



Promoting Environmental Sustainability and  
Improved Livelihoods in Sugarcane Production



# NDPE Sugar FAQ

Find the answers to your questions here

January 2025  
Version 1

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## General

### 1. How is NDPE Sugar different from NDPE palm?

No Deforestation, No People Exploitation Sugar (NDPE Sugar) follows the same principles as the “No Deforestation, No Peat, No Exploitation” (NDPE) policy for palm. It commits to protecting forests, people, and communities while promoting operational efficiency and best practices. Peat is excluded from NDPE Sugar since it’s not a significant sustainability issue in the Wilmar sugar supply chain.

### 2. Is NDPE Sugar sustainable sugar?

NDPE Sugar follows sustainable commitment and practices based on its principles. However, in the beginning, mills might not fully meet all the requirements. The program emphasizes continuous improvement, meaning mills need to demonstrate progress in their sustainability efforts over time, and their progress is acknowledged.

### 3. Are NDPE Sugar participants fully compliant to the NDPE Sugar Policy?

NDPE Sugar does *not require* participants to be in full compliance, from the start. However, we do ask:

- **Mills:** to complete the [SRT](#) questionnaire (includes their supply base information). We then monitor progress based on SRT results and conduct on-site assessments as needed. Our goal is to improve sustainability for sugar suppliers, with traceability, engagement, and continuous improvement being key to compliance.
- **Refiners:** to sign a Refinery Commitment Letter to show their commitment to the NDPE Sugar policy and create a transparent sourcing network. We then request for them to share their sustainability efforts (e.g., policy, certification, GHG emission factor and roadmap, etc) and ensure that it aligns with the NDPE Sugar policy.

### 4. Can the volumes supplied by NDPE Sugar be verified?

NDPE Sugar volumes can be verified using the *Traceability Volume Accounting System* during on-site assessments by approved third-party verifiers according to on-site assessment protocol. However, this verification must be requested by the Wilmar commercial team to the NDPE Sugar sustainability team before confirming to the customer.

### 5. Why is *inclusivity* so important in NDPE Sugar?

NDPE Sugar aims to be inclusive, allowing as many suppliers as possible to join the program. Mills must commit to continuous improvement with a clear action plan, which NDPE Sugar actively supports.

This inclusivity is important for advancing sustainability in sugar production. Barriers like membership and/or audit costs, complicated system requirement and a generally low demand for premium carrying products, making it unattractive for suppliers to participate in a programme. With NDPE Sugar we aim to avoid these barriers.

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**6. Is there a fee to join NDPE Sugar?**

No, this program is free to join. There are no annual fees, and mills aren't required to have annual audits. Instead, they just need to complete the [SRT](#) annually or once every 2 years, depending on their sustainability performance.

**7. How does NDPE Sugar impact the entire sugar supply chain?**

The first step of our NDPE Sugar implementation is traceability, to identify where our sugar comes from. We've mapped all the mills and their sugarcane sources that supply our (partner) refineries. We gather and report traceability information over a 12-month period, which refineries can use to support their traceability claims by sharing the traceability report with their buyers.

With the identified mill, Wilmar uses the [SRT](#) to monitor suppliers' progress in complying with NDPE Sugar principles. Based on SRT responses, Wilmar assesses risks and plans further engagement, which may include site visits to the mills and supply base.

**Mill****1. What does NDPE Sugar commitment mean for a mill?**

When a mill agrees to commit to the NDPE Sugar policy, they need to complete the [SRT](#) and demonstrate continuous improvement towards NDPE Sugar principles. By committing, mills can improve their sustainability efforts and meet market demands for sustainability.

**2. What are the benefits for a mill to join NDPE Sugar?**

- i. Access to the [Supplier Reporting Tool \(SRT\)](#) and monitor sustainability efforts across their entire supply base.
- ii. Access to action plans to help mills improve their sustainability performance that aligns with the NDPE Sugar policy.
- iii. Classification into tiers that represent their sustainability efforts. This tiering will be reflected in the Refinery Traceability Report, which may potentially be shared with MNCs by the refinery. Mills can communicate their tiering on their own account, if desired.

**3. Do committed mills automatically qualify for other certified sustainability schemes, and vice versa?**

No. The main reason is that NDPE Sugar uses a different approach to the verification process compared to other certification schemes. NDPE Sugar is an inclusive program that focuses on *the entire supply base of the mills* and promotes continuous sustainability improvement.

The [Supplier Reporting Tool \(SRT\)](#) is key for collecting sustainability data from mills and their supply base, allowing Wilmar to determine the mill's sustainability status, associated risks, and support needed.

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It will be a great start for mills certified under other schemes to get on board of NDPE Sugar, as systems have already been put in place. However, for NDPE Sugar the full supply base, shall be included.

