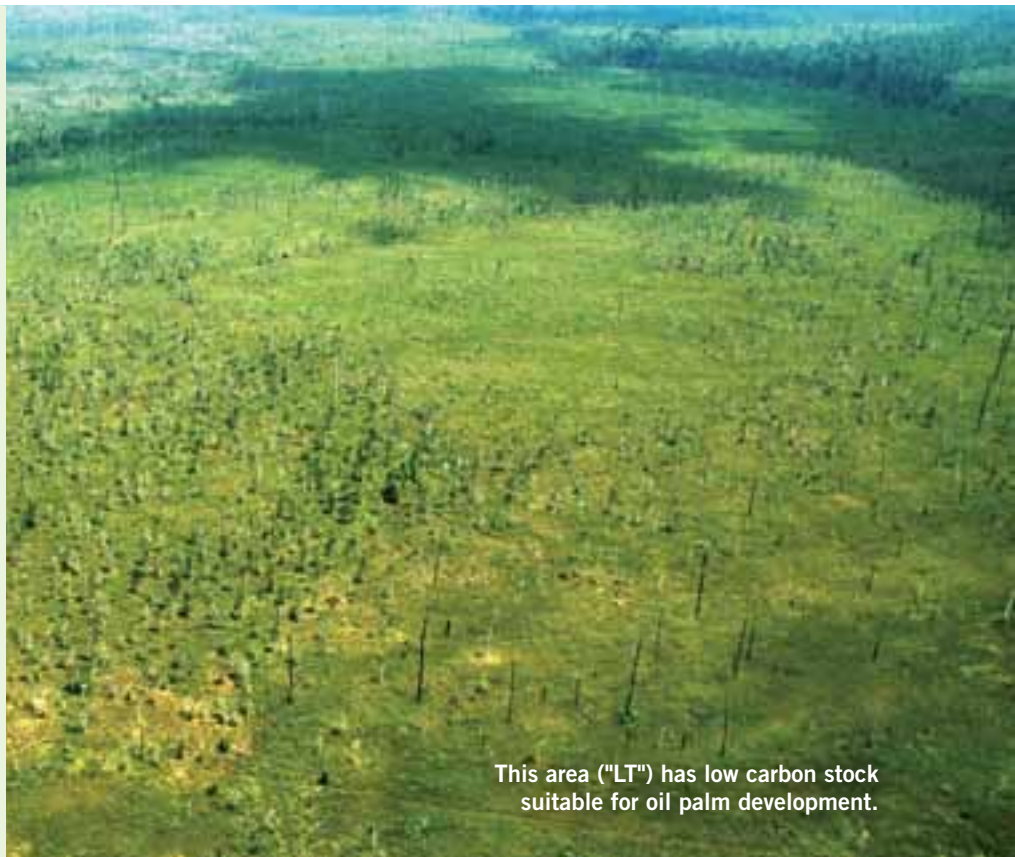
Forests and trees act as natural carbon stores, but this carbon is released when the trees are felled and the area deforested. The amount of carbon stored within an area of land varies according to the type of vegetation cover, so it is beneficial for developments to take place on areas with low carbon stock (pictured here).

The HCS approach distinguishes natural forests from degraded lands with only small trees, scrub, or grass remaining. It separates vegetation into 6 different classes (stratification) through the combination of analysing satellite images and field plots. The Indonesian descriptions of these are: High Density Forest (HK3), Medium Density Forest (HK2), Low Density Forest (HK1), Old Scrub (BT) 3, Young Scrub (BM), and Cleared/Open Land (LT).

A forest considered HCS includes the vegetation classes of BT and above (HK1, 2 & 3). The HCS threshold between BT and BM is largely determined by the vegetation structure and tree density, where BT can be described mostly as young re-growth forest, with occasional patches of older forest within the stratum, and BM as recently cleared areas with some woody re-growth and grass-like ground cover.

According to current definitions, BM (young scrub) and LT (cleared/open land) would be considered of low carbon stock and potentially suitable for oil palm plantation development.

Source: Identifying High Carbon Stock (HCS) Forest for Protection, Greenpeace, March 2013



This area ("LT") has low carbon stock suitable for oil palm development.

Implementation

We are currently training our staff to implement HCS in our own operations and to provide assistance to our suppliers. Training includes the ability to conduct rapid desktop evaluations and full field assessments to ensure HCS or HCV forests are identified and protected. The process also includes assessments of biodiversity and engagement with local communities to ensure free, prior and informed consent has been granted on proposed development sites, as well as sites proposed for conservation.

A desktop HCS assessment has been undertaken at our site in Balikpapan, East Kalimantan, Indonesia which has included stratification of high resolution imagery and detailed on site assessments (*please refer to Balikpapan Case Study on Pg 49 for more background information*). Our Geographic Information System (GIS) Department has been involved in the process. This will enable them to better support suppliers in conducting similar assessments on proposed development sites. A similar pilot study is underway in Nigeria to ensure the diversity of sites and situations is captured to inform ongoing refinement and formalisation of the HCS methodology.

In addition to our own work, we also aim to contribute to and learn from others. We have therefore partnered with a wider group of international palm oil producers to explore different approaches to HCS assessments in the spirit of working toward consensus definitions and methods.

PROTECTING OUR ENVIRONMENT



We installed a number of camera traps in our Indonesian and Malaysian plantation estates to survey and gather information of HCV species, including compiling a list of medium to large terrestrial mammals present in our HCV areas.

PROTECTING WILDLIFE

Wilmar continues to step up its conservation efforts through multi-stakeholder collaborations and working with academic and research institutes.

Within Wilmar's conservation areas, we always look to protect and enhance HCV areas, using a variety of methods and equipment. In 2012, we installed a number of camera traps in our Indonesian and Malaysian plantation estates to survey and gather information of HCV species, including compiling a list of medium to large terrestrial mammals present in our HCV areas. Staff trainings were also conducted on the use of these camera traps.

Some of the endangered wildlife species found in our conservation areas using cameras include the Banteng, Clouded Leopard, Sun Bears and Pygmy Elephants.



Orangutan conservation

Since 2007, Wilmar has been actively involved in orangutan conservation efforts in our Central Kalimantan estates.

In 2012, we carried on work to expand orangutan transects throughout the HCV areas in our estates to monitor existing orangutan populations and reduce any risks to these populations. We have in place specific orangutan management plans which are regularly reviewed by independent orangutan experts whose recommendations are incorporated in the training of its own conservation teams.

We have extended a successful tripartite collaboration with the Borneo Orangutan Survival Foundation (BOSF) and the Governor of Central Kalimantan to develop Best Management Practices for orangutan conservation in oil palm plantations which ended on 31 December 2012. The partnership will run for an additional three years, with the aim of developing these management practices into a formal policy for the palm oil industry in Central Kalimantan.

We are also supporters of the Orangutan Land Trust (OLT), a not-for-profit organisation that focuses on supporting the preservation, restoration and protection of land in areas where orangutans naturally exist or have existed in the past. The main objective of OLT is to ensure there are safe forest areas set aside within habitats of these primates and other species to form a healthy ecosystem.

In 2013, we attended a number of conflict mitigation meetings and workshops aimed to encourage companies to identify potential human-orangutan conflicts within oil palm plantations. These meetings involved a wide range of stakeholders, including representatives from international and local civil society organisations, central and local government agencies and a number of plantation companies.

We have seen positive results from our partnership with the Zoological Society of London under the Biodiversity and Agricultural Commodities Programme (BACP) in two of our most biodiverse areas in Central Kalimantan and Sumatra, Indonesia. The project objectives were to develop, field trial and train companies tailored protocols to monitor HCVs, and consequently



to help plantation companies maintain and enhance HCVs in their conservation areas. As part of the project, a software programme called Spatial Monitoring and Reporting Tools (SMART) was developed to help plantations monitor, analyse and adapt their HCV monitoring systems. Our plantations in Central Kalimantan have started using the SMART programme, and we are looking to extend the programme to our operations in Sumatra.

Gibbon rehabilitation in Sumatra

Yayasan Kalaweit Indonesia is an NGO in Indonesia that deals with the conservation of gibbons and Siamang. Currently Kalaweit only has one rehabilitation centre for these mammals and are actively looking for new sites. They are surveying one of our HCV areas of about 2,200 ha in our plantation in Padang, Sumatra as a potential gibbon-release site.

Riparian rehabilitation to protect Proboscis Monkeys

We have made good progress on the riparian management project with the Sabah Forestry Department in Malaysia, aimed at restoring and enriching State and company land for the population of the endangered Proboscis Monkeys through increasing their food varieties, we completed the entire 47km stretch of a riparian area, with a total of about 45,200 trees planted at end 2013. Natural regeneration has helped extensively after the pruning exercise, therefore reducing the total of necessary seedlings to be planted in the riparian zone. With 11,948 seedlings left in the nursery, we will be looking back at the entire stretch to slot in empty spaces or replace planted trees that have died.

BANNING ILLEGAL FRUIT FROM TESSO NILO NATIONAL PARK

In July 2013, WWF published a report on oil palm grown illegally by the local communities in the Indonesian national park Tesso Nilo, encroaching on forest areas and posing a threat to endangered species such as the Sumatran tigers and elephants. In the report, Wilmar was mentioned as one of the buyers of such illegal fresh fruit bunches (FFB). We had previously engaged with WWF on this topic and recognised the issues raised in the report, as well as the complexities involved in the local context which includes a variety of tensions between palm oil farmers, customary land use and biodiversity conservation.

Wilmar is fully committed to buying only FFB from legal sources and avoiding FFB originating from the Tesso Nilo National Park or FFB from areas where land rights are unclear. Based on the concerns raised prior to the report, we proceeded with a thorough investigation into the issues raised and upon further engagement with WWF we developed a detailed action plan to ensure that we are in full compliance with this commitment:

Policy and Awareness

- Clear direction from top management to all staff that we will only buy FFB from a legal source and an awareness campaign among FFB suppliers.
- Incorporation of a legal clause in the agreement with all FFB suppliers and traders to supply only FFB from a legal source and land which are in compliance with relevant legal and licensing requirements. FFB suppliers or traders found to be in default of this agreement will be severely penalised or dropped altogether.

Check and Monitoring

- Farm/holdings of FFB suppliers are recorded on a GPS by our FFB procurement team.
- GPS co-ordinates are overlaid with government land use planning maps for the region as well as the WWF area of concern.
- Suppliers that fall within the contentious areas are excluded from supplying to Wilmar mills. The same policy applies to those who send their crop through FFB traders.
- Trucks which usually carry crops from the contentious areas will have their truck registration number recorded, and these trucks are banned from delivering FFB into our mills.
- To avoid that suppliers switch trucks to avoid detection, we have stationed a full-time staff at the junction of the Tesso Nilo Complex to keep track of trucks that are used to transport crops out of that area; and to ensure that those trucks do not deliver the crops to any of our three mills.

For a more detailed account of our assessment of the Tesso Nilo issue, please see <http://www.wilmar-international.com/wp-content/uploads/2012/11/Clarification-on-issues-in-Tesso-Nilo-forest-complex.pdf>

GREENHOUSE GAS POLICY AND ACCOUNTABILITY



We have been working actively within the RSPO to develop robust requirements on GHG emissions and have been involved in the organisation's GHG working groups since 2008.

