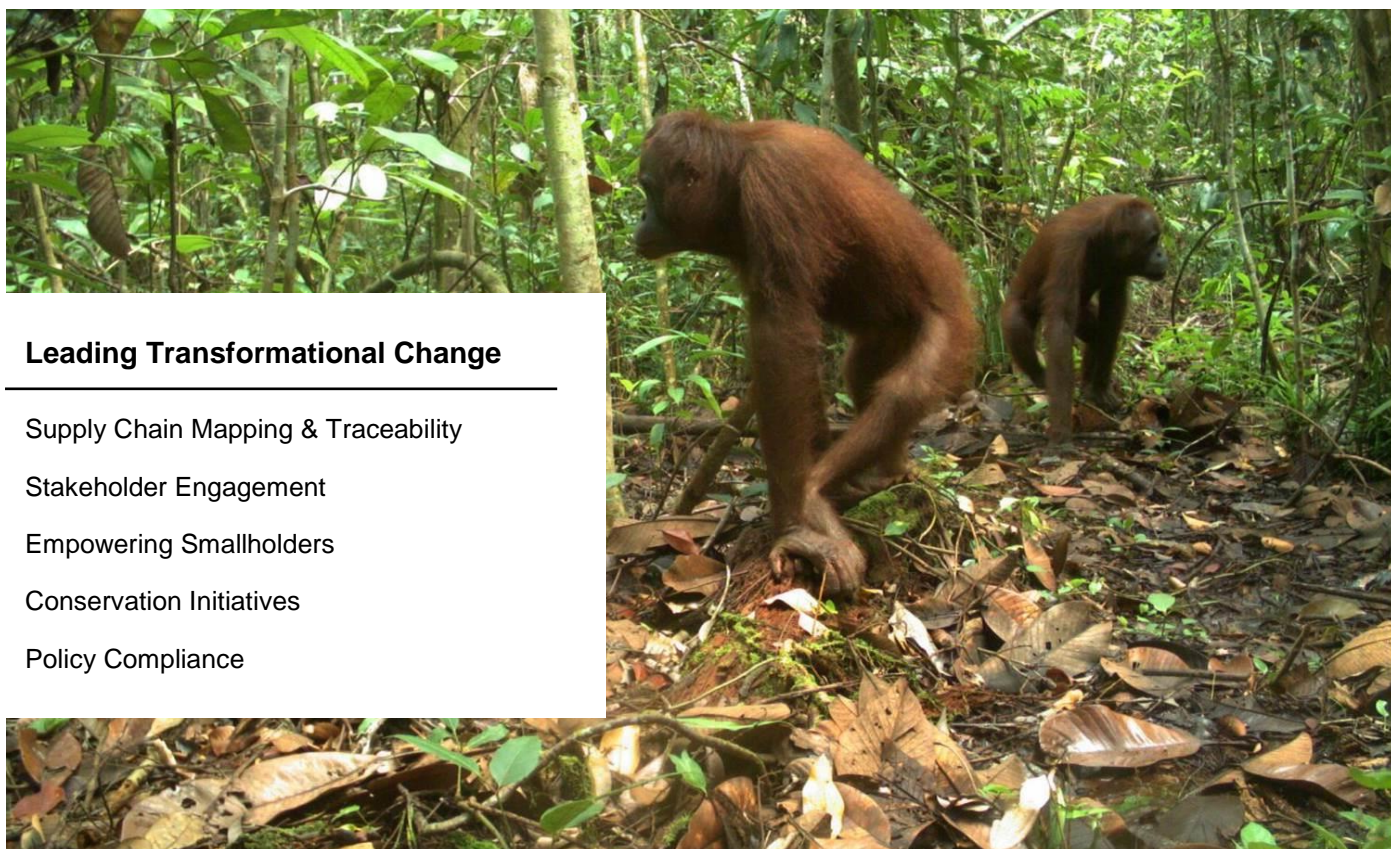


No Deforestation, No Peat, No Exploitation Policy

Quarter 2 - 2016 Update



Leading Transformational Change

Supply Chain Mapping & Traceability

Stakeholder Engagement

Empowering Smallholders

Conservation Initiatives

Policy Compliance

Photo from camera trap in Wilmar's conservation area

Supply Chain Mapping & Traceability

Traceability Improvements Across Almost All Our Global Operations

Traceability analysis and summary data continue to be measured across Wilmar's global operations: Indonesia, Malaysia, India, Bangladesh, Sri Lanka, China, Nigeria, Ghana, South Africa, Ivory Coast, Vietnam, United States of America, Ukraine and Europe. Data for Wilmar's ethoxylation plant in Lavera has been added to the analysis this quarter.

Traceability data has been updated to include the most recent four quarters, replacing Q1 2015 supplies with Q1 2016 supplies. The data below for all facilities relates to data on supplies and shipments for year Q2 2015 – Q1 2016. For China – Oleochemicals the drop in traceability ratings is mainly due to inclusion of lauric-based fine chemical sourcing for our Shanghai Oleochemical facility since Q4 2015.

A few suspended mills continue to appear on the latest mill list for our refinery in Europe (Rotterdam). Our suppliers have confirmed that they have halted purchases from the mills-in-question since mid-2015. As the mills lists are updated on a quarterly basis, and each update covers four calendar quarters, material from mills in the early part of 2015 shall continue to appear on the mill list throughout year 2016.

Indonesia

In total, there are 9.37 million mt of CPO and 1.35 million mt of PKO from its Indonesian refineries that are traceable at least to mills.

Refinery	Code	%Traceability			
