

Wilmar expects its suppliers to comply with its No Deforestation, No Peat and No Exploitation Policy ("Policy"), and its own operations are no exception. It is being implemented across all operations including subsidiaries and joint ventures, in partnership with The Forest Trust (TFT). A testament to our continuous efforts in Nigeria and Uganda can be found in a write-up from TFT explaining the work Wilmar, together with TFT, have done - and are continuing to do - to ensure that our practices in those two countries comply with our Policy - <http://www.tft-earth.org/stories/news/wilmar-update-from-nigeria-and-uganda/> .

The Group therefore rejects the allegations in yet again another report "Deforestation, exploitation, hypocrisy: no end to Wilmar's palm oil land grabs" by Friends of the Earth (FoE) and the Ecologist, particularly the case of Nigeria, in which many of the allegations were rehashed and have been dismissed by the Roundtable on Sustainable Palm Oil (RSPO) Complaints Panel.

We welcome issues to be raised by concerned stakeholders but we would appreciate that they are based on facts and supported by evidence. For this reason, Wilmar is obliged to clarify many of the misleading points in the report.

NIGERIA

Background

Wilmar has two plantation companies in Nigeria, namely Biase Plantation Limited and Eyop Industries Limited. The total combined land area is 34,300 ha, of which 50% is mostly already planted in the 1960s and 1990s; and the remaining are mostly old scrubs growing in small clusters and heavily degraded forests. Wilmar's greenfield projects have either passed the Roundtable on Sustainable Palm Oil's (RSPO) New Planting Procedure (NPP) or are in the process of doing so.

High Conservation Value (HCV) areas are set aside and protected; and we are also conducting High Carbon Stock (HCS) forest assessment in line with our Policy.

Allegations of community farmland being excavated and crops being destroyed in Ibogo; complaint by village head; water pollution

History of Ibiae Estate and the Ibogo Settlement

The Ibiae estate under Biase Plantation Limited was formed when the government of Cross River State – in 1962 - acquired the land from four Landlord Communities, namely Idoma, Betam, Akpet Central and Ehom, for Oil Palm cultivation. Between 1962 to 1979, about 2,400 ha of the area was planted with oil palm. Due to financial constraints, the project was put off and over time the communities who resided near the plantations begin to grow cash crop on the undeveloped area of the Ibiae estate. Some years later, some of them began to plant tree crop like rubber and cocoa.

The Ibogo community that was referred to in the report is a settlement of the Akpet community that was established in 1972 after the Ibiae estate was formed. Wilmar is therefore very puzzled how the Ibiae estate can be blamed for cultivating land that belongs to Ibogo, especially when Ibiae estate was established a decade earlier than the Ibogo settlement.

Acquisition of Ibiae Estate & Compensation

When Wilmar acquired Ibiae estate in 2011, it went through a long, consultative and transparent process in line with the local regulations. The Cross River State Government, through various

processes of consultations which included with the communities and their representatives, negotiated with Wilmar for the handover of the Ibiae estate. A Fundamental Agreement, signed on 22 May 2012 by the Governor on behalf of the Government of Cross River State and witnessed by the representatives of the communities, was well publicised and documented. In line with the agreement, Wilmar paid the traditional rites and consultation fees.

In 2014, Wilmar also paid the compensation that was agreed between the government and the Landlord community in 1962 for insitu crops that were destroyed when land development commenced in 1963. This compensation was paid by Wilmar in goodwill even though it was not part of the fundamental agreement that was signed in 2012. The compensation was paid to the Cross River Government who later passed the proceeds to the Landlord communities who then decided the individual community member to be compensated. In line with the terms stipulated in the Fundamental Agreement, Wilmar has also paid the annual ground rent to the respective Landlord Communities for use of land in 2015. Wilmar is therefore again very much baffled by the land-grabbing allegations, especially when there was clearly a mutually-agreed process in place.

Wherever Wilmar operates, the Group strives to respect the current system of land compensation; and in the case of the Cross River State in Nigeria, compensation to the affected community members is managed by the Landlord Communities. In line with the RSPO NPP's approach of identifying communities who are using the land, Wilmar did a participatory mapping with a number of farmers who have planted tree-crops in the undeveloped portion of Ibiae estate and has submitted the data to the Landlord Communities who decide on the next appropriate steps to be taken. It is not in Wilmar's best interest to acquire land that will end up in conflicts; we will work together with the Landlord communities in finding an amicable solution to the current challenges.

Water Issue

Since 2012, Wilmar has made five boreholes in the four villages of Betem, Small Idoma, Akpet Central and Ehom. These boreholes were provided based on needs. Wilmar will increase the boreholes as and when the need arises. The Group acknowledged the delay in the repair of a particular borehole case as it was not able to find a competent contractor to address the problem. However, the problem was eventually addressed in May. Going forward the Group will have a programme to inspect these boreholes regularly to ensure that they continue to serve the community well.

The allegation that Wilmar plantation activities is polluting the nearby streams is without basis. In line with its environmental impact assessment (EIA) monitoring and own internal monitoring, the Group conducts periodical sampling of the natural streams and all the boreholes in the area. So far the results of the water taken from streams around Ibiae did not support these allegations (See Appendix I).

Please refer to attached statement from the Ibiae Landlord Communities refuting FoE's allegations – Appendix II. Some of the local community members who were quoted in the FoE report were categorically rejected by the interviewees who claimed they made no such statements. The statement also included evidence of compensation payments made to the local communities affected by the project, as well as acknowledgement that water boreholes were promptly repaired whenever there was feedback of breakdowns.

A court hearing has been scheduled for this month end; Wilmar will cooperate and support the full legal process. We will not be able to provide much information when the court process is ongoing; but updates will be provided whenever the opportunity allows so long as it does not interfere with the court process.

Allegations and federal lawsuit filed by Nigeria-based NGO Rainforest Resource & Development Centre (RRDC) in 2013

In 2013, RRDC filed a complaint to the RSPO and an inquiry by the RSPO into our operations in Nigeria was made, including the engagement of an independent legal expert to review the alleged non-compliance issues.

Following RSPO's investigations, the RSPO conclude that Wilmar's plantations in Nigeria was in compliance with the national laws of Nigeria – that due process of land acquisition and environmental impact assessment was followed.

On the claim that Wilmar did not settle the land rights issue with the local communities, the Group was able to demonstrate written agreement between the landlord communities and Wilmar and the terms were honoured, as confirmed by RSPO's findings.

The appointment of the legal expert and the Terms of Reference for the legal review work were mutually consented by all the parties involved, including RRDC. For this reason, RSPO and Wilmar firmly believe it was neither fair nor reasonable for RRDC to question the impartiality and credibility of the legal opinion; and the RSPO considered the case closed.

Please refer to Wilmar's website for its earlier statement "Wilmar Affirms Commitment to Open, Transparent & Responsible Practices" (<http://www.wilmar-international.com/sustainability/information-resources/>) that clarified Wilmar's position and included the various supporting documents, including a letter from RSPO to RRDC informing that the case against Wilmar in Nigeria is closed.

UGANDA

Wilmar had earlier published two statements "Wilmar Affirms Commitment to Open, Transparent & Responsible Practices" and "Wilmar Refutes Allegations of Land Grab in Uganda (Update)" on its corporate website: <http://www.wilmar-international.com/sustainability/information-resources/>

The court of Uganda has ordered a mediation between all parties concerned, but as of now the mediator has yet to be appointed. Wilmar welcomes this mediation process, and will participate in and render full cooperation to the mediation when it happens.

We trust the above clarifies our position on the various issues. Should you have further queries, please do not hesitate to contact us.

Thank you.