We recognise that climate change is one of the most pressing challenges facing mankind and that our industry can take significant steps to implement mitigation actions to reduce its ecological footprint.

In 2007 we were among the first palm oil companies to commission a global carbon footprint study, the results of which were discussed in our 2009 Sustainability Report. The study showed that a very high proportion of greenhouse gases (GHG) were derived from land use change, particularly with regards to peat lands. This was one of the primary drivers for our announcement to ban further peat developments in 2011. Since then, we have taken a step further with our peat land policy by extending it to include our third-party suppliers. Similarly, our new focus on HCS aims to decouple our palm oil supply chain, and the industry as a whole, from high carbon emissions.

Apart from land use, palm oil mill effluents (POME) are the largest GHG emitters in the

production of palm oil. To reduce emissions from POME, we have installed methane capture facilities at six of our mills in Malaysia and Indonesia, two of which are registered Clean Development Mechanism (CDM) projects capable of generating carbon credits. In addition, we have six CDM registered biomass boiler projects in our refineries aimed at carbon-neutral emission.

We have been working actively within the RSPO to develop robust requirements on GHG emissions and have been involved in the organisation's GHG working groups since 2008. One of the major outcomes of the initial process was the development of the PalmGHG calculator, an informatics tool developed in collaboration with scientists and stakeholders to assist palm oil producers in quantifying GHG emissions from palm oil mills and plantations.

In addition, we have been active in the Emission Reduction Working Group (ERWG), which was established to support the implementation of Criterion 5.6¹ and Criterion 7.8² of the revised RSPO P&C 2013 during the trial implementation phase, using the PalmGHG calculator that will end on 31 December 2016. A pilot programme is ongoing to test the new version of the PalmGHG calculator among the participating companies. The main aim of the pilot programme is to test the functionality and user-friendliness of the new PalmGHG interface as well as the ability of the calculator to accommodate the various operational setups of mills and plantations. Feedback from participating companies during the pilot phase will be reviewed by the ERWG for adjustments and improvements.

To that end, we participated and submitted data for the pilot study. We have initiated and completed the RSPO GHG calculation using the new version of the PalmGHG calculator for our mills in Sabah; and we expect calculations for our mills in Sarawak to be completed by the third quarter of 2014.

1 Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.
2 New plantation developments are designed to minimise net greenhouse gas emissions.

Total GHG Emission from Wilmar's Mills in Sabah based on three years' data from 2011-2013

MILL	PO (MT CO2E/ MTCPO)
Sapi	1.21
Terusan	3.08
RekaHalus	1.91
Sri Kamusan	0.91
Sabahmas	1.25
Ribubonus	1.59

Note: The data above is tabulated using the latest version of the RSPO PalmGHG calculator which is still being tested on its functionality.

The table above illustrates the GHG emissions per metric tonne of crude palm oil (CPO) produced in our mills in Sabah. The Terusan palm oil mill has the highest emission level due to the age of the estates from which it is supplied, resulting in less crop sequestration. Such emission levels could potentially be offset by building a biogas capture facility; and we are currently developing feasibility plans to add such a facility. Conversely, the Sapi palm oil mill has a much lower emission as the plantation is relatively young (and sequestering carbon) and is supported by a biogas recovery system.



NO DEVELOPMENT ON PEAT

We recognise that agricultural development of peat areas can be a significant contributor to climate change. In 2011, Wilmar made a formal commitment to cease any further developments on peat land defined as soils with more than 65% organic matter, regardless of depth.

We have pockets of peat land among our planted area in Indonesia, planted prior to the announcement of our Integrated Policy. To manage these existing peat areas effectively, we have put in place best management practices for peat areas in line with recommendations of the RSPO Peat Working Group. The water levels are maintained as specified in the RSPO P&C guidance and monitored on a continual basis. Peat subsidence is also monitored in permanent sampling locations.

As part of our Integrated Policy commitments, we will explore options to restore some of these areas rather than replanting on them in 2014-15, when established palms complete their productive lifespan.

We have also committed to cease buying fruit and CPO from plantations established on peat land after 5 December 2013, which is the date of our Integrated Policy announcement. The Policy allows for special consideration for smallholders and owners of Native Customary Rights land who have no other land to cultivate.

We will explore options to restore some of these areas rather than replanting on them in 2014-15.

Peat Area in Wilmar's concessions as at Dec 2013

LOCATION	PEAT AREA PLANTED (HA)	PEAT AREA CONSERVED (HA)
Sumatra	3,023	238
Central Kalimantan	2,426	549
West Kalimantan	8,224	2,167
Sabah	43	0
Sarawak	84	0
TOTAL	13,800	2,954

PROTECTING OUR ENVIRONMENT

We are working with a wide range of scientists and NGOs to ensure that we are able to provide robust guidance to help those wishing to establish new plantations in order to avoid areas where peat is present. Part of this work entails reviewing soil maps to provide an initial indication of areas of concern. Expert groups are providing input on soil sampling and analysis methods to help landowners determine appropriate areas for development.



SARAWAK GOVERNMENT ENGAGEMENT AND RESPONSE

Wilmar's refineries purchase a significant volume of the CPO produced in the Malaysian state of Sarawak. When we announced our Integrated Policy, the state government of Sarawak raised concerns about the implications of the policy for our suppliers in the state. We took immediate action to set up briefings with government representatives and suppliers to provide reassurance that the Policy applies only to oil palm planted after December 2013; and reaffirmed that due considerations and support would be given to smallholders. We believe that these misunderstandings have now been resolved.

FIRE PREVENTION

Over the past decade, Southeast Asia has experienced frequent instances of severe air pollution and haze, primarily linked to extensive fires in Kalimantan and Sumatra. To ensure that we do not contribute to this problem, we have a strict zero-burning policy and use only mechanical methods for land clearing. Furthermore, we have in place an extensive fire management and monitoring system to ensure that fires caused by accidents and fires starting on the boundaries of our plantations are not allowed to spread. Our head office in Singapore receives daily fire reports to ensure that any instances can be reviewed and stakeholder queries can be addressed immediately.

In 2013, when pollution reached hazardous levels in Malaysia and Singapore, we assisted the RSPO in mapping fire locations in Sumatra and were not found to be the source of any fire hotspots. We also provided a briefing for the Singapore government on means to reduce fire risks in the region.

Working with suppliers in fire prevention

Our sourcing policy, which was developed and communicated to suppliers in 2010 and

reiterated in our Integrated Policy, require all FFB and CPO to be produced in compliance with all relevant and applicable local and national law and regulations. This includes the use of burning for land clearing as prohibited by Indonesian law. Suppliers are advised that breach of this will lead to immediate termination of business.

In 2012, a Greenpeace report alleged that one of our suppliers was the source of significant fires in Sumatra. We take such allegations very seriously. As this supplier is also an RSPO member, we participated in RSPO's investigation of these claims by overlaying GPS coordinates with the supplier's concessions.

The investigation found that fire hotspots were located on the boundary and not inside the supplier's concession area. The investigation also found that the supplier could markedly reduce risks of such fires near its plantations in the future by improving water table management in peat areas. Furthermore, we recommended to the supplier that they establish an effective fire fighting unit to ensure that such fires are not able to spread. Finally, we reiterated to the supplier that external FFB from landholdings cleared through fire is not acceptable in Wilmar's supply chain.



We have in place an extensive fire management and monitoring system to ensure that fires caused by accidents and fires starting on the boundaries of our plantations are not allowed to spread.

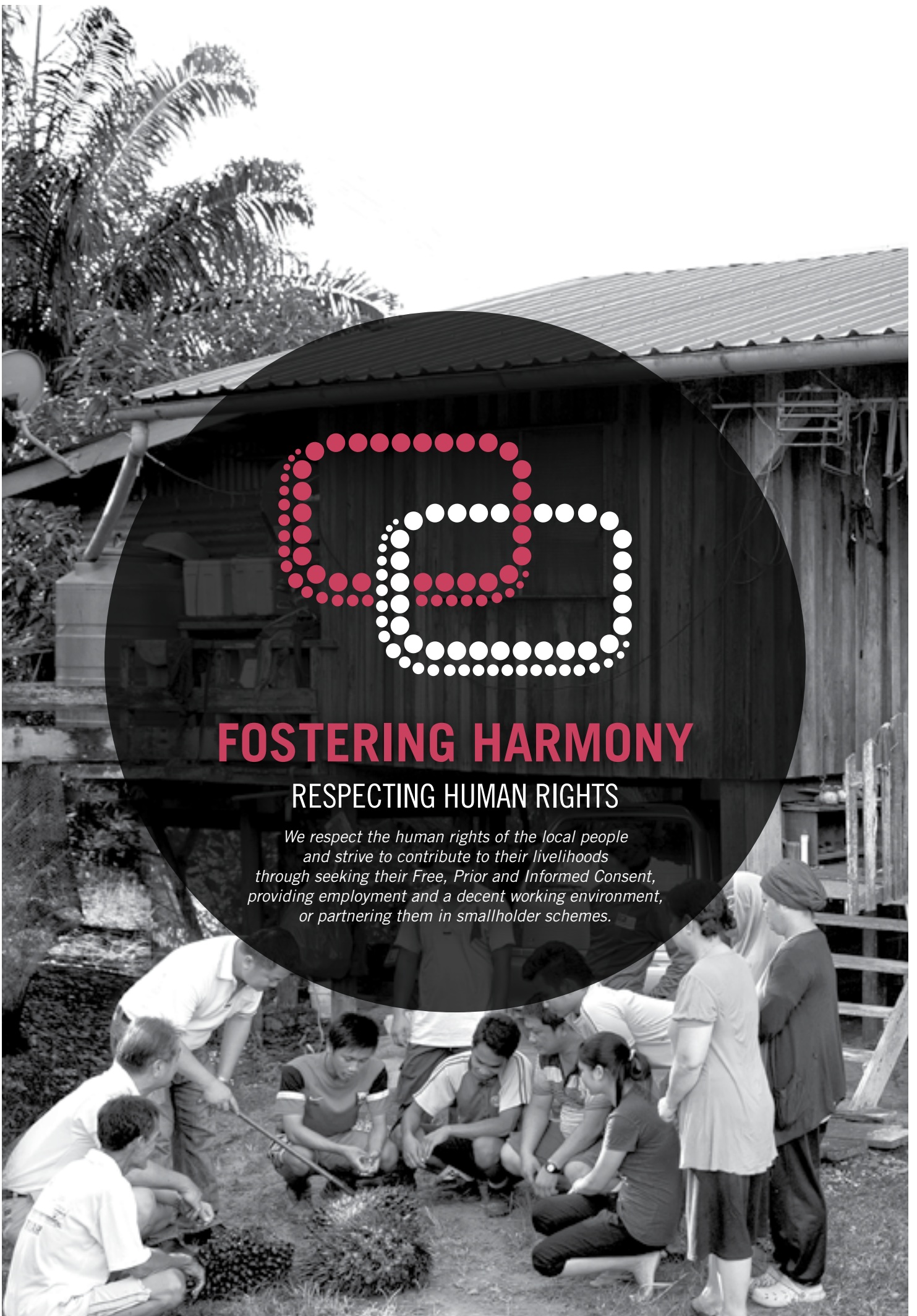
FIRES RECORDED	2009	2010	2011	2012	2013
CENTRAL KALIMANTAN					
Planted area (ha)	173	1	98	97.42	15.46
Unplanted area (ha)	339	40	182	318.9	113.87
Total number of fires	76	3	93	85	33
WEST KALIMANTAN					
Planted area (ha)	6.3	2.5	7.38	112.52	7.09
Unplanted area (ha)	20	0	0	0	0.4
Total number of fires	8	1	4	8	8
SUMATRA (RIAU)					
Planted area (ha)	8.5	2.5	67.5	67.69	9.25
Unplanted area (ha)	15	0	0	0	0
Total number of fires	7	2	6	21	5
TOTAL					
Planted area (ha)	187.8	6	172.88	277.63	31.8
Unplanted area (ha)	374	40	182	318.9	114.27
Total number of fires	91	6	103	114	46



FOSTERING HARMONY

RESPECTING HUMAN RIGHTS

We respect the human rights of the local people and strive to contribute to their livelihoods through seeking their Free, Prior and Informed Consent, providing employment and a decent working environment, or partnering them in smallholder schemes.



