

At Wilmar, we understand the immense value that tropical forests bring to mankind. They help regulate global climate patterns and act as sanctuaries to myriad of ecosystems. We recognise that adverse anthropological activities can have a profound impact on the sanctity of these invaluable forests. Forest resources need to be managed in a sustainable manner, for the present and future generations to enjoy its benefits.

Sustainable Practices for Land Development



Policies

Development on Degraded Land

We operate strictly only on lands designated and licensed by the local governments for oil palm cultivation. These lands include degraded agricultural lands and grasslands that have lost their environmental and economic values, as a result of intensive logging, slash and burn cultivation as well as other anthropological activities.

Zero-Burn

Wilmar adheres to a strict zero-burn policy in its plantation operations and implements mechanical clearing in its land development. For mechanical clearing, trees are directionally felled to facilitate stacking by the bulldozers. The forest materials or biomass is stacked in avenues between the rows of new plantings on flat or undulating terrain. As for hilly areas, the biomass is spread out evenly on the planting terraces on slopes. The land is subsequently planted with leguminous cover crops. This will provide a protective coverage of the bare ground to prevent erosion. It will also speed up the decomposition rate of the forest materials.

Mechanical clearing is part of a holistic fire management approach which yields many environmental, health and economic benefits. Apart from prevention of further carbon emission released by burning and keeping a pollution-free environment for our employees and local communities, it allows for nutrients to be released more slowly during decomposition so that they can be utilised more effectively by the new trees. Biomass has substantial nutrient content; in decomposing, the biomass provides humus which improves the soil, acting as fertiliser input to the growing crop and reduces the need for chemical fertiliser.

No Deep Peatland Development

We do not develop on deep peatland. There are strict national regulations governing the use of peatlands which stipulate no development on peat soils which are more than 3 metres deep. It is also not commercially sensible to develop on deep peatlands because they pose a significant challenge to machine mobility and require a higher input of fertiliser. The cost of constructing and maintaining the roads would be very high, as materials like stone will have to be imported from elsewhere. Crop stability will also be an issue. Palm oil plantings often have to be made on elevated pedestals due to the high water content of peatlands. This is to prevent the roots from being in standing water. As a result, many trees fall off due to lack of support.

Nonetheless, there are scattered and small pockets of peatlands within our plantations, most of which have soil depths of less than 1.5m, and where development is permitted. To manage these peat areas effectively, we adopt a comprehensive and sound hydrological approach, such as optimising the water levels, preventing fires and other monitoring and management methods.

Requirements for Land Development

Legal Compliance

We ensure that there is compliance with all applicable local and national laws as well as regulations. We have a structured system of documentation in place and information on legal requirements is updated regularly.

Environmental and Social Impact Assessments

The responsible development of new plantings is both a legal requirement and one of the Principles and Criteria (P&C) of the RSPO. This includes comprehensive, participatory and independent impact assessments prior to establishing new plantings or operations, or expanding existing ones. An impact assessment analyses the possible



What is Peat

Peat is an accumulation of partially decomposed vegetation matter. Over time, the waterlogged soils prevent the organic matter from fully decomposing, which creates a thick layer of peat soil, also commonly known as peatland. Peat is accumulated above ground water levels. Most of the peatlands are located in the lowlands, typically the extensive floodplains between rivers of Sumatra, Kalimantan and Papua.

Peatlands perform a significant carbon storage function for the planet. In recent decades, huge amounts of carbon stored under tropical peatland have been released into the atmosphere due to deforestation, land use change and fire activities. Such events have undone and upset the carbon sink function; and compounded the problem of global warming.

consequences that land development may bring, from the social and environmental perspectives. The results of the assessments are subsequently incorporated into management plans and operations.

At Wilmar, we take a comprehensive and methodological approach to environmental and social considerations: Environmental Impact Assessment (EIA), and the High Conservation Value Forest (HCVF) assessment for the former; Social impact Assessment (SIA) and the Free Prior and Informed Consent (FPIC) for the latter.

Specially, the HCVF assessment is a survey of the estate landscape, based on the HCV framework. These assessments are conducted by independent experts. If the study reveals the existence of HCVFs, Wilmar will not develop the area. This is also in line with the criteria stipulated within the RSPO P&C framework.

The SIA is a methodological appraisal to assess the deemed impact – both positive and negative – a proposed project or plan may have on the quality of the daily lives of individuals and communities as well as their environment. Our SIA takes a participative approach which involves open and transparent dialogues with local communities. Through this exercise, it can help us to formulate a more comprehensive and holistic community development programme, including things we may have overlooked in our daily operations.

In new development areas, we also work to ensure that we apply the principles of FPIC (Free Prior and Informed Consent) before we commence any land-clearing activities. This is a community-based natural resource management approach that involves offering local people a formal role, as well as some form of veto-power, in the consultations and decisions about local development projects. It is intended to help them secure their rights to control access to their land and natural resources, and to share in the benefits when these are utilised by others.

For more information on the HCVF assessment, please refer to our factsheet on “Environmental Stewardship—Biodiversity.”



A degraded forest land — there is no distinct layering in the vertical structure of the forest.



Land clearing by mechanical means



The forest debris or biomass is stacked in avenues between rows of new plantings.

Why Fires Occur

Fire and haze are common in Indonesia, especially during the dry seasons, in the period from July-September. As a method of farming, the slash-and-burn has been used for many generations and is the only method of clearing that the local villagers and farmers know.

But the real reason driving their actions is the lack of financial resources to clear the grounds using another method: while it costs over US\$250 to clear a hectare of land with machines, it costs almost nothing to use fire.

Fire Management and Prevention in Wilmar

Fire management is part of Wilmar's sustainable plantation management. To that end, we have strategies, systems and tools in place to prevent and / or suppress fires from affecting our operations:

Monitor hotspots using satellite imagery system, watch-towers and routine patrols

Established fire-fighting and fire-monitoring teams involving surrounding communities

Utilise effective fire-fighting techniques and equipment

Training fire crew on usage of fire-fighting equipment

Build ponds and tube-wells as water reserves

Assist surrounding communities in site preparation for cash crop cultivation without the use of fire

Invite local government, NGOs and surrounding communities to participate in fire-prevention campaign

Promote awareness on fire hazards and the detriments of using fire for land-clearing to employees, contractors and local communities, using educational materials such as pamphlets and newsletters

Wilmar provides its plantation staff with fire-fighting and emergency response training, engaging the help of qualified trainers from the Fire Department. For every estate about the size of 6,000 ha, there are 10 fire fighters; and equipment is upgraded and / or replenished every 12 months. Depending on the terrain, there is one 12-metre high watch tower for every 1,000 ha of land to monitor fire occurrences.



Employees trained by a qualified crew from the Fire Department of the local authorities.



Fire drills are conducted regularly to instill a sense of preparedness in our people.



Rapid Fire Response Team contains fires before they spread further.