		Mill		Plantation	
		Palm	Lauric	Palm	Lauric
PT Multimas Nabati Asahan, Kuala Tanjung	MNA, KTJ	99.3	94.4	12.8	12.9
PT Multimas Nabati Asahan, Pulo Gadung	MNA, PG	89.2	-	6.6	-
PT Multimas Nabati Asahan, Paya Pasir	MNA, PPS	-	96.8	-	5.0
PT Multimas Nabati Sulawesi, Bitung	MNS, BTG	100.0	94.0	4.2	9.0
PT Sinar Alam Permai, Kumai	SAP, KMI	99.7	-	30.1	-
PT Sinar Alam Permai, Palembang	SAP, PLG	95.0	98.3	24.6	27.9
PT Usaha Inti Padang, Padang	UIP, PDG	-	97.7	-	24.9
PT Wilmar Cahaya Kalbar, Cikarang	WICA, CKG	-	98.7	-	-
PT Wilmar Cahaya Kalbar, Pontianak	WICA, PTK	93.8	95.8	48.9	14.2
PT Wilmar Nabati Indonesia, Bagendang	WINA, BGD	99.9	-	5.9	-
PT Wilmar Nabati Indonesia, Balikpapan	WINA, BLK	54.4	-	6.7	-
PT Wilmar Nabati Indonesia, Dumai	WINA, DMI	89.5	73.1	16.7	-
PT Wilmar Nabati Indonesia, Gresik	WINA, GSK	97.0	89.6	16.5	13.3
PT Wilmar Nabati Indonesia, Padang	WINA, PDG	92.9	97.9	23.1	-
PT Wilmar Nabati Indonesia, Pelintung	WINA, PLT	94.3	86.1	15.0	12.4

Malaysia

In total, there are 5.78 million mt of CPO and 0.63 million mt of PKO from its Malaysian refineries that are traceable at least to mills.

Refinery	Code	%Traceability			
		Mill		Plantation	
		Palm	Lauric	Palm	Lauric
Bintulu Edible Oils Sdn Bhd, Bintulu	BEO	99.5	99.6	6.6	6.7
Lahad Datu Edible Oils Sdn Bhd, Lahad Datu	LDEO	96.5	91.4	26.6	33.3
Natural Oleochemicals Sdn Bhd, Pasir Gudang	NatOleo	85.5	84.2	-	-
PGEO (Lumut Division) Edible Oils Sdn Bhd, Lumut	PGEO, Lumut	99.4	-	-	-
PGEO Edible Oils Sdn Bhd, Pasir Gudang	PGEO, Pasir Gudang	99.8	99.9	4.0	14.6
PGEO (Prai Division) Edible Oils Sdn Bhd, Prai	PGEO, Prai	98.8	-	2.3	-
Sandakan Edible Oils Sdn Bhd, Sandakan	SEO	100.0	98.0	23.6	20.6
TSH-Wilmar Sdn Bhd, Kunak	TSHW	98.8	98.6	0.2	12.6
Wilmar Edible Oils Sdn Bhd, Butterworth	WEO	95.0	-	2.8	-