RESPECTING AND EMPOWERING PEOPLE

NO EXPLOITATION OF PEOPLE AND LOCAL COMMUNITIES

We are committed to the principles of the Universal Declaration of Human Rights as well as the International Labour Organisation (ILO) core labour standards. Over the past five years, we have evolved our approach with the guidance of community and NGO partners, particularly with regards to land rights and Free, Prior Informed Consent (FPIC). We operate in the agriculture sector in countries where indigenous and customary rights have historically been weakly enforced, and it has been a difficult learning curve to develop a robust process to address historical conflicts and prevent future issues.



INDONESIA

PT Asiatic Persada Disposal

From 2011-2013, we were involved in a complex grievance around land rights linked to our subsidiary PT Asiatic Persada in the Jambi Province in Sumatra Indonesia, which was detailed in our 2011 Sustainability Report. The conflict involved two separate issues; one with regards to traditional land rights owners, and one concerning illegal settlements. We initiated a formal grievance process and sought the assistance of the local Indonesian government and the Compliance Advisory Ombudsman of the International Finance Corporation to mediate this process, with the involvement of local NGOs.

In July 2013, Wilmar made a commercial decision to divest all shareholdings in PT

Asiatic Persada to an Indonesian company, Prima Fortune International Limited. Due to commercial confidentiality clauses, we were unable to disclose this sale prior to completion. NGOs led by UK-based Forest Peoples Programme raised a complaint on behalf of the communities, alleging that Wilmar had acted in bad faith due to the lack of disclosure and consultation and requested that we continue to be involved in the grievance procedure.

We responded promptly to this complaint, and have also strongly encouraged Prima Fortune International Limited to continue the conflict resolution process. However, as we have no further direct influence on and no longer purchase FFB or CPO from PT Asiatic Persada, we cannot be further involved in the process.

RESPECTING AND EMPOWERING PEOPLE

AFRICA

Wilmar's visits to its joint venture operations in Uganda and Nigeria included discussions with management teams, workers, and local community members at their workplaces and homes. The visits were constructive and highlighted a range of areas where we could improve performance, particularly in terms of community engagement, access to water and land for food crops, as well as working and housing conditions. As a majority shareholder in Nigeria, we will carry on being actively involved in the full implementation of our Policy, and whilst we are only minority shareholders in Uganda, we will provide proactive guidance here to ensure full compliance.

Nigeria land grab allegations

In 2012, Wilmar made its first oil palm plantation investment in Nigeria when the Group made a successful bid for six plantation sites totalling about 27,000 ha in the Cross River State through a tendering process. Most of these plantations were first planted in the 1960s but abandoned from the 1970s onwards. The process included

a technical and financial bid submission which also involved extensive negotiations and consultations with key stakeholders including the local communities, before the acquisition process could be concluded.

Our planned development includes replanting old plantations that are due for replanting as well as new plantation developments adjacent to the old ones. In the former, we engaged extensively with the local government to assure ourselves that the local communities were already duly compensated before we took over. On the new sites, Wilmar undertook the Free, Prior and Informed Consent (FPIC) approach with the local communities through active engagement and consultation and fair compensation given to them based on a mutually-agreed-upon rate.

In 2013, the Rainforest Research and Development Centre, an NGO, raised a complaint with the RSPO, alleging that Wilmar had not followed adequate FPIC procedures and were in breach of local land and environmental legislation.



The RSPO Complaints Panel expressed the opinion that our plantation operations in Nigeria is in compliance with the national laws of Nigeria, including the lawful acquisition of land and that due process of environmental impact assessment (EIA) was followed.

In particular, it was noted by the legal expert appointed by the RSPO that our acquisition of the estate in question was considered transparent and in compliance with the Land Use Act.

Furthermore, on the claim that we did not settle land rights issue with the local communities, we subsequently obtained written support from the communities clearly stating that an agreement has been reached between the landlord communities and Wilmar.

Uganda conflict allegations

In a report published in April 2013, Friends of the Earth alleged that our Kalangala oil palm joint venture in Uganda had resulted in eviction of people from land without an appropriate Free, Prior and Informed Consent (FPIC) process and with inadequate compensation. It was also alleged that deforestation of an area between 4,000-5,000 ha had taken place and that a buffer zone of 200 metres between the plantation and Lake Victoria had not been respected.

The Kalangala oil palm project was initiated in 1998 by the Government of Uganda with technical and financial support from the World Bank and International Fund for Agricultural Development (IFAD), with the aim of providing development to one of the remotest and poorest districts in Uganda. Prior to project commencement, the government undertook extensive consultation with the affected communities, including public hearings.

The project has support from the communities and local and district leadership, all of whom came out in public support of the project and reaffirmed that in their view, there had been no compulsory acquisition of land, and that all the land was acquired with FPIC. Where it was not possible for the occupants to leave the land in question, the specific area was set aside and no oil palm development took place. There were no evictions of people from these areas.



With regards to claims of deforestation and destruction of buffer zones, no specific evidence was presented in the reports. In total, the World Bank, the Ministry of Agriculture together with Bidco Uganda and the IFAD conducted three separate EIAs. Two were conducted before the project commenced, and the final one after the project commenced. All three EIAs clearly indicated that there was no significant biodiversity value in the project area.

The Kalangala project has created jobs and development opportunities. Through the company's growing role as an employer, its substantial impact on both the local and national economies, as well as through community work, we believe that this venture is bringing tangible and meaningful benefits to the country and its people.

On the new sites, Wilmar undertook the Free, Prior and Informed Consent (FPIC) approach with the local communities through active engagement and consultation and fair compensation given to them based on a mutually-agreed upon rate.

RESPECTING AND EMPOWERING PEOPLE

RIGHTS OF WORKERS

We employ more than 90,000 people globally. They are the backbone of our business. We want to make sure that each of our employees is treated fairly and with respect, and we are committed to upholding and promoting the Universal Declaration of Human Rights for all workers both temporary and permanent.

Wages and working hours

We want to ensure that all workers are paid at least the legal minimum wage. In Malaysia, we comply with the recently introduced minimum wage of RM800 per month and in Indonesia our basic wage is slightly higher than minimum wages determined at Provincial level.

Our Policy requires that working hours do not exceed 60 hours per week (including overtime), that overtime is worked on a voluntary basis only and that workers have at least one day off in a week.

Transparency, record keeping and data protection

We maintain transparent and reliable records of working hours and wages for all workers and ensure confidentiality in all of their dealings. We ensure that permission has been given and documented before disclosing, displaying, submitting or seeking confidential or personal information or data obtained in connection with recruitment or employment.

We ensure that workers are given the details of their working conditions in writing, including but not limited to the nature of the work to be undertaken, pay rates and arrangements, working hours, vacation and other leaves, and all other benefits of employment. This information must be provided in a language which is understood by the employee.

Protecting dignity and respecting diversity

We do not discriminate on any grounds and ensure that all employed are treated with respect and paid equally, in accordance with their tasks or responsibilities. We take harassment and abuse very seriously and seek to urgently investigate and remediate reported harassment and abuse.



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Housing

Where housing is concerned, we wish to provide safe and attractive housing for all employees. We ensure that single men and women are separate and segregated, that sleeping quarters can be locked, that there are means to protect personal belongings and that there are no restrictions imposed which interfere with workers' rights to leave the housing facility during their free time.

At a minimum we will provide space averaging 3.8m² per person housed.

Freedom of association and collective bargaining

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

Child labour

We uphold a ban on child labour and do not employ anyone under the age of 18. It is not uncommon for children to work on family farms in smallholder operations. This is allowed within the RSPO certification scheme as long as the welfare and schooling of children are not at risk. As part of our Integrated Policy we will seek to identify risks to children in our supply chain, and take appropriate measures to address any risks.

We provide a range of services such as kindergartens and schools in our plantation to ensure that children of workers have access to education, and are also setting up stronger controls to prevent parents from bringing their children to their workplace.

Forced and bonded labour

In accordance with the RSPO and our Integrated Policy we do not accept any forced, trafficked or bonded labour, either in our own operations or in our supply chain. Should we encounter any instances, we will employ remedial actions to ensure that victims are referred to existing services for support and assistance.



In the oil palm sector, the most prominent risk of force or coercion is the recruitment of workers through employment agencies, particularly in the case of foreign workers. We do not accept that jobseekers are required to lodge monetary deposits or other collaterals as a condition of employment. Fees or costs must not be charged to job-seekers and workers for the services directly related to recruitment for temporary or permanent job placement, including when using the services of private employment agency. We also seek to ensure that employees are never subject to the unlawful withholding of wages, identification cards, passports or other travel documents, and other personal belongings without their consent.

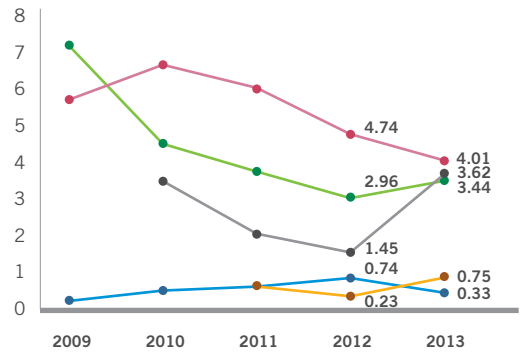
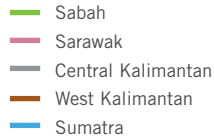
RESPECTING AND EMPOWERING PEOPLE

OCCUPATIONAL HEALTH AND SAFETY

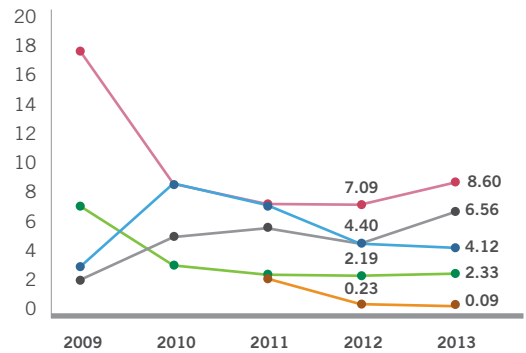
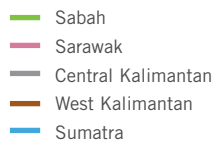
We take the safety of our employees very seriously and are constantly working to ensure that we reduce the number of accidents in our fields and mills, as well as strengthen our reporting mechanisms. Overall, we have made progress and sites with historically high incident rates have seen significant reductions over the past five years. Central Kalimantan and Sarawak (plantation only) have seen an increased number of incidents over the past two years, and we are working to ensure that further strengthening of standard operating procedures is implemented.

