

PUBLIC STATEMENT

20 February 2023

Response to the Report by Friends of the Earth Netherlands

In response to the allegations brought forth by Friends of the Earth (FoE) Netherlands in their report titled “Wilmar and Financiers Exposed to Conflict Palm Oil in Liberia”, we reiterate that Wilmar has been working closely with Maryland Oil Palm Plantation (MOPP) together with relevant independent organisations and authorities since 2018 to ensure compliance and progress in meeting Wilmar’s sustainability requirements since 2018.

MOPP is fully owned by SIFCA Group, of which Wilmar has a 27 percent stake. Nevertheless, despite neither having management nor operational control of MOPP, Wilmar has been driving and supporting the transformational improvements in MOPP while ensuring their continuous compliance to our sustainability commitments, particularly our No Deforestation, No Peat, No Exploitation (NDPE) policy.

Wilmar has conducted several assessments alongside MOPP, independent civil organisations and other authorities to monitor and resolve the issues such as community conflict, deforestation and riparian management – many of which have since been resolved or are in the process of being addressed. We also conducted monitoring visits to MOPP in July 2018, December 2018 and November 2019. We temporarily suspended these monitoring visits during the Covid-19 pandemic but resumed in March 2022.

Allegations of Labour Rights and Livelihood

Wilmar is committed to assessing and ensuring that our employees, contractors and suppliers are paid a living wage in line with the regulations of the country in which we operate. We have assessed 100% of our employees and contractors to ensure that they are paid a living wage. The assessments are based on available living wage frameworks for the countries we operate in, including the Global Living Wage Coalition, Wage Indicator Foundation, Massachusetts Institute of Technology Living Wage Calculator and the RSPO Living Wage Benchmark.

MOPP has a signed collective bargaining agreement with its workers which clearly outlines working conditions, salary levels, benefits and applicable deductions which have been acknowledged in the FoE report to be above regulatory requirements and market rates. MOPP also has documented agreements with third-party contractors who provide labour for the company. We use third-party workers for seasonal operations.

The wage paid and living conditions are within the requirement stipulated by Liberia, but it has been acknowledged that further improvements need to be made for the workers of our third-party service providers. MOPP is currently working closely with its third-party service providers to ensure workers are entitled to annual leave allocations, medical insurance and other benefits, in alignment with the policies and requirements of MOPP.

Allegations of Harassment and Criminalisation

MOPP is open and welcomes engagement opportunities with local communities surrounding its operations in an effort to identify and resolve any concerns or issues.

The Liberian government stationed the Emergency Response Unit (ERU), which is a police force unit, for the protection and well-being of the employees and property within the MOPP premises. A Terms of Reference (TOR) contract was signed with the ERU commander in MOPP, outlining expectations and procedural guidelines in managing social issues surrounding MOPP, following an assessment and monitoring exercise in 2019.

Additionally, MOPP has its own internal security team responsible for protecting company property and workers, preventing theft and so on. They work closely with the local police for patrolling and enforcement, especially given previous incidences involving stolen fresh fruit bunches taken outside the company's concessions as well as the risk of aggression when perpetrators are confronted. MOPP security personnel are trained on the scope of their jurisdiction, which is within the boundaries of the concession, and to file police reports for further investigation and action when stolen items are moved outside the concession.

Allegations of Land Conflict

In 2018, Wilmar, together with representatives of the Environmental Protection Agency of Liberia (EPAL) and MOPP, engaged with affected communities and government representatives at country-level, where it was deliberated and agreed-upon that the grievances were mostly legacy issues which existed prior to the acquisition of the land by MOPP, and who has since initiated corrective actions to resolve them.

Working alongside The Forest Trust – now known as Earthworm Foundation – MOPP launched a platform known as the Sustainable Agriculture Stakeholders Initiative (SASI) in July 2018 for capacity building and knowledge sharing of sustainable agricultural practices in Maryland, Liberia. SASI, which serves as an engagement platform between MOPP and relevant stakeholders, supports smallholder farmers in the community so they may benefit from the development of palm oil. It also complements existing community engagement channels, including the Community Liaison Committee and the Association of Chiefs and Elders of Surrounding Communities.

Meanwhile, MOPP continues to explore other opportunities and approaches to further strengthen its relationship with the local communities.

Allegations of Deforestation

MOPP was established by replanting of existing oil palm and sugarcane plantations. The Decoris Oil Palm Estate 2 and the Libsuco Sugarcane Plantation were developed in 1980 and 1973 respectively and, as such, MOPP did not conduct High Conservation Value (HCV) assessments prior to redeveloping them into oil palm plantations in 2011. Furthermore, the Land Use Change Analysis conducted by Proforest in 2019 found that no social HCVs (HCV4 – HCV6) were destroyed by MOPP operations.

The greenfield development of the Wlowein concession was guided by the HCV assessment report together with the consent of the local communities, as duly expressed through the agreement signed in December 2017 between MOPP and these communities.

Allegations of Pollution

We welcome FoE Netherlands to share their findings to help validate their allegations of pollution in the waterbodies in and around MOPP concessions as our initial investigations have not been able to discover any substantial evidence of pollution.

Separately, MOPP has been working closely with EPAL to develop a Corrective Action Plan for the areas identified in the Riparian Management and Restoration Plan report that will allow for the enhancement of riparian belts (HCV4) that were poorly maintained during the development of the plantation. Recommendations and implementation of improvements in the buffer zone management were done progressively, with significant progress being observed as of 2022. Nevertheless, MOPP continues to identify room for further improvements and is working towards implementing these measures, which include addressing encroachment into riparian buffers.

MOPP conducts routine water quality sampling, of which the results comply with legal requirements. MOPP has robust effluent management procedures with treatment ponds and effluent channeled back to the plantation for land application.

Continuous Improvements and Compliance

Wilmar has been and will continue to monitor, engage and work closely with MOPP to ensure their operations comply with our NDPE policy, while identifying areas for further improvements.