

SUSTAINABILITY BRIEF

Update from the field

September 2014

Working Hand in Hand with our Suppliers



Following the announcement of Wilmar’s landmark commitment to “No Deforestation, No Peat and No Exploitation Policy” (‘Policy’), Wilmar has been working on its implementation on the ground.

In July 2014, staff from Wilmar and The Forest Trust (TFT) visited third-party suppliers to Wilmar palm oil mills in the Beluran district near Sandakan, Sabah, East Malaysia. We were welcomed by the owners of oil palm estates as well as small growers and smallholders.

We interviewed the owners, managers and workers to understand their daily operations in the production of fresh fruit bunches (FFB). We visited oil palm plantations, workers’ quarters, stores, workshop, and forest/ river boundaries to get a better understanding of their situation, including any conflict they faced with other local stakeholders.

We also explained to the suppliers TFT’s role in the supply chain i.e. they are neither an auditor, certification body nor fault finder. On the contrary, TFT provides advice to help the suppliers meet the market expectations, and works with Wilmar to support the suppliers to transform their operations to deliver responsible fresh fruit bunches (FFB) to the mill. The objective is to work together to create pragmatic and collaborative solutions for improvement

Many suppliers openly discussed the issues and areas of potential non-compliance to the company’s Policy. These shortcomings are often found in the areas of legal compliance, protection of forest and rivers, environmental conservation, workers’ welfare and rights, etc. The suppliers were pleased with the feedback and welcomed the support and practical recommendations from Wilmar and TFT to improve their daily operations.

There are plans to visit three more mills and their supply base in the Sandakan area during 2014.