Sadly, there were a total of nine work-related deaths in our operations in 2012 and 2013, four in Malaysia and five in Indonesia. Our management and staff offer our condolences to families of the deceased. Every fatality case is followed up with a thorough review of cause and actions to prevent recurrence. The reviews are followed by continued efforts in training and use of protective equipment. We managed to bring down fatalities significantly from 2012 to 2013, but will continue to investigate causes and improve prevention.

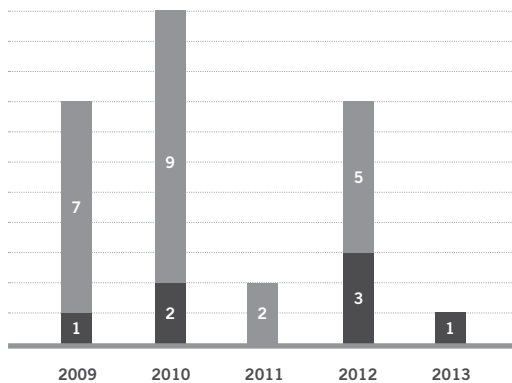
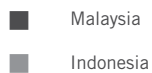
Lost time incident rate – mills



Lost time incident rate – plantations



Fatalities



As part of our Integrated Policy, we have also made a commitment to ensure that all workers are provided with accident insurance covering medical treatment for work-related illness and injury and compensation for work-related illness and injury causing death or permanent disability.

NO USE OF PARAQUAT AND CHEMICAL STEWARDSHIP

We work to protect workers, local communities and the environment from exposure to hazardous chemicals. Use of pesticides that are categorized as World Health Organization Class 1A or 1B listed by the Stockholm or Rotterdam Conventions are not used, except in specific urgent situations.

In 2008, we were among the first large-scale oil palm producers to gradually phase out Paraquat in response to stakeholder concerns over the safety and potential abuse of this widely used herbicide. We completed the phase-out in 2011. As part of the Integrated Policy, we will require our suppliers to do the same by end 2015.

With the exception of very small-scale organic agriculture, herbicides are a necessity in oil palm cultivation. However, through our integrated pest management system we apply a combination of natural and mechanical pest reduction strategies such as the introduction

of natural predators as well as seeking to minimise pesticide usage through precision application. Our R&D laboratory in Indonesia has also identified beneficial microbes which are being used to develop environmentally friendly approaches to controlling or preventing oil palm diseases, reducing the use of synthetic fertilisers and improving plant growth.

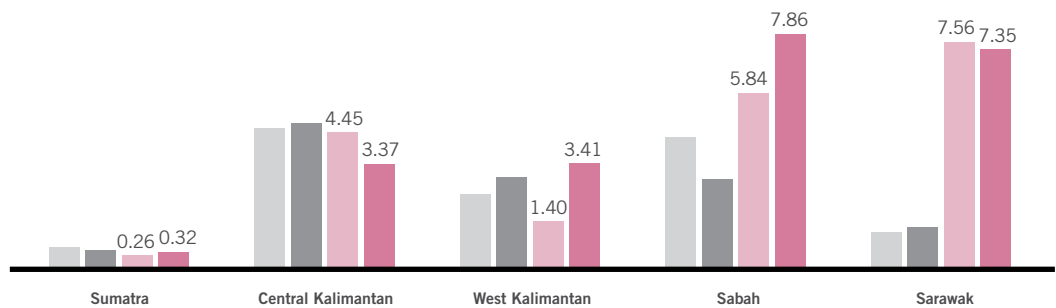
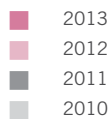
Sprayers are required to undergo extensive and ongoing training on the handling and use of chemicals. They are required to wear personal protective equipment, including protective eye-wear, facial masks, gloves and boots; and they have to be worn whenever the workers carry out their duties. Showering is compulsory after each shift. Workers are subject to regular check-ups to detect presence of residual chemicals.

All chemicals are stored in locked facilities to which only authorised personnel have access, and containers used for storing chemicals are collected, stored and disposed of according to legal requirements for hazardous waste.



Herbicide usage – immature (excl Paraquat)

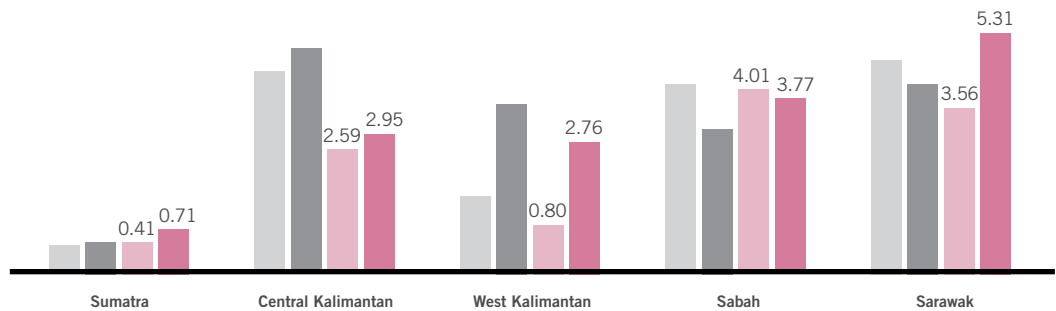
L/ha



The increase in herbicide usage for immature plantings in 2012-13 in our Malaysian operations is due to the phase-out of Paraquat, which was used until 2011. Alternative herbicides such as Glyphosate and Basta are used, and they are required in larger volumes.

Herbicide usage – mature (excl Paraquat)

L/ha



RESPECTING AND EMPOWERING PEOPLE

SMALLHOLDER AND OUTGROWERS

Wilmar engages in smallholder programmes in Indonesia, Malaysia and West Africa. In Indonesia, we support 41,307 hectares of land under the government-originated Plasma scheme. We support the smallholders in micro-financing, land-preparation, planting inputs such as seeds, fertilisers and pest control as well as technical assistance, especially on good agricultural practices. Upon reaching maturity (which takes about three to four years), or when the plasma co-operatives are well-established, the small plantation plots are handed over to smallholder co-operatives for self-management. While awaiting their oil palm trees to mature, most of these farmers are employed by Wilmar to work in the Group's plantations and receive training in essential agronomic skills to equip them to manage their own plots.

In East Malaysia, we had a fruitful discussion with an indigenous group of smallholders seeking to establish oil palm on a large tract of Native Customary Rights (NCR) land. Our Geographic Information System (GIS) team has completed an analysis of the area which includes peat and alluvial soils. It was cleared long ago for shifting cultivation/paddy-planting but part of the area was abandoned and there has been some forest regeneration. We are planning a site visit with TFT and will potentially undertake an HCS and HCV assessment. Discussions will also encompass issues around community gardens and community-farmed land.

It is critical to us that smallholders are included in our certification efforts, and we have worked with a wide range of NGOs, intergovernmental organisations and support schemes to ensure that financial and practical constraints on certification can be overcome.

We are now making progress with our associated smallholders and have completed certification for plasma and outgrowers for three of our mills in Indonesia and are on track to complete smallholder certification by 2017, two years ahead of our original plans.

Independent smallholders are self-financed, managed and equipped, and are not bound

Time-bound plan for associated smallholders and outgrowers

NAME OF PLANTATION	LOCATION	TYPE OF OUTGROWER	PLANTED AREA (HA)	TARGET COMPLETION
PT Permata Anak Negeri Pasaman	West Sumatra	Outgrower	1,320	Completed
PT Kencana Sawit Indonesia	West Sumatra	Plasma	650	Completed
PT KAMU	West Sumatra	Outgrower	1,800	Completed
PT Tania Selatan (SP1, SP2, SP3, SP4)	South Sumatra	Plasma	2,774	2014
PT Mustika Sembuluh	Central Kalimantan	Plasma	186	2014
PT AMP Plantation	West Sumatra	Plasma	611	2014
PT Gersindo Minang Plantations	West Sumatra	Plasma	1,306	2015
PT Permata Hijau Pasaman	West Sumatra	Plasma	354	2015
PT Tania Selatan-KORPRI	South Sumatra	Plasma	496	2015
PT Musi Banyuasin Indah	South Sumatra	Plasma	1,492	2017
PT Maju Perkasa Sawit	Central Sumatra	Outgrower	401	2017

to any one mill. Wilmar is not in a position to impose certification requirements on them.

However, we recognise that independent smallholders account for a significant proportion of the total smallholder palm oil production in Indonesia and Malaysia, and we do not wish to exclude them from our supply chain. On 1 April 2014, we signed a Memorandum of Understanding (MoU) with Wild Asia, a Malaysian social enterprise to help independent smallholders towards RSPO certification. This is a five-year programme to start up a series of smallholder certification schemes to help increase the volume of RSPO-certified sustainable products from independent producers to the market.

ADDRESSING COMPLAINTS AND CONFLICTS

Risk management is an integral part of ensuring a sustainable supply chain. This can be achieved with effective stakeholder engagement, based on dialogues and feedback from stakeholders. We believe a grievance mechanism is an important pillar of this stakeholder engagement process to identify and find solutions to problems.

As part of the Policy, Wilmar will develop and maintain processes for the responsible handling of all complaints at the local, regional, national

and international levels. Our grievance processes will focus on three key aspects: grievances by external parties against Wilmar, internal issues raised by Wilmar with its own subsidiaries, and allegations by external parties against third-party suppliers. We will continuously review the effectiveness of these processes.

Even as development of the grievance procedures is underway, we have started looking into current issues that have already been identified.

Wilmar will develop and maintain processes for the responsible handling of all complaints at the local, regional, national and international levels.

THE CASE OF BALIKPAPAN REFINERY

In 2006, PT Wilmar Nabati Indonesia (WINA), a subsidiary of Wilmar International Limited, was invited by the local government of East Kalimantan to invest in a refinery and bulking station facilities in Balikpapan Bay. After getting all the necessary permits, among which included an Environmental Impact Assessment (EIA) approval over the 50 ha of land, PT WINA started to clear the land in the area in 2007/2008. The area that PT WINA acquired was an abandoned aquaculture project and therefore it was a degraded site and not a primary mangrove. Under the RSPO there is no specific requirement for its members to conduct an HCV assessment when establishing non-plantation facilities.

