

## WILMAR INTERNATIONAL LIMITED

### Traceability as the First Step Towards Sustainability

The 12<sup>th</sup> Annual Roundtable Meeting on Sustainable Palm Oil  
Kuala Lumpur, 18 November 2014  
Joshua Lim



### The Journey so far.....



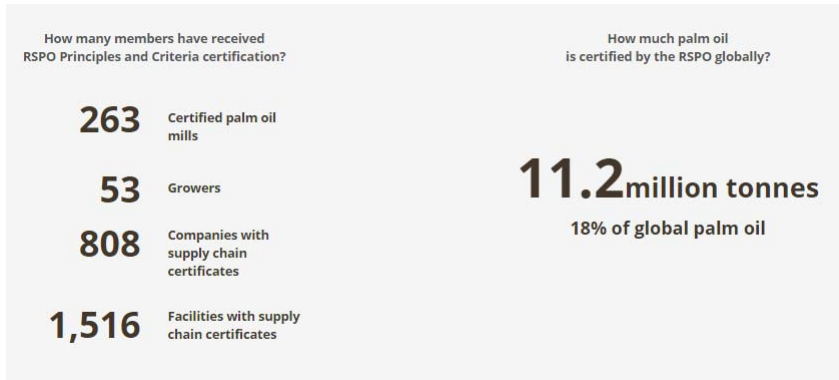
**Sustainability Drivers**

**I. Numerous Certification Standards**

- **RSPO – since 2004**

3.07 certified million hectares

1,791 members



**II. Company Initiatives and Sustainability Policies**

- **Palm Oil Companies producing and consuming palm oil committing to eliminating deforestation – a drive in the right direction?**
- **Showing initial signs of real market transformation**

Omne initium difficile est  
Every beginning is difficult



## Wilmar and Corporate Social Responsibility

The Group is committed to its policy of **“No Deforestation, No Peat & No Exploitation”**

- ✔ No development of High Carbon Stock forests and High Conservation Value areas
- ✔ No burning
- ✔ No development on peat regardless of depth
- ✔ Uphold principles of human rights based on Free, Prior and Informed Consent concept
- ✔ Applies to all Wilmar operations and all third-party suppliers



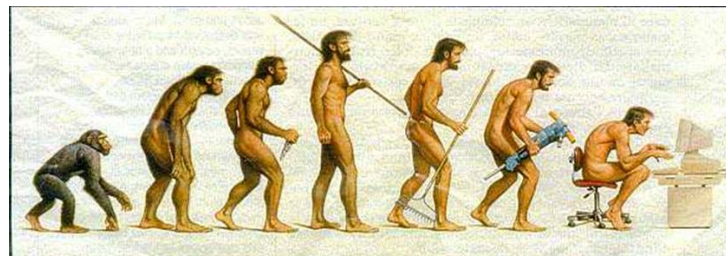
Achievements to Date	Remarks
RSPO Certification - All Malaysian mills have completed RSPO P&C certification	Achieved
Biodiversity - No new development prior to the completion of a high conservation value assessment	Since 2008
Biodiversity - all existing plantations will have a high conservation value area assessment	Target to achieve by 2016
Greenhouse Gas Emissions - No new development of peat, regardless of depth	Achieved since Oct 2012
Herbicides - No use of paraquat	Achieved since 2011
Communities - no expansion without free, prior and informed consent from local communities	Achieved



5

## Content


- Snapshot of traceability for all of Wilmar’s refineries
- Challenges
- Looking towards 2015




6



## RSPO E-trace



### Announcement


<b>Seller</b> Member Name Sandakan Edible Oils Sdn Bhd - Wilmar International Ltd Member ID RSPO_PO1000000069 Contact Person Siew Yung Chia Telephone Number +60 89 611011 Fax Number Country MALAYSIA		<b>Buyer</b> Member Name Kerry Speciality Fats (shanghai) Ltd Member ID RSPO_PO1000000333 Contact Person yediasf@wilmar-intl.com Telephone Number +86-021-58487988*3101 Fax Number Country CHINA
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<b>Transaction</b> Seller Contract Number 40155321 Seller Reference Number BL : Y901131305 dated 11 Oct'13 Buyer Reference Number	<b>Attached Documents</b> Attached by Seller 1310 Yue You 901 V1313 Kerry Speciality Fats-RSPO ROL + CPS (SEC-Shanghai) China copy.pdf Attached by Buyer No Attachments
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<b>Product Details</b> Product Name Olein Program Mass Balance Volume 459.29 Volume Unit MT	<b>Transport Details</b> Transport Medium Type Transport Shipping/BL Date 11/26/2013 Ship Name MT Yue You 901 V1313 BL Number Y901131305
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<b>Traceability</b> Transaction ID TR-c583d846-5678 Transaction Status Announced Creation Date 01/07/2014 Created By Rahul Rajashekar Last Updated 01/07/2014 Last Updated By Rahul Rajashekar	
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Octopus 2013 Version 3.1.2.4 Production


