



WORLD'S SINGLE LARGEST INDEPENDENT OIL PALM SMALLHOLDER GROUP RECEIVES RSPO CERTIFICATION

Indonesia and Singapore, 23 August 2016 -- With support from Wilmar International Limited's (Wilmar) subsidiary, PT Tania Selatan, and financial assistance from the Roundtable on Sustainable Palm Oil (RSPO) Smallholder Support Fund, a group of more than 2,700 independent smallholders covering 5,500 hectares (ha) in South Sumatra, Indonesia, received the RSPO certification on 16 June 2016, making it the world's largest individual group of independent smallholders ever to be certified.

Made up of seven village level cooperatives under the registered group name 'Sapta Tunggal Mandiri' (STM), these smallholders collectively produce approximately 92,000 metric tonnes (MT) of certified Fresh Fruit Bunches (FFB). Four of the seven cooperatives were former plasma¹ smallholders tied to Wilmar's PT Tania Selatan mill.

The certified products from the STM group will be sold via the [mass balance](#) supply chain.

Smallholders are pivotal to the palm oil industry as they account for about 40% of the world's total palm oil output. Over the years, the industry has been seeking ways to help this group of stakeholders adopt sustainable practices so they can also have a share of the export markets that requires certified sustainable palm oil (CSPO) which can bring about higher income and improve their livelihood.

Mr. Jeremy Goon, Wilmar's Chief Sustainability Officer, said "To support multiple smallholding farmers and ensure compliance can be very challenging, but because value creation is at the heart of Wilmar's approach to helping smallholders towards sustainable development, we undertook the challenge with the view of developing an inclusive sustainable value chain model that can be replicated and scaled up in other regions and districts of Indonesia. We are proud of Sapta Tunggal Mandiri's achievement; it also gives us more confidence to advance our cause on this front."

Mr. Amin Rohmad, one of the certified independent smallholders from the Dwi Tunggal cooperative and also the group manager of STM, said "We are very happy to be awarded the RSPO certification. The ability to produce sustainable FFB not only will improve our livelihood but also helps link us in South Sumatra to the global sustainable market. We have shown that independent smallholders are capable of complying with international sustainability standards if given adequate support. We are also proud to represent the South Sumatra Province."

¹ Plasma scheme is a term which derives from the state-promoted 'nucleus estate' plantation model introduced in the 1980s, under which smallholders in the 'plasma' would cooperate with the large company in the 'nucleus'. Under the Indonesian Plasma scheme, businesses may develop the land first and then distribute it to local communities to manage and harvest their own oil palm trees as smallholders).

Ms. Julia Majail, Smallholder Programme Manager of RSPO said, “Today, more and more plasma smallholders are reaching a level of maturity allowing them to become independent and stand on their own. This said, it is crucial for companies such as Wilmar, NGOs and governments to continue promoting smallholder inclusiveness and capacity building and to support Independent Smallholders so that they can achieve RSPO Certification. Through certification, Independent Smallholders can increase their yield, improve profits, access to international markets while at the same time protecting the environment through adoption of good agricultural practices.”

To date the RSPO has helped 113,673 individual smallholders gain certification and helped facilitate partnerships between smallholders, NGOs and the private sector. A total of certified area for smallholders is 263,371 ha.

Wilmar, an active member of the RSPO since 2005, is committed to developing an inclusive sustainable supply chain that extends beyond its associate plasma smallholders. As well as Indonesia, Wilmar is working to increase the production of CSPO from independent smallholders in Malaysia.

--- END ---

Note to Editor:

About Wilmar’s Independent Smallholder Certification Initiative in East Malaysia

In collaboration with social enterprise Wild Asia, French cosmetic giant L’Oreal, Clariant and Global Amines, Wilmar is working on a project in the Beluran district of Sabah, East Malaysia, to help 500 independent smallholders become certified against the RSPO standards, and produce the equivalent of about 70,000 MT of FFB by 2020.

Through the Sustainable Palm Oil and Traceability with Sabah (SPOTS) smallholders initiative, certified products from these smallholders will be sold to the global market.

The benefits of certification to these farmers are twofold: the premium from the sale of CSPO paid to the smallholder increases their income, and help to encourage interest in smallholders to see that there is payback for sustainability efforts. In addition to premiums, the provision of agronomic advice and extension services to committed smallholders can also help boost productivity. These incentives naturally create a ‘reward loop’ for smallholders to continue with sustainable practices.

About Wilmar International Limited

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

Wilmar's business activities include oil palm cultivation, oilseed crushing, edible oils refining, sugar milling and refining, manufacturing of consumer products, specialty fats, oleochemicals, biodiesel and fertilisers, as well as flour and rice milling. At the core of Wilmar's strategy is an integrated agribusiness model that encompasses the entire value chain of the agricultural commodity business, from cultivation, processing, merchandising to manufacturing of a wide range of branded agricultural products. It has over 500 manufacturing plants and an extensive distribution network covering China, India, Indonesia and some 50 other countries. The Group has a multinational workforce of about 92,000 people.

Wilmar's portfolio of high quality processed agricultural products is the preferred choice of consumers and the food manufacturing industry. Its consumer-packed products have a leading share in many Asian and African countries. 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.

Wilmar is a firm advocate of sustainable growth and is committed to its role as a responsible corporate citizen.

About the Roundtable on Sustainable Palm Oil

In response to the urgent and pressing global call for sustainably-produced palm oil, the Roundtable on Sustainable Palm Oil (RSPO) was formed in 2004 with the objective of promoting the growth and use of sustainable oil palm products through credible global standards and engagement of stakeholders. The seat of the association is in Zurich, Switzerland, while the secretariat is currently based in Kuala Lumpur with satellite offices in Jakarta, London and Zoetermeer (NL).

RSPO is a not-for-profit association that unites stakeholders from seven sectors of the palm oil industry - oil palm growers, palm oil processors or traders, consumer goods manufacturers, retailers, banks and investors, environmental or nature conservation NGOs and social or developmental NGOs - to develop and implement global standards for sustainable palm oil.

Such multi-stakeholder representation is mirrored in the governance structure of RSPO such that seats in the Executive Board and project-level Working Groups are fairly allocated to each sector. In this way, RSPO lives out the philosophy of the "roundtable" by giving equal rights to each stakeholder group to bring group-specific agendas to the roundtable, facilitating traditionally adversarial stakeholders and business competitors to work together towards a common objective and make decisions by consensus.

Media Contacts

Wilmar International Limited

Iris Chan
Corporate Communications Manager
iris.chan@wilmar.com.sg

RSPO Secretariat

Stefano Savi
Global Outreach and Engagement Director
stefano.savi@rspo.org