In 2013, a group of NGOs filed a complaint to the RSPO Grievance Panel alleging that PT WINA had violated the RSPO Principles and Criteria in building a crude palm oil processing unit at the site.

The concern raised by NGOs at our public consultations for the EIA in February 2014 may have been based on the original and now outdated EIA findings presented for public consultation in Q1 2013. With the announcement of our Integrated Policy in December 2013, the plan was significantly amended.

Going forward, we will incorporate findings of both the HCV and ongoing HCS assessments in our future work plan and

revise the EIA development plan once again. NGOs are also challenging the quality of our HCV assessment. We have submitted the report to the HCV Resource Network (HCVRN) to be peer reviewed. A good portion of the area (about 60%) has been identified by TFT as non-HCS which can be considered for development. We have not commenced development in the area since a self-imposed moratorium was made around middle of 2012.

To accommodate the concern among our stakeholders in developing this area, we will scale down our operations and will concentrate on building the infrastructures on existing areas that have already been developed in 2007/2008. We will construct a road that links our current facilities to the newly constructed road on the eastern part of the project that was developed by the local government. In doing this, we can reduce our impact on the use of the jetty facility, which may have some impact on marine life such as dolphins that sometimes frequent the area, as highlighted by stakeholders.

Shortly before the publication of this report, the RSPO Complaints Panel announced that it considered the case to be resolved, subject to full implementation of the proposed action plan and timeline as well as quarterly reporting. The announcement said that 'the Panel is satisfied that Wilmar has undertaken positive action to resolve the complaint and is recommending that this complaint be closed for monitoring.'

BASE DATA AND NOTES

FINANCIALS

INCOME STATEMENT

US\$ MILLIONS	FY2013	FY2012	FY2011	FY2010	FY2009
Revenue	44,085.0	45,463.0	44,710.0	30,377.5	23,885.1
Profit before tax	1,775.0	1,655	2,078.7	1,644.2	2,294.4
Net profit	1,319.0	1,256.0	1,600.8	1,324.0	1,882.0

BALANCE SHEET

US\$ MILLIONS	AS AT 31 DEC 2013	AS AT 31 DEC 2012	AS AT 31 DEC 2011	AS AT 31 DEC 2010	AS AT 31 DEC 2009
Total Assets	46,632.0	41,920.0	39,639.8	33,969.4	23,448.8
Total Liabilities	30,745.0	26,725.0	25,391.4	21,411.5	12,037.2
Shareholders' funds	15,005.0	14,346.0	13,370.2	11,855.8	10,931.1

SEGMENTAL SALES VOLUME BREAKDOWN

MT MILLION		FY2013	FY2012	FY2011	FY2010	FY2009
Merchandising and Processing	Palm and Laurics	24.5	23.1	20.3	20.8	19.1
	Oilseeds and grains	20.6	19.6	19.9	18.3	15.6
Consumer products		5.4	4.6	4.4	3.7	3.2
Sugar	Milling	3.1	2.8	2.7		
	Merchandising and processing	5.7	3.7	2.5		

SEGMENTAL PROFIT BEFORE TAX BREAKDOWN

US\$ MILLIONS		FY2013	FY2012	FY2011	FY2010	FY2009
Plantation and Mills		269.7	410.8	733.8	635.8	396.9
Merchandising and Processing	Palm and Laurics	855.7	771.1	585.9	587.1	692.8
	Oilseeds and grains	231.7	14.1	422.9	117.5	606.9
Consumer products		219.4	157.2	85.3	149.8	225.3
Sugar (Milling & Merchandising and Processing)		126.6	99.8	141.3		
Others		(21.3)	110.3	41.6	188.5	84.0

GEOGRAPHICAL REVENUE BREAKDOWN

US\$ MILLIONS	FY2013	FY2012	FY2011	FY2010	FY2009
Southeast Asia	9,645.3	11,841.5	10,176.2	7,443.8	5,492.8
People's Republic of China	22,000.2	21,221.5	21,658.4	15,869.7	13,197.2
India	1,244.6	1,751.9	1,388.9	1,179.3	1,213.0
Europe	3,479.0	3,599.4	3,514.4	2,190.3	1,638.7
Australia / New Zealand	1,800.2	1,789.0	2,007.1	41.6	
Africa	1,502.9	1,519.2			
Others	4,412.8	3,740.9	5,965.1	3,652.9	2,343.4

CONSERVATION AREA STATISTICS

HCV AREA (EXCLUDING RIPARIAN ZONES)

HECTARES	FY2013	FY2012	FY2011	FY2010	FY2009
Sabah	5,003 ¹	5,816	5,816	5,040	5,040
Sarawak	1,284 ²	1,579	1,579	1,579	1,579
Central Kalimantan	13,641	13,259	13,049	14,659	14,659
West Kalimantan	2,607 ³	17,573	17,431	13,458	NA
Sumatra	3,325 ⁴	4,910	3,084	2,913	1,261
Total	25,860	43,137	40,959	37,649	22,539

RIPARIAN ZONES

HECTARES	FY2013	FY2012	FY2011	FY2010	FY2009
Sabah	1,080	948	948	930	930
Sarawak	374	374	374	374	374
Central Kalimantan	1,457	1,455	1,270	1,270	1,270
West Kalimantan	648 ³	1,537	1,507	1,209	NA
Sumatra	1,306 ⁴	2,202	2,098	1,031	87
Total	4,865	6,516	6,197	4,814	2,611

1 Reduction of HCV area figure due to revision by HCV consultant.

2 Reduction of HCV area figure due to reclassification of landuse from conservation to Native Settlers in Suai Estate.

3 In 2011, the estates in that region held a valid Location Permit (Izin Lokasi) which was temporal in nature. The estimated HCV areas then (19,110 ha) was based on what was found within the location permits. As at end 2013, all those location permits had expired. With the expiry of these permits, companies are no longer allowed to acquire land from the local communities within the location permit. All that is left are areas which the company has secured through negotiations with local communities for the release of their land through the Free, Prior and Informed Consent process while the location permit was valid. A good part of the HCVs that were earlier identified were within the local communities land. As the local communities were not willing to release their land which also contained the HCV areas, the company has to carve out those HCV areas from our land concession when we applied for the Land Cultivation Right Permit (HGU – Hak Guna Usaha). This is why the total HCV and Riparian conservation area was reduced from 19,110 ha to 3,255 ha for in West Kalimantan. The inability to secure a contiguous area also posed a big challenge for us to manage our plantations and the HCV areas because of the fragmentations. But we need to respect community decision to give or withhold their land.

4 Reduction of HCV and riparian area figures due to the sale of PT Asiatic Persada.

BASE DATA AND NOTES

AGRICULTURE PRODUCTION STATISTICS

AGRICULTURAL PRODUCTION STATISTICS

	FY2013	FY2012	FY2011	FY2010	FY2009
PLANTATION					
FFB production (MT)	4,041,785	4,210,490	4,072,961	3,348,891	3,213,360
FFB yield ⁵	18.8	18.9	19.8	17.9	20.2
MILL					
Crude palm oil (MT)	1,848,148	1,909,330	1,778,882	1,597,890	1,575,534
Palm kernel (MT)	423,481	449,984	413,554	371,626	367,894
EXTRACTION RATE ⁶					
Crude palm oil (%)	20.4	20.4	20.6	20.7	20.9
Palm kernel (%)	4.7	4.8	4.8	4.8	4.9

⁵ FFB yield – Amount of FFB divided by mature area in hectares. Oil palm plantations are considered mature when 60% of oil palm per block is bearing fruits with an average weight of 3 kilograms or more per bunch

⁶ Crude Palm Oil extraction rate – Metric tonnes of CPO divided by metric tonnes of FFB

AGRICULTURE PRODUCTION STATISTICS

ANNUAL PRODUCTION CAPACITY OF CERTIFIED SUSTAINABLE PALM OIL (CSPO)

COUNTRY	CSPO PRODUCTION CAPACITY (MILL)	LOCATION	CERTIFIED SUSTAINABLE PALM OIL (MT)			CERTIFIED SUSTAINABLE PALM KERNELS (MT)		
			2013	2012	2011	2013	2012	2011
Malaysia	Reka Halus	Sandakan, Sabah	17,556	26,585	27,000	4,180	6,499	7,000
	Ribubonus	Sandakan, Sabah	20,566	20,566	21,000	3,292	3,292	3,000
	Sabahmas	Lahad Datu, Sabah	43,295	47,131	47,000	9,790	10,246	10,000
	Sapi	Sandakan, Sabah	35,090	37,571	38,000	7,097	7,937	8,000
	Saremas 2	Miri, Sarawak	52,284	52,284	52,000	11,571	11,571	12,000
	Saremas 1	Miri, Sarawak	52,266	52,266	52,000	10,921	10,921	11,000
	Sri Kamusan	Sandakan, Sabah	26,500	26,500	27,000	5,100	5,100	5,000
	Terusan	Sandakan, Sabah	42,729	42,729	43,000	10,032	10,032	10,000
	SUBTOTAL			290,286	305,632	307,000	61,983	65,598
Indonesia	PT Bumi Sawit Kencana	Central Kalimantan	41,454	-	-	7,938	-	-
	PT Kerry Sawit Indonesia 1	Central Kalimantan	51,656	51,656	52,000	9,392	9,392	9,000
	PT Mustika Sembuluh 1	Central Kalimantan	81,350	81,350	81,000	16,640	16,640	17,000
	PT ANI Sambas	West Kalimantan	22,875	-	-	4,118	-	-
	PT Tania Selatan	Sumatra	13,700	13,700	14,000	3,100	3,100	3,000
	PT Buluh Cawang Plantation	Sumatra	26,373	-	-	6,534	-	-
	PT Perkebunan Milano	Sumatra	27,554	27,554	28,000	6,262	6,262	6,000
	PT AMP Plantations	Sumatra	32,880	32,880	-	8,073	8,073	-
	PT Kencana Sawit Indonesia	Sumatra	37,888	37,888	38,000	8,074	8,074	8,000
	PT Sarana Titian Permata		45,544	45,544	-	7,921	7,921	-
	SUBTOTAL			381,274	290,572	213,000	78,052	59,462
TOTAL			671,560	596,204	520,000	140,035	125,060	109,000

- The annual production capacity here is an estimate of the potential amount of certified sustainable palm oil and palm kernels produced by the mill.
- Drop in Sabah volumes due to replanting and adjustment to fresh fruit bunches (FFB) numbers at the time of RSPO recertification which takes place every five years.
- PT Bumi Sawit Kencana, PT ANI and PT Buluh Cawang Plantation Palm Oil Mills obtained their RSPO P&C certificate in 2013.
- Reporting actual figures as stated in certificate for 2012 and 2013.