India, Bangladesh & Sri Lanka

In total, there are 0.87 million tonnes of palm products and 0.06 million tonnes of lauric products entering the above refineries that are traceable at least to mills.

Refinery	Code	%Traceability	
		Mill	
		Palm	Lauric
Adani Wilmar Limited, Haldia	AWL, Haldia	87.1	-
Adani Wilmar Limited, Kakinada	AWL, Kakinada	67.0	95.6
Adani Wilmar Limited, Mangalore	AWL, Mangalore	93.0	-
Adani Wilmar Limited, Mundra	AWL, Mundra	92.7	96.8
Krishnapatnam Oils and Fats Pvt Ltd, Nellore	KOFL	61.2	100.0
KOG - KTV Foodstuffs (I) Pvt Ltd, Tuticorin	KOG-KTV	75.9	-
KTV Health Food Pvt Ltd, Chennai	KTV	47.0	-
Bangladesh Edible Oil Limited	BEOL	99.1	-
Pyramid Lanka (Private) Limited	PL	98.6	100.0

China – Specialty Fats

In total, there are 0.39 million mt of palm products and 0.11 million mt of lauric products entering the above refineries in China that are traceable at least to mills.

Refinery	Code	%Traceability	
		Mill	
		Palm	Lauric
Yihai (Guangzhou) Oils & Grains Industries Co Ltd	Guangzhou O&G	18.1	77.0
Kerry Speciality Fats (Shanghai) Ltd	Kerry SF - Shanghai	64.3	87.0
Kerry Oils & Grains (Tianjin) Ltd	Kerry O&G - Tianjin	32.5	77.7
Yihai (Lianyungang) Speciality Fats Industries Co.Ltd	Lianyungang SF	33.9	95.5
Qinhuangdao Goldensea Foodstuff Industries Co Ltd	QHD Goldensea	61.5	61.6
Southseas Oils & Fats Industrial (Chiwan) Ltd	Southseas - Chiwan	50.2	94.6

China – Oleochemicals

In total, there are 0.29 million mt of palm products and 0.08 million mt of lauric products entering the above refineries in China that are traceable at least to mills.

Refinery	Code	%Traceability	
		Mill	
		Palm	Lauric
Wilmar Oleochemical (Dongguan) Co., Ltd	Oleo - Dongguan	61.2	91.7
Wilmar Oleochemical (Lianyungang) Co., Ltd	Oleo - Lianyungang	75.5	59.5
Wilmar Oleochemical (Shanghai) Co., Ltd	Oleo - Shanghai	51.1	28.9
Wilmar Oleochemical (Tianjin) Co., Ltd	Oleo - Tianjin	78.7	85.5

Africa

In total, there are 1.19 million tonnes of palm products and 0.05 million tonnes of lauric products entering the above refineries in Africa that are traceable at least to mills.

Refinery	Code	% Traceability	
		Mill	
		Palm	Lauric
Wilmar Africa Limited	WAL	93.8	100.0
PZ Wilmar Ltd	PZ Wilmar	83.9	-
Wilmar Continental Edible Oils & Fats (Pty) Limited	Wilmar Continental	98.8	94.6
Sania CIE	Sania	99.7	100.0

Europe

In total, there are 0.82 million mt of palm products and 0.14 million mt of lauric products entering the above refineries in Europe that are traceable at least to mills.

