

The Next Decade: The Direction for Sustainable Palm Oil

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4 Nov 2019



**A Shared Responsibility:
Converting Commitments into Action**

Wilmar's Global Presence

Global leader in processing and merchandising of edible oils, oilseed crushing, sugar merchandising, milling and refining, production of oleochemicals, specialty fats, palm biodiesel, flour milling, rice milling and consumer pack oils

- Over 900 manufacturing plants in 33 countries and regions*
- Extensive distribution network in China, India, Indonesia and some 50 other countries and regions
- Multinational workforce of about 90,000 staff globally



* Including subsidiaries, joint ventures and associates

More info can be found at www.wilmar-international.com/sustainability

Sustainable Palm Oil - The journey so far



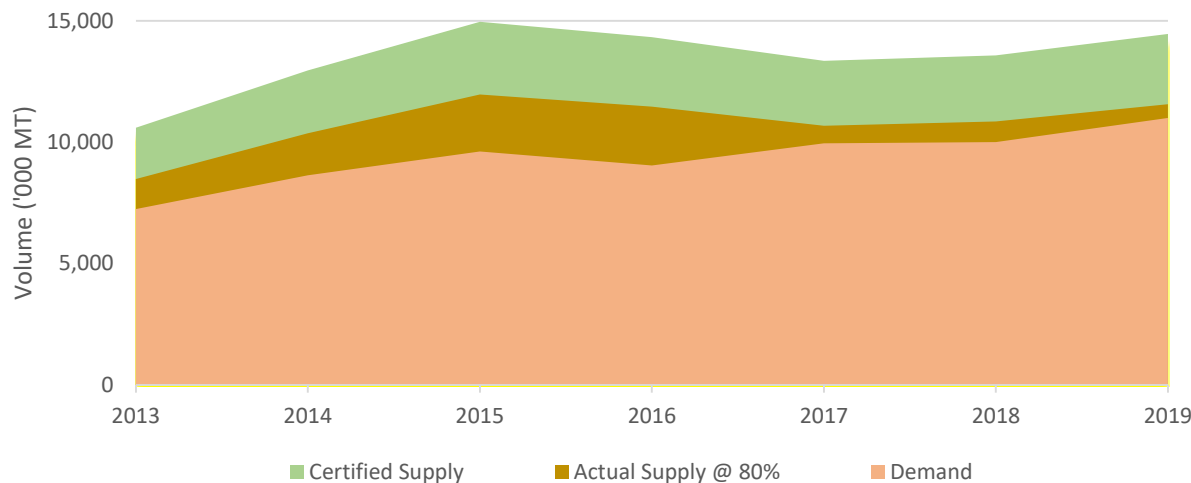
International & National Standards	Policies, Frameworks & Partnerships	Transparency & Accountability
<ul style="list-style-type: none">• Roundtable on Sustainable Palm Oil (RSPO)• International Sustainable and Carbon Certification (ISCC)• Indonesian Sustainable Palm Oil (ISPO)• Malaysian Sustainable Palm Oil (MSPO)	<ul style="list-style-type: none">• No Deforestation, No Peat & No Exploitation• United Nations Sustainable Development Goals (SDGs)• Conservation & Research Partnerships• Labor Relations• Landscape/Jurisdictional Approaches• Fire Prevention & Management	<ul style="list-style-type: none">• Transparency Dashboard• Sustainability Reports• Grievance Procedure & Supplier Engagement• Supply Chain Mapping & Monitoring