**4. What will happen to the mill if the gaps they face take a long time to close?**

The mill will remain in the supply chain as long as it continues making progress to minimize gaps. Wilmar will maintain ongoing engagement to understand the challenges the mill faces and provide necessary support.

**5. In the occasion that an on-site assessment is requested, how is data privacy ensured?**

An on-site assessment will be conducted in accordance with local laws and governed by the NDPE Sugar Site-Assessment Protocol. Wilmar and partner will keep all data confidential, using it only to establish compliance status with NDPE Sugar.

## Refinery

**1. What NDPE Sugar means for signed up refineries?**

The refinery will express their commitment to NDPE Sugar by signing the *Refinery Commitment Letter*. The commitment includes promoting environmental sustainability and improving livelihoods in sugarcane production. The refinery will need to commit to transparency of their supply base, which will be fundamental for the Traceability report. This report will show the mill sources (traceability) and sustainability status of their supply base, and can be shared with their customers and other stakeholders.

**2. How can refineries show their participation in NDPE sugar?**

Refineries with minimum 85% traceability to the mills can claim their commitment by using NDPE Sugar logo. Secondly, they can share the Refinery Sustainability Report with interested stakeholders.

## Customer (Brand)

**1. What benefits do brands gain from joining the NDPE Sugar program?**

With the increasing concerns of the international market regarding climate change, participation in the program ensures the entire supply chain's commitment to addressing issues such as transparency, traceability, respect for human rights and environment, deforestation prevention, and carbon footprint.

To summarize: Brands benefit from NDPE Sugar by sourcing from a traceable supply chain, ensuring compliance through a continuous improvement process, and accessing the NDPE Sugar Logo for branding.

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## 2. Is NDPE Sugar accepted in the market?

Yes, NDPE Sugar stands out for its traceability, inclusiveness, and commitment to continuous improvement. Launched in September 2021, the NDPE Sugar logo is already used at refineries in Malaysia and Indonesia. Major global industrial buyers are purchasing NDPE Sugar from Wilmar's partner refineries, and Wilmar is actively engaging with large brands to encourage their acceptance of NDPE Sugar as a sustainable supply.

## Traceability

### 1. Do all refineries have a traceability score of 100%?

Traceability scores vary by refinery and are included in refinery traceability reports within a specific timeframe. If some quantities are labelled as untraceable, it doesn't mean their origin is unknown; it simply means they didn't meet all [traceability criteria](#).

### 2. Where can I find the refinery traceability information?

Traceability reports for supplying mills to refinery can be requested at the respective NDPE Sugar refinery.

## Supplier Reporting Tool (SRT)

### 1. How do mills benefit from participating in the SRT?

Participating in the SRT helps mills track their sustainability performance through the DiginexLUMEN platform, which generates an SRT score and provides results report. With these mills can plan their improvement actions to close any gaps to the NDPE Sugar policy, and monitor their progress over time.

Note that after completing the SRT, the mill will receive the NDPE Sugar's guidance documents with concrete actions to assist them in closing their specific gaps.

### 2. Can the SRT be done in other languages?

Yes, the platform is available in other languages such as Thai, Spanish, and Portuguese.

### 3. Can the NDPE Sugar SRT Report be shared with others?

Yes, these reports can be shared by participating mills with end customers, allowing them to highlight their sustainability progress. However, the decision to share is exclusively with the mill; Wilmar will not share these reports.

### 4. How often should mills update the SRT?

Low-risk mills shall update their progress every two years, while medium- and high-risk mills must update it annually. Improvement plans and guidance documents are provided to help address any gaps.

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**5. Is there a legal document for keeping information confidential?**

Yes, Wilmar will send a Confidentiality Memo to the mills upon signing up and before they onboard SRT.

**6. What kind of support will a mill receive from Wilmar to close the gaps in SRT and continuously improve?**

Wilmar will provide NDPE Sugar's guidance documents with concrete actions to assist the mill in improving their sustainability performance and closing the gap between their current status and compliance with NDPE Sugar Policy. These documents include guidance for developing or improving sustainability policies, strategies for reducing greenhouse gas (GHG) emissions, develop and enhance risk assessments, and other related resources. By implementing these plans, mills demonstrate their continuous improvement.

In addition, Wilmar will also provide capacity building sessions with the suppliers in focus areas of interest. These sessions can vary between 1:1, webinars or workshops with multiple supplier participants.

## Carbon Reduction

**1. How does NDPE Sugar help reduce carbon footprint?**

Principle 2 of NDPE Sugar focuses on measuring greenhouse gases (GHGs) and establishing specific goals to help reduce emissions. The [SRT](#) questionnaire request mills to provide their GHG emission intensity, reduction targets, and clarify their monitoring process.

## Deforestation

**1. Is NDPE Sugar deforestation-free?**

Principle 2 of NDPE Sugar includes: "Protecting natural ecosystems," which means commitment to "No conversion of legally protected areas or HCV areas," including forests. To ensure compliance, mills must complete the [Supplier Reporting Tool \(SRT\)](#), that includes questions about expansion and conversion for sugarcane planting.