Refinery	Code	% Traceability	
		Mill	
		Palm	Lauric
Wilmar Edible Oils GmbH	Brake	100.0	100.0
Wilmar France Holdings*	Lavera	-	85.0
Wilmar Edible Oils BV	Rotterdam	98.4	95.1
Wilmar Oleochemicals BV	Rozenburg	-	86.2

*Wilmar France Holdings, Lavera is now included in Q2 2016 progress report.

United States of America

In total, there are 0.14 million mt of palm products entering the above refinery in United States of America that are traceable at least to mills.

Refinery	Code	% Traceability	
		Mill	
		Palm	Lauric
Wilmar Oils & Fats (Stockton) LLC	WOFS	99.7	-

Vietnam

In total, there are 0.25 million mt of palm products entering the above refineries in Vietnam that are traceable at least to mills.

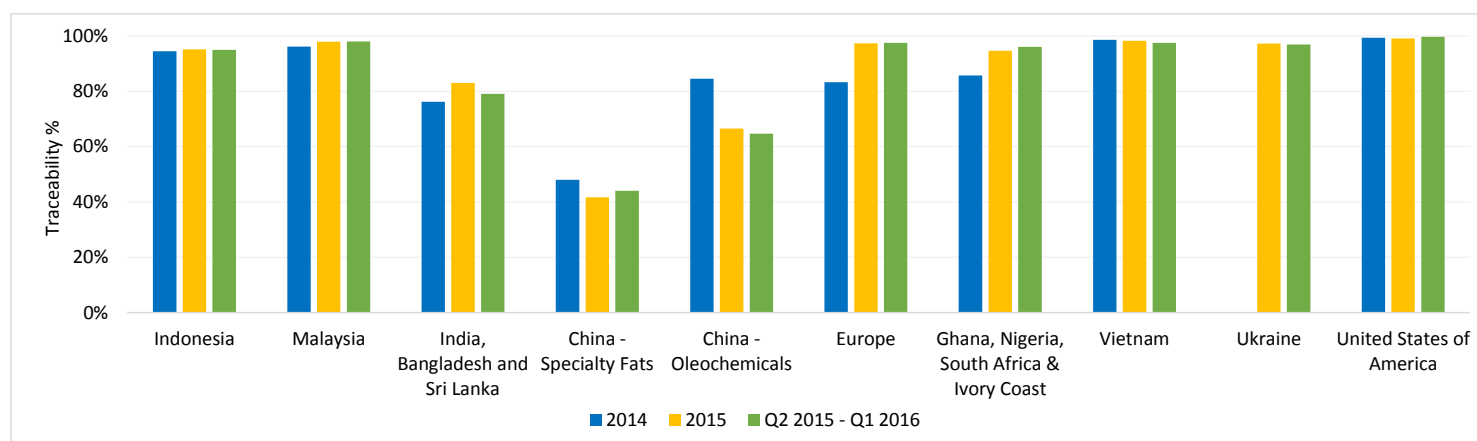
Refinery	Code	% Traceability	
		Mill	
		Palm	Lauric
Calofic Hiep Phuoc	Hiep Phuoc	97.9	-
Calofic Quang Ninh	Quang Ninh	97.5	-

Ukraine

In total, there are 0.22 million mt of palm products and 0.01 million mt of lauric products entering the above refineries in Ukraine that are traceable at least to mills.

Refinery	Code	% Traceability	
		Mill	
		Palm	Lauric
Delta Wilmar CIS Ltd	DW	97.0	94.4

The following graph represents our progress from the time we started traceability reporting back to mills in 2014 to Q1 2016



*Ukraine has been added to traceability exercise in Q3 2015 quarter progress report

**Ivory Coast has been added to traceability exercise in Q1 2016 quarter progress report

*** Lavera has been added to traceability exercise for Europe in Q2 2016 quarter progress report

Stakeholder Engagement

Active Participant in Multi-stakeholder Partnerships

Sabah Jurisdictional Certification Steering Committee

The State Government of Sabah is the first in the world to make a commitment to sustainable palm oil across its entire jurisdiction.

