

MISCELLANEOUS :: NEWS RELEASE - WILMAR INTERNATIONAL ANNOUNCES POLICY TO PROTECT FORESTS AND COMMUNITIES



 0 [Tweet](#)

** Asterisks denote mandatory information*

Name of Announcer *	WILMAR INTERNATIONAL LIMITED
Company Registration No.	199904785Z
Announcement submitted on behalf of	WILMAR INTERNATIONAL LIMITED
Announcement is submitted with respect to *	WILMAR INTERNATIONAL LIMITED
Announcement is submitted by *	TEO LA-MEI
Designation *	COMPANY SECRETARY
Date & Time of Broadcast	06-Dec-2013 19:07:45
Announcement No.	00118

>> ANNOUNCEMENT DETAILS

The details of the announcement start here ...

Announcement Title *	News Release - Wilmar International Announces Policy to Protect Forests and Communities
Description	Please refer to the attached News Release and No Deforestation, No Peat, No Exploitation Policy.
Attachments	<p> News Release Wilmar Announces Policy to Protect Forests and Communities.pdf</p> <p> Wilmar No Deforestation No Peat No Exploitation Policy.pdf</p> <p>Total size =282K (2048K size limit recommended)</p>



NEWS RELEASE

WILMAR INTERNATIONAL LIMITED

Wilmar International Announces Policy to Protect Forests and Communities

No Deforestation, No Peat, No Exploitation Policy to meet rising market demand for traceable, responsibly produced vegetable oil

Singapore, 5 December 2013 – Wilmar International, Asia's leading agribusiness group, and global consumer goods leader Unilever today signed a Memorandum of Understanding (MoU) that aims to accelerate sustainable market transformation for palm oil. In parallel, and key part of the MoU, Wilmar launched a new "No Deforestation, No Peat, No Exploitation" policy that aims to advance an environmentally and socially responsible palm oil industry.

The policy, which can be found on Wilmar's website (www.wilmar-international.com), establishes mechanisms to ensure that both Wilmar's own plantations and companies from which Wilmar sources will only provide products that are free from links to deforestation or abuse of human rights and local communities. It includes measures to protect high carbon stock and high conservation value landscapes, and to ensure respect for community rights and support for development.

"We believe that the palm oil industry can provide a sustainable and affordable source of vegetable oil to meet rising global demand for responsible products," said Wilmar Chairman and CEO Kuok Khoon Hong. "We can produce palm oil in a way that protects forests, clean air and local communities, all while contributing to development and prosperity in palm oil growing regions. We know from our customers and other stakeholders that there is a strong and rapidly growing demand for traceable, deforestation-free palm oil, and we intend to meet it as a core element of our growth strategy. We welcome more participation from the industry, financial institutions, and civil society to join this initiative, which will accelerate the achievement of our common goals."

"We are truly impressed by the commitment Wilmar announced today," said Pier Luigi Sigismondi, Unilever's Chief Supply Chain Officer. "Unilever firmly believes that it is only through constructive dialogue and close cooperation that we can lead the transformation of the industry. Wilmar, as our strategic partner in palm oil, is clearly committed, with us, to accelerating the much needed sustainable market transformation and to helping us to achieve transparent, traceable and certified palm

oil supply chains. We will continue to engage with our suppliers, NGOs, governments, the RSPO, end users and other industry stakeholders to develop collaborative solutions to halt deforestation, protect peat land, and to drive positive economic and social impact for people and local communities. We applaud Wilmar's commitment and new policy and are looking forward to our other leading suppliers to following suit."

Wilmar will consult with a wide range of stakeholders including governments, local communities, civil society, non-profit organizations and business partners to guide effective implementation of the policy.

As a crucial part of its commitment, Wilmar announced that it will become a member of The Forest Trust (TFT), a global non-profit organization that works with businesses to deliver responsible products. TFT's Executive Director Scott Poynton and Climate Advisers' Managing Director Glenn Hurowitz have been working closely with Wilmar to develop the policies.

"We are grateful for the vision and contributions provided by Catapult and Climate Advisers to help achieve a sustainable palm oil industry, and look forward to working with them to protect forests, wildlife, and the climate," Kuok said. "TFT's proven track record and immense expertise will ensure that our commitment is implemented rapidly, effectively, and with broad involvement from stakeholders. We will work closely with our suppliers to provide the support they need to transition to sustainable production."