9

## Defining Traceability as per the Wilmar Policy

### Traceable to mill – 5 criterias

- Mill Name
- Parent Company (if any)
- Address
- GPS Coordinates
- Volumes supplied over a given period

## Supply Chain Mapping

- **Made good progress with traceability analysis for refineries in Malaysia, Indonesia, Europe and India**
- **Traceable to mills**
  - Malaysia – 5 mil MT CPO and 0.9 mil MT PK
  - Indonesia – 7 mil MT CPO and 1.7 mil MT PK

## Crude Palm Oil & Palm Kernel Traceability Status

### Malaysia

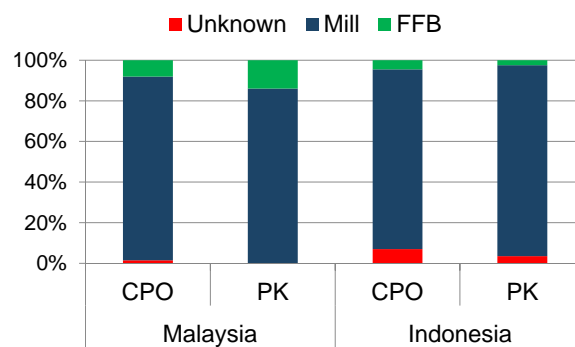
CPO ~ 98%

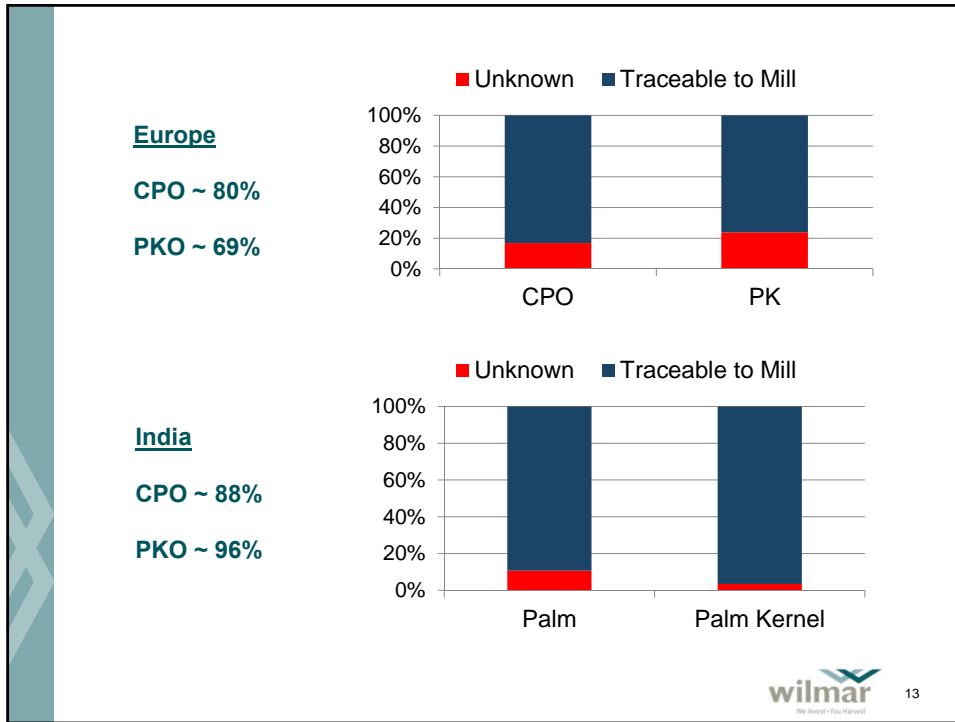
PK ~ 100%

### Indonesia

CPO ~ 92%

PK ~ 96%





- ### Challenges
- China and shadow financiers
  - Paper trades
  - Complexity in multi-tier palm oil supply chain
  - Traceability/Sustainable is only a Western brand demand?
- wilmar  
We Invest - You Harvest
- 14

## Moving forward – what will happen in 2015

- Consolidation of definition of traceability
- Unilever and FoodReg – creating a traceable palm oil supply chain
- Known Sources – creating a common platform
- TWG – IDH establishing traceability to plantation and smallholders
- Validation of data

## Conclusion

- Traceability ≠ Sustainability
- Sustainability at the plantation is the end goal
- Traceability of FFBs is the next hurdle
- Sustaining market uptake in mature markets and promoting the uptake of sustainable palm oil in 'New Frontiers' will lead transformation

Palm Oil has proved to be a vital component and its benefactors have a shared responsibility to support the 'sustainability' drive.

We believe Traceability Initiatives have a part to play and can be the first step towards promoting a sustainable palm oil industry.