BASE DATA AND NOTES

PERFORMANCE INDICATORS

FIRE INCIDENCE

YEAR	ITEM	CENTRAL KALIMANTAN	WEST KALIMANTAN	SUMATRA – RIAU
2009	Planted area (hectares) burnt	173	6.3	8.5
	Unplanted area (hectares) burnt	339	20	15
	Total number of fires	76	8	7
2010	Planted area (hectares) burnt	1	2.5	2.5
	Unplanted area (hectares) burnt	40	0	0
	Total number of fires	3	1	2
2011	Planted area (hectares) burnt	98	7.38	67.5
	Unplanted area (hectares) burnt	182	0	0
	Total number of fires	93	4	6
2012	Planted area (hectares) burnt	97.42	112.52	67.69
	Unplanted area (hectares) burnt	318.9	0	0
	Total number of fires	85	8	21
2013	Planted area (hectares) burnt	15	7.09	9.25
	Unplanted area (hectares) burnt	113.87	0.4	0
	Total number of fires	33	8	5

LOST TIME INCIDENT RATE (LTIR)

	FY2013	FY2012	FY2011	FY2010	FY2009
LTIR – PLANTATIONS					
Sabah	2.33	2.19	2.26	2.90	7.00
Sarawak	8.60	7.09	7.14	8.53	17.70
Central Kalimantan	6.56	4.40	5.47	4.86	1.90
West Kalimantan	0.09	0.23	1.99		
Sumatra	4.12	4.40	7.07	8.56	2.80
LTIR – MILLS					
Sabah	3.44	2.96	3.70	4.47	7.20
Sarawak	4.01	4.74	6.03	6.67	5.70
Central Kalimantan	3.62	1.45	1.97	3.43	
West Kalimantan	0.75	0.23	0.50		
Sumatra	0.33	0.74	0.50	0.39	0.10

FATALITIES

	FY2013	FY2012	FY2011	FY2010	FY2009
FATALITIES – PLANTATIONS					
Sabah	0	1	0	1	1
Sarawak	1	0	0	0	
Central Kalimantan	0	0	0	0	7
West Kalimantan	0	0	0	0	
Sumatra	0	1	0	6	
FATALITIES – MILLS					
Sabah	0	1	0	0	
Sarawak	0	1	0	1	
Central Kalimantan	0	3	0	1	
West Kalimantan	0	0	0	0	
Sumatra	0	1	2	2	

PERFORMANCE INDICATORS

BOD LEVELS BY REGION AND DISCHARGE DESTINATION (MG/L)

	FY2013	FY2012	FY2011	FY2010	FY2009
BOD LEVEL – RIVER DISCHARGE					
Sabah	23.80	21.00	28.80	32.70	37.00
Sarawak	13.50	16.00	17.40	17.50	44.00
West Kalimantan	63.00	282.00	114.39	165.81	
Sumatra	84.40	82.00	81.71	123.18	180.00
BOD LEVEL – LAND APPLICATION					
Central Kalimantan	636.00	1,178.00	1,864.04	368.22	914.00
West Kalimantan	236.00	301.00			169.00
Sumatra	768.00	835.00	836.17	611.86	866.00

WATER USAGE

	FY2013	FY2012	FY2011	FY2010	FY2009
WATER USE (M3) PER TONNE OF FFB (MILLS)					
Sabah	1.59	1.46	1.59	1.60	1.89
Sarawak	0.98	1.4	1.23	1.37	2.14
Central Kalimantan	1.68	1.35	1.10	1.40	1.72
West Kalimantan	1.66	1.58	0.86	1.07	1.18
Sumatra	1.47	1.37	1.42	1.48	1.26

FERTILISER USAGE

	FY2013	FY2012	FY2011	FY2010	FY2009
FERTILISER USAGE – IMMATURE (TONNES/HECTARE)					
Sabah	0.75	1.34			
Sarawak	0.55	0.87			
Central Kalimantan	0.63	1.11			
West Kalimantan	0.16	0.25			
Sumatra	0.11	0.08			
FERTILISER USAGE – MATURE (TONNES/HECTARE)					
Sabah	1.04	1.16			
Sarawak	1.00	0.95			
Central Kalimantan	1.11	1.13			
West Kalimantan	0.90	0.90			
Sumatra	0.23	0.25			

HERBICIDE USAGE

	FY2013	FY2012	FY2011	FY2010	FY2009
HERBICIDE USAGE – IMMATURE (LITRES/HECTARE)					
Sabah	7.86	5.84	2.85	4.29	4.49
Sarawak	7.35	7.56	1.24	1.02	8.56
Central Kalimantan	3.37	4.45	4.77	4.59	3.37
West Kalimantan	3.41	1.40	2.89	2.32	1.77
Sumatra	0.32	0.26	0.44	0.54	8.80
HERBICIDE USAGE – MATURE (LITRES/HECTARE)					
Sabah	3.77	4.01	3.08	4.08	4.34
Sarawak	5.31	3.56	4.16	4.67	2.80
Central Kalimantan	2.95	2.59	4.91	4.39	2.72
West Kalimantan	2.76	0.80	3.65	1.49	1.19
Sumatra	0.71	0.41	0.41	0.34	7.39

GLOBAL REPORTING INITIATIVE AND UN GLOBAL COMPACT INDEX

GRI G4 CONTENT INDEX AND UN GLOBAL COMPACT CROSS REFERENCE

We have sought to apply the principles for defining content of the Global Reporting Initiative (GRI) G4 guidelines in the development of this report. The GRI is the leading international guideline for sustainability reporting. We aim to develop the report with the objective to be in accordance with the 'Core' requirements.

For a number of indicators, particularly related to sustainability compliance in our supply chain we have not been able to include quantitative data as we are still in the process of mapping gaps in supplier performance. Likewise, we have not reported quantitative data on grievances, as we record many minor grievances in our operations and have opted to focus on material and complex grievances raised in the public domain. Also, as

specified in the section "About This Report", we have sought to apply the guidance of GRI G4 for the boundary settings of each identified material aspect. We intend to report in more detail on our upstream and downstream operations in our next report. As a signatory to the UN Global Compact, we are also providing a cross reference against the 10 Principles as a means to comply with Communication of Progress requirements.

The assurance provided by KPMG does not cover the "in accordance level with the 'Core' requirements" of the G4 guidelines. KPMG performed assurance work on selected information disclosed in the report, with the aim to extend the scope of the work and opinion for future sustainability reports. Please refer to the section "KPMG Assurance Statement" for details.

GENERAL STANDARD DISCLOSURES

GENERAL STANDARD DISCLOSURES		PAGE, COMMENTS OR OMISSIONS	UN GLOBAL COMPACT PRINCIPLE ADDRESSED
STRATEGY AND ANALYSIS			
G4-1	Statement from the most senior decision-maker of the organisation	In Conversation with the Chairman 3 - 5	
ORGANISATION PROFILE			
G4-3	Name of the organisation	About Wilmar 11 - 13	
G4-4	Primary brands, products and services	About Wilmar 11 - 13	
G4-5	Headquarters location	About Wilmar 11 - 13	
G4-6	Countries of operation	About Wilmar 14 - 15, Our Oil Palm Plantations 18 - 19	
G4-7	Nature of ownership and legal form	About Wilmar 11 - 15	
G4-8	Markets served	About Wilmar 11 - 15	
G4-9	Scale of the organisation	About Wilmar 11 - 15, Our Oil Palm Plantations 18 - 19	
G4-10	Organisation's workforce	About Wilmar 11 - 13, We are currently reviewing the robustness of our personnel data and are unable to report accurately on this indicator. We will include this data in our 2015 report.	Principle 6: Labour
G4-11	Total employees covered by collective bargaining agreements	Rights of Workers 44 - 45, We are currently reviewing the robustness of our personnel data and are unable to report accurately on this indicator. We will include this data in our 2015 report.	Principle 3: Labour
G4-12	Organisation's supply chain	Our Oil Palm Plantations 18 - 19, Our Integrated Policy 21 - 22, Towards Full Traceability 23	
G4-13	Significant changes during the reporting period regarding size, structure, ownership or its supply chain	Annual Report 2013 p 6 - 9	

GENERAL STANDARD DISCLOSURES		PAGE, COMMENTS OR OMISSIONS	UN GLOBAL COMPACT PRINCIPLE ADDRESSED
G4-14	Explanation of whether and how the precautionary approach or principles is addressed by the organisation	In Conversation with the Chairman 3 - 5, Protecting Our Environment 21 - 22, 31 - 39	
G4-15	Externally developed economic, environmental and social charters, principles or other initiatives	In Conversation with the Chairman 3 - 5, Our Integrated Policy 21 - 22, About This Report 61 - 62	
G4-16	Memberships of associations and national/international advocacy organisations	In Conversation with the Chairman 3 - 5, Our Integrated Policy 21 - 22, Sustainability Certification 24 - 25, Engaging Our Global Stakeholder 28 - 29	
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES			
G4-17	Entities included in the organisation's consolidated financial statements or equivalent documents	Annual Report 2013 p 93 - 192	
G4-18	Process for defining report content and the Aspect Boundaries	About This Report 61 - 62	
G4-19	Material Aspects identified in the process for defining report content	About This Report 61 - 62	
G4-20	Aspect Boundary within the organisation	Scope and Boundaries - inside cover page, About This Report 61 - 62	
G4-21	Aspect Boundary outside the organization	Scope and Boundaries - inside cover page, About This Report 61 - 62	
G4-22	Restatements of information provided in previous reports	No reinstatement of information	
G4-23	Significant changes from previous reporting in the Scope and Aspect Boundaries	Scope and Boundaries - inside cover page, About This Report 61 - 62	
STAKEHOLDER ENGAGEMENT			
G4-24	List of stakeholder groups engaged by the organisation	Our Integrated Policy 21 - 22, Sustainability Management and Governance 26 - 27, Engaging Global Stakeholders 28 - 29, About This Report 61 - 62	
G4-25	Basis for identification and selection of stakeholders with whom to engage	Engaging Global Stakeholders 28 - 29, About This Report 61 - 62	
G4-26	Approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group	Engaging Global Stakeholders 28 - 29, About This Report 61 - 62	
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through it reporting	Our Integrated Policy 21 - 22, Towards Full Traceability 23, Engaging Global Stakeholders 28 - 29, No Deforestation 31 - 35, No Development on Peat 37 - 38, Respecting and Empowering People 41 - 45, Occupational Health and Safety 46 - 47, Smallholders and Outgrowers 48, Addressing Complaints and Conflicts 49	
REPORT PROFILE			
G4-28	Reporting period	Reporting period - Inside cover page	
G4-29	Date of most recent previous report	Last report covered calendar years 2010-11	
G4-30	Reporting cycle	Bi-ennial	
G4-31	Contact point	Contact - inside back cover	
G4-32	GRI content index	GRI index 56 - 60	
G4-33	External assurance	KPMG statement 63 - 64	

GLOBAL REPORTING INITIATIVE AND UN GLOBAL COMPACT INDEX

GENERAL STANDARD DISCLOSURES (CONT'D)

GENERAL STANDARD DISCLOSURES		PAGE, COMMENTS OR OMISSIONS	UN GLOBAL COMPACT PRINCIPLE ADDRESSED
GOVERNANCE			
G4-34	Organisation's governance structure	Governance and Management 16 - 17, Sustainability Management and Governance 26 - 27	
ETHICS AND INTEGRITY			
G4-56	Organisation's values, principles, standards and norms of behaviours	In Conversation with the Chairman 3 - 5, Ethics Policy 16, Our Integrated Policy 21 - 22	Principle 10: Anti-corruption

SPECIFIC STANDARD DISCLOSURES

MATERIAL ASPECTS	DMA AND INDICATORS PAGE		PAGE	OMISSIONS	UNGC PRINCIPLE ADDRESSED
	G4-DMA	Disclosures on Management Approach	In Conversation with the Chairman 3 - 5, Targets and Achievements 8 - 9, Our Integrated Policy 21 - 22, Towards Full Traceability 23, Sustainability Certification 24 - 25, Sustainability Management and Governance 26 - 27, No Deforestation 31 - 35, Fire Prevention 39, No Development on Peat 37 - 38, No Exploitation of People and Local Communities 41 - 43, Occupational Health and Safety 46 - 47, Smallholder and Outgrowers 48		
ECONOMIC					
Economic performance	G4-EC1	Direct economic value generated and distributed	About Wilmar 11 - 13		
Market presence	G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operations	Rights of Workers 44 - 45		Principle 6: Labour
Indirect economic impacts	G4-EC8	Significant indirect economic impacts, including the extent of impacts	Respecting and Empowering People 41 - 48, Smallholders and Outgrowers 48, Addressing Complaints And Conflicts 49		
Procurement/ sourcing practices	FP1	Percentage of purchased volume from suppliers compliant with company' sourcing policy	In Conversation with the Chairman 3 - 5, Our Integrated Policy 21 - 22 As mapping is ongoing, we are unable to provide percentage figures. However, 100% of high risk suppliers will be included in mapping and outreach.		