Wilmar has been invited to join the Sabah Jurisdictional Approach Steering Committee, to help the Sabah Government achieve its vision of 100% RSPO-certified sustainable palm oil in Sabah by 2025. The steering committee comprises of public, private and civil society organisations, such as the Sabah State Government agencies, Sabah Environmental Protection Agency (SEPA), WWF, Kinabatangan Orangutan Conservation Programme (Hutan), UNICEF, TSH Resources, Sime Darby, Borneo Samudera and HSBC. Forever Sabah, and RSPO are advisors to the process.

As Wilmar's representatives are also co-chairs of RSPO's Smallholder Working Group and Biodiversity and High Conservation Value HCV Working Group, we are leading the discussions on enabling smallholder certification and HCV compensation and remediation processes for the state.

World Economic Forum (WEF) ASEAN

Wilmar was an active participant in WEF ASEAN, held in Kuala Lumpur in early June. We made a presentation on our smallholder replanting project in South Sumatra, as part of the Inclusive Finance for Smallholder Farmers session at the Grow Asia Forum. Wilmar's smallholder replanting project is one of the most ambitious, in terms of scale and impact, and provided a useful case study for participants to discuss solutions to overcome the complexities of scaling-up smallholder financing initiatives.

Empowering Smallholders

Building Capacity of Independent Smallholders

WISSH Programme (Wilmar Smallholders Support in Honduras)

Honduras is the third largest palm oil producer in Latin America and an important palm oil supplier to Europe. Smallholders play an important role in the total palm oil

production of Honduras, owning more than 40% of total planted areas.

Wilmar Europe and The Industrial Association of Palm Oil Producers in Honduras (AIPAH) have established a partnership to strengthen good agricultural and environmental practices of palm oil smallholders in Honduras. Formally launched in February 2016, the WISSH Programme (Wilmar Smallholders Support in Honduras) aims to enhance smallholders' knowledge and technical capacity on best agricultural management practices, leading to better environmental outcomes, yield improvement and increase in income.

More information on the WISSH programme is available at this link: <http://www.wilmar-international.com/sustainability/wp-content/uploads/2016/06/WISSH-First-Progress-Report-final.pdf>

Progress on Certification of Independent Smallholders

In Indonesia, the Sapta Tunggal Mandiri independent smallholder group, linked to Wilmar's PT Tania Selatan in South Sumatra formally received their RSPO Group Certification on 13 June 2016. Covering 5,367 ha and involving approximately 3,000 farmers, Sapta Tunggal Mandiri is the world's largest RSPO certified group of independent smallholders.

Integrating Smallholders in Traceable, Sustainable and Deforestation-free Supply Chains

Wilmar's partnership with IDH, Wild Asia and Geotraceability on the development of a traceability and smallholder performance improvement tool is in progress. Mapping of independent smallholders has begun in both Sapi and Rekahalus mills in Wilmar's Sabah operations where the tool will be piloted.

Conservation Initiatives

Biodiversity Conservation and Climate Change Mitigation

Evolution of the Tripartite Partnership for Conservation of Orangutans

Wilmar has an ongoing collaboration with the Provincial Government of Central Kalimantan and the Borneo Orangutan Survival Foundation (BOSF), to safeguard approximately 3,989 ha of High Conservation Value (HCV) areas in our PT Mentaya Sawit Mas (MSM) estate. The partnership was initiated

in 2011 to ensure that Orangutan populations which had been identified in Wilmar's concession could continue to thrive.

In May 2016, the partnership commissioned an external evaluation to review the progress and outcomes of the conservation programme against its initial objectives, which were set five years ago. The evaluation was conducted by three independent conservation experts; Dr. Erik Meijaard, Mr. Darmawan Liswanto and Mr. Rona Denni. All three experts have over 25 years of experience in conservation and orangutan related work in the palm oil industry.

Key findings from the external evaluation include: (i) the tripartite partnership had succeeded in increasing community awareness and understanding on the importance of Orangutans and conservation; (ii) there was a need for greater coordination among all partners in order to resolve several outstanding issues with local communities in the area; and (iii) there was potential for the programme to contribute significantly to the conservation of orangutan populations in Central Kalimantan, as the HCV area in PT MSM remains connected to a larger forest landscape found outside of its borders.