Secondly, Wilmar conducts pro-actively satellite monitoring to detect deforestation for sugar cane farms supplying into the Wilmar supply chain. If deforestation is confirmed, Wilmar will address it with the supplier through our [Grievance procedure](#).

**2. What is the deforestation cut-off date according to NDPE Sugar?**

The deforestation cut-off date is 31 December 2020. If deforestation is detected after this date, and the land is converted into a sugar field supplying Wilmar's supply chain, Wilmar will engage with the relevant supplier. If a breach of NDPE Sugar is confirmed, our [Grievance procedure](#) will be initiated. For further details, please refer to our [policy](#) and [AFI](#).

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## NDPE Sugar Versus Certification

### 1. Is NDPE Sugar a certification scheme?

No, NDPE Sugar is a company initiative created by Wilmar, and it takes a different approach from other certification schemes. It is a supplier improvement program focused on traceability, inclusion, and continuous improvement.

### 2. What is the difference between NDPE Sugar and other certification schemes?

In general, *Assessment*, *Verification*, and *Certification* begin with a review of submitted data and may lead to on-site checks to support the assurance. The goal is to ensure compliance and/or on-going improvement with specific sustainability requirements set by the scheme/program.

REQUIREMENT	NDPE SUGAR	OTHER CERTIFICATION SCHEMES
Concept	Assessment / Verification	Certification
Ownership	Managed by Wilmar (Company Programme)	Managed by independent organizations
Fees	Free participation	Requires audit/ membership fees
Assessment	Optional on-Site checks	Mandatory on-site checks
Auditor	1 <sup>st</sup> / 2 <sup>nd</sup> / 3 <sup>rd</sup> Party	3 <sup>rd</sup> party
Inclusivity	Includes mills and <u>full</u> supply base	In most cases, only includes part of mill supply base
Progress	Progress is acknowledged	Only 100% compliance
Output Portion	Includes 100% of mill output	Includes only certified portion of output of the mill
Traceability	Traceability of full supply base	Mostly, traceability to only the certified supply base

**Table 1:** Comparison NDPE Sugar versus Other Certification Schemes

Therefore, NDPE Sugar is an internally managed *company program* that focuses on inclusivity, continuous improvement, offers on-site checks for both assessment and verification claims, but it is not a certification system.

Instead of focusing on a specific portion of a mill's supply base, NDPE Sugar covers the entire sugarcane supply of the mill. Therefore, 100% of a mill's sugar production will be considered as NDPE Sugar.

NDPE Sugar is inclusive, allowing all responsible producers to participate, demonstrate progress, and receive recognition for their efforts. In contrast, certification schemes generally exclude suppliers who don't meet baseline compliance. Additionally, certification schemes managed by independent organizations often require membership or audit fees, which can be a barrier for suppliers to join. NDPE Sugar seeks to overcome this obstacle.

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## NDPE Sugar Policy Breach

### 1. Does NDPE Sugar have a mechanism to handle issues?

Wilmar's [Grievance Procedure](#) and [No Exploitation Protocol](#) provide ways to report any issues related to non-compliance in our supply chain. If any non-compliance with the core principles of this policy is identified and verified, we will create a time-bound action plan to address it. Additionally, as a Bonsucro member, stakeholders can also use the Bonsucro grievance mechanism.

### 2. Can mills be suspended from NDPE Sugar?

The goal of NDPE Sugar is to promote sustainability in the sugar industry. We are dedicated to ongoing efforts to ensure that suppliers and all stakeholders maintain their commitment to sustainability. However, if there is ongoing and intentional non-compliance, we will use our grievance mechanism, which may lead to suspension in the worst-case scenario.

### 3. How does Wilmar monitor misuse of NDPE Sugar Logo?

Wilmar conducts periodic checks on the approved logo used by NDPE Sugar producers through a desk-based sampling approach, which includes checking the companies' websites that use the logo and conducting searches in online news outlets. All logo usage requests must be made to the NDPE Sugar team through the application form.

## SAI - FSA Benchmarking

### 1. What is SAI Platform's Farm Sustainability Assessment 3.0 (SAI FSA 3.0)?

The Sustainable Agriculture Initiative (SAI) Platform is a global *reference framework* which empowers farmers to demonstrate sustainability and identify opportunities for continuous improvement; ensuring alignment with the Farm Sustainability Assessment.

### 2. What are the results of NDPE Sugar benchmarked against SAI FSA 3.0?

Wilmar's NDPE Sugar Initiative is respectively Gold Level Equivalent to the SAI Platform's Farm Sustainability Assessment 3.0 (FSA). Click [here](#) for more info. Volumes can only be claimed as such, when onsite assessments are performed.

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