Certified Sustainable Palm Oil

The de facto production standards and their interplay

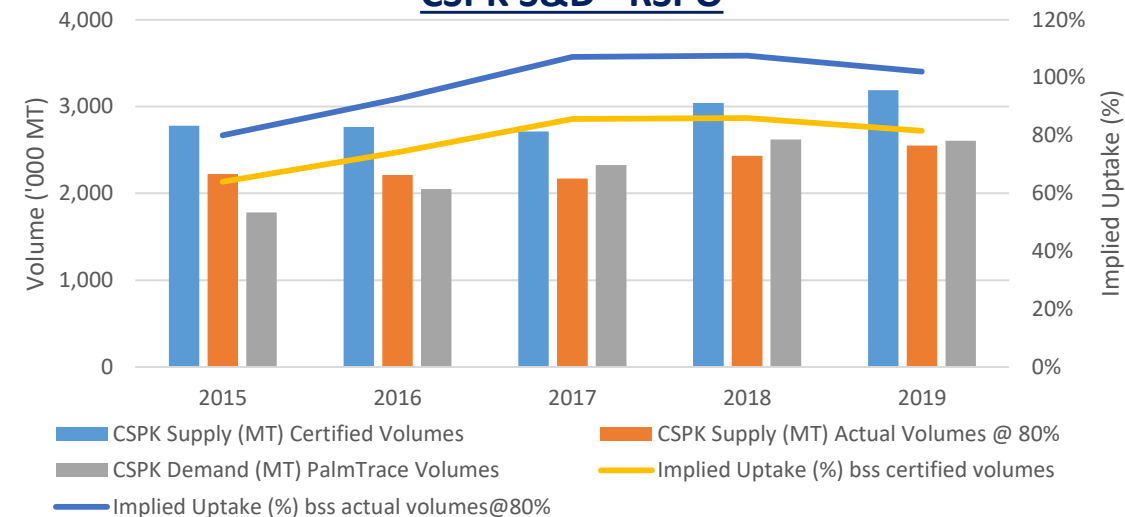


CSPO S&D - RSPO+ISCC



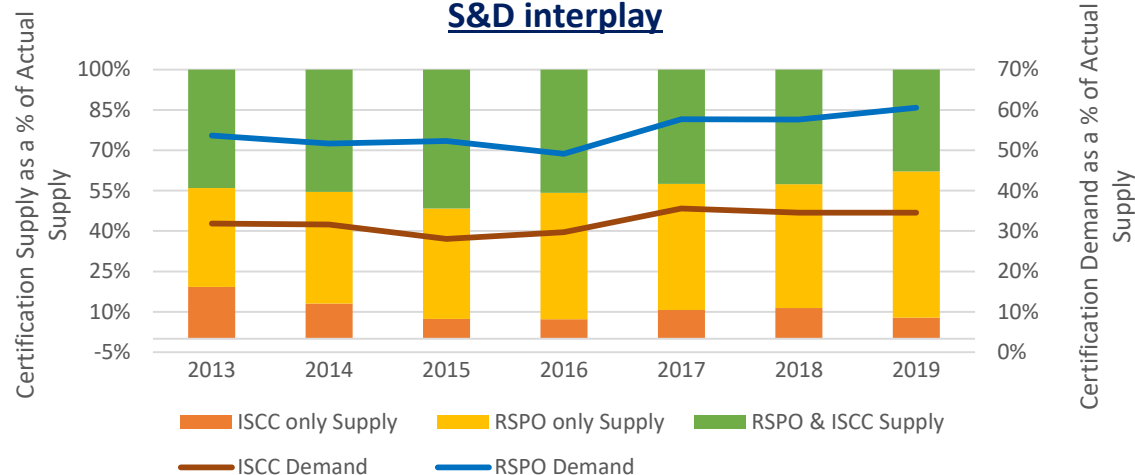
Source: RSPO Impact/Assurance data, Oil World data base, Company estimates

CSPK S&D - RSPO



Source: RSPO Impact data, Company estimates

International Certifications (RSPO+ISCC)
S&D interplay



- CSPO/CSPKO uptake dynamics far more complex, disappearances & uptake gaps observed today realistic.
- Balanced certified S&D based on actual realizable supply.
- Rise of National Schemes, led by producer governments, may pressure the overall CSPO multiple-certified volume pool.
- Flat RSPO CSPO growth anticipated in the near term.

Promoting responsible operations, leading transformation at scale and offering transparency & accountability – Alternative approaches



MSPO



- 55% of the 5.85m Ha planted area certified as at 30-Sep-19
- 70% of the 488 mills and 23% of the 580 SCCS facilities certified
- Mandatory timeline for growers Dec 2019
- MSPO SCCS roll out active
- GoM using bilateral ties to market MSPO
- New policies being explored to strengthen the standard



Addressing legality and strengthening national production standards the common objective, smallholders inclusivity the common thread.



ISPO



- 36% of Indonesia's 14.3m Ha planted area certified as at 2018
- Over 90% of the certified area owned by private companies
- ISPO SCCS work-in-progress
- Further reinforcements expected through coordination between ministries and the one-map initiative

The leverage of sustainability pledges, based on No Deforestation, No Peat and No Exploitation (NDPE) policies

WHAT: Brands looking for NDPE compliant palm oil.

WHY: Corporates keen to spur and hedge broad-level transformation from a CSR and commercial standpoint, in addition to the RSPO efforts

- Commercial availability and viability of RSPO products remain a challenge
- RSPO supply trend a plateau for the last five years

HOW: About 74% of SEA refining capacity is estimated to be covered by NDPE commitments. This gives rise to an expanded 'suitable feedstock' pool.

- TTM/TTP serve as interim metrics for monitoring and transformation efforts
- Delivery mechanisms: Segregation without certification (B2B), landscape work (IRF)
- Certain CGMs see refinery with NDPE commitments and TTM/TTP as a bridge
- Some are interested in specific deforestation and grievance monitoring reports
- Others have invested in resources for their own internal monitoring

Sustainable Palm Oil – the way forward



Bridging the ever-widening compliance gap

- Minimize the compliance gap between established and vulnerable
- Realistic initiatives for smallholder integration needed. Landscape/jurisdictional approaches a worthy shot
- Practical solutions through multi-stakeholder collaboration
- Certifications not the only route to sustainable palm oil - NDPE policies and initiatives also contribute towards this

Towards a realistic triple bottom line (3Ps) framework for the industry

- Feasibility
- Scalability

Certification or not, the industry is the favorite whipping boy. We need Palm United. Convergence in resolution and for scale needed.

- Positive stories largely ignored. Proactive communication needed.
- Embrace all initiatives.

We've come a long way. Keep calm and carry on to make Sustainable Palm the norm.



Pause. Reflect. Let's build on Shared responsibility.

- Big progress made - Let's speak up of our successes
- Empowering our smallholders - key to making Sustainable Palm Oil the norm
- Protectionism here to stay
- Shared Responsibility
- Reminder: Total sustainability a long game and a matter of global responsibility – walking away weakens all trust and any leverage to engage and transform
- Convergence of sustainability standards & initiatives the rationale path. RSPO's platform ecosystem can lead.

Thank You