Enhanced Weathering of Basalt Rock for Carbon Capture

As part of our ongoing collaboration with the South-East Asia Rainforest Research Partnership (SEARRP), Wilmar will be participating in a carbon capture study involving the enhanced weathering of basalt rock. Enhanced weathering has the potential to lower atmospheric carbon dioxide and mitigate ocean acidification. At the same time, it offers potential benefits to agroecosystems, such as amelioration of soil acidification, stimulating mycorrhiza and enhancing Phosphorous uptake, and increasing crop protection against herbivores and biotrophs.

Wilmar will be trialling the application of basalt rock in our Sapi and Sabahmas estates in Sabah, East Malaysia. Through our participation in this study, we hope to contribute towards the development of a scalable climate change mitigation programme that can be deployed in plantation landscapes.

Policy Compliance

Supplier Compliance and Fire Management

Grievance Procedure

One new grievance case was logged in Q2 2016, regarding illegal palm oil in and around the Tesso Nilo

National Park region allegedly entering Wilmar's supply chain. Wilmar does not purchase any Fresh Fruits Bunches (FFB) directly from this area; we expect our Crude Palm Oil (CPO) suppliers to fully comply with our No Deforestation, No Peat, No Exploitation integrated policy. Wilmar has engaged with all relevant CPO suppliers listed in the report to reiterate our integrated policy, and have received good cooperation from suppliers so far. We have also committed to conducting field assessments and developing corrective action plans to address issues of concern. As of Q2 2016, four mills have been assessed.

Stakeholders can view our full list of grievance cases, and follow the latest developments of the cases at this link: <http://www.wilmar-international.com/sustainability/grievance-procedure/>

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

Malaysia – Bintulu Edible Oils, Sarawak

Engagement with suppliers in Sarawak continued this quarter both at the company headquarters level as well as the field-site level. We have completed five mill assessments so far, and target to complete the remaining two assessments in Q3 2016.

Malaysia – Pasir Gudang Edible Oils, Peninsular

Follow up meetings have continued in Peninsular Malaysia this quarter with supplier meetings taking place at both mills and at the headquarters level to discuss the findings of the field visits that took place last year and to establish action plans to improve practices and close gaps.

Indonesia – MNA Kuala Tanjung and MNA Payar Pasir, North Sumatra

An Overarching Report has been developed following field visits to 15 supplying mills. This is a generalised report that will be shared with all Wilmar suppliers in the region, with the objective of providing a collaborative framework of solutions and shared best practices to common issues in the region. The Overarching Report is available at this link: http://www.wilmar-international.com/sustainability/wp-content/uploads/2016/07/Kuala-Tanjung-and-Paya-Pasir-Refinery-Overarching-Report_English-1.pdf

Indonesia – WINA Dumai and WINA Pelintung, Riau

Field visits in Riau commenced this quarter, and seven mill assessments have been completed so far. Headquarter meetings and supplier site visits are in progress, as Wilmar works towards meeting our target

of 20 mill assessments as part of our ART plan in WINA Dumai and Pelintung.

Fire Management – Fire Free Alliance Training in Sumatra

On 20th June 2016, a team of 14 Group, Estate and Sustainability Managers from Wilmar attended the Fire Free Alliance technical training in Pekanbaru, Riau Indonesia. This was a follow-up from the Fire Free Village Programme (FFVP) introductory workshop that was held in the Q1 2016. At this technical workshop, our teams from Sumatra and Kalimantan presented updates on Wilmar's fire prevention, suppression and mitigation plans based on the methodology shared by APRIL.

Currently fire towers and bore holes are being established throughout Wilmar's Central Kalimantan estate based on a fire risk map. We endeavour to include local stakeholders in the process; in two estates, a local NGO with expertise in bore holes was invited to train our teams on the setting up of bore holes in areas vulnerable to fires. Once established, bore holes will provide access to water during droughts as well as within our HCV areas, which are inaccessible to other methods of water delivery.