MATERIAL ASPECTS	DMA AND INDICATORS PAGE	PAGE	OMISSIONS	UNGC PRINCIPLE ADDRESSED
ENVIRONMENTAL				
Biodiversity	G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	No Deforestation 31 - 35, No Development on Peat 37 - 38	Principle 8: Environment
	G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	No Deforestation 31 - 35	Principle 8: Environment
	G4-EN13	Habitats protected or restored	No Deforestation 31 - 35	Principle 8: Environment
	G4-EN14	Total numbers of IUCN red list species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	Protecting Our Environment 34 - 35	Principle 8: Environment
Emissions	G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	Greenhouse Gas Policy and Accountability 36 - 37, No Development on Peat 37 - 38, Fire Prevention 39	Principle 7 & 8: Environment
Suppliers environmental assessment	G4-EN32	Percentage of new suppliers that were screened using environmental criteria	Our Integrated Policy 21 - 22, Towards Full Traceability 23	
	G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	Our Integrated Policy 21 - 22, Towards Full Traceability 23, Engaging Our Global Stakeholder 28 - 29, Greenhouse Gas Policy and Accountability 36 - 37, No Development On Peat 37 - 38, Fire Prevention 39	Principle 8: Environment
Environmental grievance mechanisms	G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	Addressing Complaints and Conflicts 49 Due to the wide range of complaints received, we report on major and material complaints filed.	Principle 8: Environment
SOCIAL				
Labour Practices and Decent Work	G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and gender	Occupational Health and Safety 46 - 47	
Supplier assessment for labour practices	G4-LA14	Percentage of new suppliers that were screened using labour practices criteria	Our Integrated Policy 21 - 22, Towards Full Traceability 23	
	G4-LA15	Significant actual and potential negative impacts for labour practices in the supply chain and actions taken	Our Integrated Policy 21 - 22, Towards Full Traceability 23 Respecting and Empowering People 44 - 47	

GLOBAL REPORTING INITIATIVE AND UN GLOBAL COMPACT INDEX

MATERIAL ASPECTS	DMA AND INDICATORS PAGE	PAGE	OMISSIONS	UNGC PRINCIPLE ADDRESSED
HUMAN RIGHTS				
Investment	G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Rights of Workers 44 - 45	
Freedom of association and collective bargaining	G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	Rights of Workers 44 - 45	Principle 3: Labour
Child labour	G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour	Rights of Workers 44 - 45	Principle 5: Labour
Forced or compulsory labour	G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour	Rights of Workers 44 - 45	Principle 4: Labour
Indigenous rights	G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken	Smallholders and Outgrowers 48	Principle 1: Human rights
Assessment	G4-HR9	Total number and percentage of operations that have been subject to human rights reviews of impact assessments	Our Integrated Policy 21 - 22, Towards Full Traceability 23, Respecting and Empowering People 44 - 47	
Supplier human rights assessment	G4-HR10	Percentage of new suppliers that were screened using human rights criteria	Our Integrated Policy 21 - 22, Towards Full Traceability 23, Respecting and Empowering People 44 - 47	
	G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	No Exploitation of People and Local Communities 41 - 48, Smallholders and Outgrowers 48	Principle 2: Human rights
Human rights grievance mechanisms	G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	No Exploitation of People and Local Communities 41 - 48, Smallholders and Outgrowers 48	Total number of grievance about human rights impacts Principle 1: Human rights
SOCIETY				
	G4-S02	Operations with significant actual and potential negative impacts on local communities	No Exploitation of People and Local Communities 41 - 48	Principle 1: Human rights

ABOUT THIS REPORT

PROCESS FOR DETERMINING REPORT CONTENT

In 2008, prior to the release of our inaugural sustainability report, we went through a detailed internal process to understand the concerns and priorities facing our business, as well as reviewing input from stakeholders. In 2011, we felt that with a few exceptions, there had been few changes, and an update on material issues identified in the previous report was sufficient. With the release of the GRI G4, we have embraced the reporting principles for defining content, increased focus on stakeholder inclusiveness and have made significant updates to our materiality matrix. As a result, the content of this report has excluded certain aspects (such as water usage and philanthropic contributions) previously covered as they were not considered sufficiently critical measured against those identified as material.

IDENTIFICATION

We recapped the major topics discussed in various forums and engagements as well as reviewed all email correspondence with stakeholders; and conducted a social media analysis to list aspects which had been raised or queried in 2012-13 by:

- Investors
- Suppliers
- Customers
- NGOs (including social media)
- Communities and smallholders (or NGOs representing these stakeholders)
- Lenders (including both private and intergovernmental funders)
- Internal stakeholders across Wilmar's global operations

In addition, we reviewed the aspects covered by other palm-related initiatives such as the Unilever Palm Oil Policy, Ferrero Charter, Palm Oil Innovation Group Charter, the Manifesto and the RSPO 2013 Principles and Criteria.

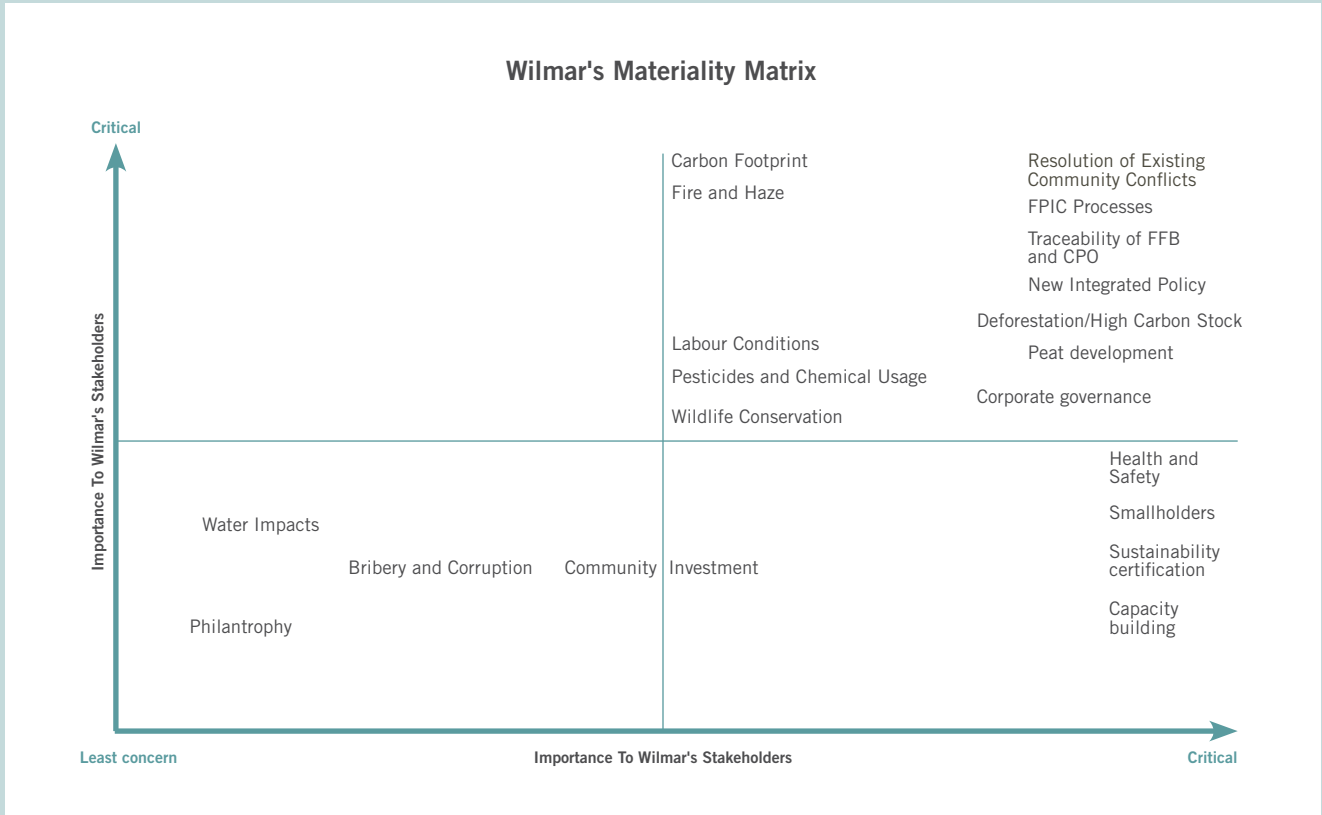
PRIORITISATION

The primary target group for this report is Wilmar's key stakeholders, including investors/lenders, suppliers, customers and as well as NGOs. (We have assessed that other stakeholder groups such as communities and regulatory bodies require different channels of engagement). We invited approximately 40 stakeholders from these groups with whom we had previously engaged, to participate in an online anonymous survey to identify priorities for aspects to include in the report. To ensure that we understand information needs, respondents were asked their views on our 2011 report and whether they felt we had addressed material issues in a balanced way.

We also asked respondents to prioritise the most important aspects identified in the initial stage, ranking these on a scale from 1-5, and invited stakeholders to add any new issues which they wanted to see addressed.

This prioritisation is balanced with an internal assessment at Wilmar's Head Office to assess priorities for the business. Based on this, we devised a materiality matrix and a balanced report content based on areas which are of critical importance to both external stakeholders and the business.

ABOUT THIS REPORT



VALIDATION

We validate our material aspects and balance in reporting through three main processes: Through the reporting process continuously monitoring stakeholder concerns to ensure that these are covered by the report; through advice from our report consultant, Helikonika, based on their in-depth knowledge of the palm oil industry and stakeholders; and through reviews and commentary from Dr. Gary Paoli, a renowned expert in palm oil sustainability aspects.

REVIEW

We recognise that there is no perfect and completely auditable process as it relies on ranking qualitative discussions and feedback into a structured list. As we did for our 2011 report, we are therefore committed to collate feedback of this report to ensure we are continuously improving our responsiveness.

ASSURANCE

We have for the second time engaged KPMG to perform assurance work on selected information disclosed in the report. The assurance provided by KPMG is for Wilmar's internal improvement review and not intended for any interpretation by any third party. As sustainability reporting is an ongoing process, we chose 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 present information in as complete and accurate manner as possible.

For this report, we have decided to perform review on a limited scope of information disclosed in the Sustainability Report. Our aim is to extend the scope of the assurance work and opinion along the next Sustainability Reports. Please refer to the section "KPMG Assurance Statement" for details.

KPMG ASSURANCE STATEMENT



We were engaged by Wilmar International Limited ('Wilmar') to provide limited assurance, covering the years ended 31 December 2012 and 2013 respectively, and the period beginning from 1 January 2014 to 30 April 2014, on a selection of information ('the Information') disclosed in Wilmar's 2013 Sustainability Report (the 'Sustainability Report'):

- Wilmar's description on pages 56 to 59 of its adherence to the Global Reporting Initiative (GRI) G4 reporting principles for defining content¹; and
- Whether the Assured Sustainability Information, as described below, and as reported in the Sustainability Report are, in all material respects, in accordance with the GRI reporting principles for defining quality².

ASSURED SUSTAINABILITY INFORMATION

The Assured Sustainability Information contained within the Sustainability Report includes the qualitative information of in the following sections:

- *Towards Full Traceability* on pages 22 to 23;
- *No Deforestation* on pages 31 to 35;
- *Greenhouse Gas Policy and Accountability* on pages 36 to 37;
- *No Development on Peat* on pages 37 to 38;
- *Fire Prevention* on page 39;
- *No Exploitation of People and Local Communities* on pages 41 to 43;
- *Rights of Workers* on pages 44 to 45.

MANAGEMENT'S RESPONSIBILITY

Management is responsible for the preparation and presentation of the Sustainability Report in accordance with the GRI G4 reporting principles for both defining content, as described in the "About This Report" and "Scope and Boundaries" sections of the Sustainability Report, and the information and assertions contained within it in accordance with the GRI reporting principles for defining quality.

Management is also responsible for the implementation of processes and procedures to achieve adherence to the GRI G4 reporting principles for defining content; preparing the Assured Sustainability Information in accordance with the GRI G4 reporting principles for defining quality; for determining Wilmar's objectives in respect of sustainable development performance and reporting, including the identification of stakeholders, the sustainability context, the material issues, the completeness and the target audiences for the Sustainability Report; and for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived.

OUR RESPONSIBILITY

Our responsibility is to carry out a limited assurance engagement and to express a conclusion based on the work performed. We conducted our engagement in accordance with Singapore Standard on Assurance Engagements (SSAE 3000) Assurance Engagements other than Audits or Reviews of Historical Financial Information issued by the Institute of Certified Public Accountants of Singapore. These Standards require that we comply with applicable ethical requirements, including independence requirements, and that we plan and perform the engagement to obtain limited assurance about whether the Information is free from material misstatement.

The engagement was conducted with a multi-disciplinary team with included professionals with suitable experienced in both assurance skills and in the applicable subject matter including stakeholder engagement, environmental, social and financial aspects.

We have not been engaged to, and therefore do not, provide assurance in respect of any other information in the Sustainability Report or any period prior to the year ended 31 December 2012. We have only provided a conclusion on Wilmar's description of its adherence to the GRI G4 reporting principles for defining content and on the Assured Sustainability Information based on the work performed.

¹ stakeholder inclusiveness, sustainability context, materiality and completeness.

² balance, comparability, accuracy, timeliness, clarity and reliability.

KPMG ASSURANCE STATEMENT



ASSURANCE APPROACH

A limited assurance engagement consists of making inquiries, primarily of persons responsible for Wilmar's adherence to the GRI reporting principles for defining content and for the preparation of the Assured Sustainability Information presented in the Sustainability Report, and applying analytical and other evidence gathering procedures to the information, as appropriate.

These procedures included:

- Inquiries of management to gain an understanding of Wilmar's processes for determining material issues for Wilmar's key stakeholder groups;
- Interviews with senior management and relevant staff at corporate level concerning:
 - » The stakeholder engagement processes undertaken by the business;
 - » The consideration of material issues as well as boundaries setting to both stakeholders and to Wilmar and the prioritisation of those issues; and
 - » Sustainability strategy and other operational policies in place to address material issues identified.
- Interviews with the relevant staff at the corporate level and business unit level responsible for designing, implementing of the key systems, processes and controls for collecting, managing and reporting the Assured Sustainability Information in the Sustainability Report;
- Obtaining documentation to support assertions made by management and relevant staff in relation to the above points;
- Comparing the Assured Sustainability Information in the Sustainability Report to corresponding information in the relevant underlying sources to determine whether all the relevant information contained in such underlying sources has been included in the Assured Sustainability Information. The processes for evidence collection did not involve any site visits;

- Reading the Assured Sustainability Information presented in the Sustainability Report to determine whether they are consistent with our overall knowledge of, and experience with the sustainability performance of Wilmar.

The extent of evidence gathering procedures performed in a limited assurance engagement is less than that for a reasonable assurance engagement, and therefore a lower level of assurance is provided.

CONCLUSION

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that, for the years ended 31 December 2012 and 2013 respectively, and the period beginning from 1 January 2014 to 30 April 2014:

- Wilmar's description on pages 56 to 59 of the Sustainability Report detailing its adherence to the GRI G4 reporting principles for defining content, is materially misstated; and
- The Assured Sustainability Information, as described above, and as reported in the Sustainability Report, is not presented, in all material respects, in accordance with the GRI G4 reporting principles for defining quality.



EMPHASIS OF MATTER – RECOMMENDATIONS AND OBSERVATIONS

Without affecting our conclusion, we draw attention to the description of the operations and geographical regions excluded from the reported information as well as the limitations of the reporting process as outlined in the sections “About This Report” and “Scope and Boundaries” of the Sustainability Report.

We also make the following recommendations for the further development of sustainability management and sustainability reporting:

- As described on pages 56 to 59, Wilmar has started to apply the GRI G4 reporting principles for defining content in the development of this Sustainability Report. We recommend further strengthening of the procedures for the steps of identification, prioritisation, validation and review to ensure a consistent and systematic process for determining report content, in accordance with the GRI G4 Reporting Principles.
- We also recommend continuing the development of the boundary settings by broadening the scope of the material aspect to the other relevant activities upstream and downstream, and by reporting on the related performance indicators, in particular those related to the supply chain.
- The integrated policy as well as the operational policies have been implemented for the whole Wilmar’s operations. We recommend further development of the reporting systems to report on the performance management and internal control systems demonstrating the correct implementation and performance of these policies.

RESTRICTION OF USE


Our assurance report is provided solely to Wilmar in accordance with the terms of our engagement. Our work has been undertaken so that we might report to Wilmar on those matters we have been engaged to report upon in this assurance report and for no other purpose. We do not assume responsibility to anyone other than Wilmar for our work, for our assurance report, or for the conclusions we have reached in our report.

Singapore, August 26, 2014

KPMG LLP

GLOSSARY

Biodiversity	The diversity (number and variety of species) of plant and animal life within a region.
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.
CO2 Equivalent	Carbon dioxide equivalents (CO ₂ e) provide a universal standard of measurement against which the impacts of releasing (or avoiding the release of) different greenhouse gases can be evaluated.
Deforestation	Human-induced conversion of forest to non-forests, with an exception for small-scale low intensity subsistence conversion by indigenous peoples and forest dependent traditional communities (consistent with HCV 5).
Effluents	Water discharged from one source into a separate body of water, such as mill process water.
Emissions	Greenhouse gas (GHG) or carbon emissions are gasses in an atmosphere that absorb and emit radiation within the thermal infrared range. This process is the fundamental cause of the greenhouse effect. The primary greenhouse gases in the Earth's atmosphere are water vapor, carbon dioxide, methane, nitrous oxide, and ozone.
Extraction Rate	The amount of oil extracted from oil palm fruit at a mill. Oil is extracted from the flesh, crude palm oil (CPO) or from the nut, palm kernel oil (PKO).
High Carbon Stock (HCS)	An HCS forest, a concept being defined through multi-stakeholder processes, are vegetation classes above the level between degraded lands (former forest now scrub and grassland) and regenerating secondary natural forest. It is identified through a combination of vegetation stratification based on interpretation of remote sensing images and field checks, and a biome or regional specific carbon threshold or range.
High Conservation Values (HCV)	The concept of HCV forests (HCVF) was first developed by the Forest Stewardship Council (FSC) in 1999 as their 9 th principle. The FSC defined HCVF as forests of outstanding and critical importance due to their environmental, socio-economic, cultural, biodiversity and landscape value.
International Labour Organization (ILO)	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.
Independent Director	According to the UK Combined Code Principles of Good Corporate Governance, an Independent Director is "independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement."
Integrated Pest Management (IPM)	IPM is a pest control strategy that uses an array of complementary methods: mechanical devices, physical devices, genetic, biological, legal, cultural management, and chemical management. These methods are done in three stages: prevention, observation, and intervention. It is an ecological approach with a main goal of significantly reducing or eliminating the use of pesticides.
Mass Balance	The mass balance mechanism allows certified palm oil to be mixed with conventional palm oil, but the entire process is monitored administratively. This method is slightly more stringent and complex than the book and claim system.
Non-executive Director	A Board Director who does not currently hold other employment with the company. Unlike an Independent Director, a nonexecutive can have significant financial interests or close personal ties to the company.



Non-governmental Organisation (NGO)	In this report, NGO is used to refer to grass-roots and campaigning organisations focusing on environmental or social issues.
Off-set certificates/ Greenpalm/Book & Claim	Off-set certificates are traded via the GreenPalm trading mechanism. The GreenPalm trading mechanism allows customers to buy certificates for the volume of certified palm oil required, without physical traceability.
Peat	Peat is an accumulation of partially decayed vegetation matter. Peat forms in wetlands or peatlands, variously called bogs, moors, muskegs, pocosins, mires, and peat swamp forests.
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.
Social Impact Assessment	Social impact assessments include the process of analysing, monitoring and managing the intended and unintended social consequences, both positive and negative, of planned interventions (policies, programs, plans, projects) and any social change processes invoked by those interventions. Its primary purpose is to bring about a more sustainable and equitable biophysical and human environment.
Stakeholders	Any group or individual who are affected by or can affect the 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".
Traceability	Traceability is the capability to track sustainable palm oil along the entire supply chain back to source.
Segregation	This system allows sustainable palm oil to be kept separate from conventional palm oil throughout the entire supply chain.

NOTES



CONTACT

We improve by listening to our stakeholders' comments. If you have any comments or questions on the contents of this report or on our sustainability performance, we would welcome your contribution. Please contact us here:



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