"Wilmar's new policies include all the elements needed for success: a commitment to production that doesn't involve deforestation, peatland conversion, or exploitation, and a credible plan for implementation," said Scott Poynton, Executive Director of TFT.

"Given its central role in the palm oil industry, Wilmar's commitment has the potential to truly transform agricultural production to a responsible basis," said Glenn Hurowitz. "Wilmar and Unilever's efforts can be a model for other companies that want to grow their businesses in a way consistent with the urgent need to address deforestation and climate change."

About Wilmar

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, oilseeds crushing, edible oils refining, sugar milling and refining, specialty fats, oleochemicals, biodiesel and fertilisers manufacturing and grains processing. At the core of Wilmar's strategy is a resilient integrated agribusiness model that encompasses the entire value chain of the agricultural commodity processing business, from origination and processing to branding, merchandising and distribution of a wide range of agricultural products. It has over 450 manufacturing plants and an extensive distribution network covering China, India, Indonesia and some 50 other countries. The Group is backed by a multinational workforce of about 92,000 people.

Wilmar's portfolio of high quality processed agricultural products is the preferred choice of the food manufacturing industry, as well as the industrial and consumer food businesses. Its consumer-packed products occupy a leading share in its targeted markets. 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 remains a firm advocate of sustainable growth and is committed to its role as a responsible corporate citizen.

For more information, please visit www.wilmar-international.com

Media Contact:

Ms Sharon Chong,
Senior Manager - CSR
(65) 6507 0513
sharon.chong@wilmar.com.sg



No Deforestation, No Peat, No Exploitation Policy

DECEMBER 5th, 2013

Purpose:

Wilmar International recognizes that while plantation development has contributed significantly to economic development, deforestation and other unsustainable practices have many negative consequences for people and the environment. For that reason, we are working closely with other growers, traders, processors, NGOs, end-user companies, financial institutions and other industry stakeholders to protect forests, peatlands, and human and community rights. To advance this industry transformation, we hereby announce this company policy:

1. No Deforestation
 - No development of High Carbon Stock (HCS) Forests
 - No development of High Conservation Value (HCV) Areas
 - No burning
 - Progressively reduce greenhouse gas (GHG) emissions on existing plantations
2. No Development on Peat
 - No development on peat regardless of depth
 - Best Management Practices for existing plantations on peat
 - Where feasible, explore options for peat restoration by working with expert stakeholders and communities
3. No Exploitation of People and Local Communities
 - Respect and support the Universal Declaration of Human Rights
 - Respect and recognize the rights of all workers including contract, temporary and migrant workers
 - Facilitate the inclusion of smallholders into the supply chain
 - Respect land tenure rights
 - Respect the rights of indigenous and local communities to give or withhold their Free, Prior and Informed Consent (FPIC) to operations on lands to which they hold legal, communal or customary rights
 - Resolve all complaints and conflicts through an open, transparent and consultative process.

Core to our policy is a commitment to creating a transparent sourcing network with full traceability. We look forward to close consultation with communities, NGOs, our industry partners, and financial institutions to ensure effective implementation of these policies.

Scope:

All provisions in this policy, with no exception, apply to:

- All Wilmar operations worldwide, including those of its subsidiaries, any refinery, mill or plantation that we own, manage, or invest in, regardless of stake.
- All third-party suppliers from whom we purchase or with whom we have a trading relationship.

1. No Deforestation

- No Development on High Carbon Stock Forests.

Since 2011, research in Indonesia, and more recently in Africa, has sought to develop a pragmatic and strong operational method to identify land that is forest and should be conserved and land that is degraded and can be developed. This research, which is still ongoing, has identified six vegetation “strata”:

High Density Forest:	Remnant forest of advanced secondary forest close to primary condition
Medium Density Forest:	Remnant forest but more disturbed than High Density Forest
Low Density Forest:	Appears to be remnant forest but is highly disturbed and recovering with composition of older forest
Young Regenerating Forest:	Mostly young regrowth forest that have regenerated over 10 years but with occasional patches of older forest
Young Scrub:	Areas that have been cleared within the last 10 years with some woody regrowth of pioneer species and grass-like ground cover
Cleared/Open Land:	Very recently-cleared land with mostly grass or crops and few non-crop woody plants.

Wilmar recognizes primary forests as well as High, Medium, Low Density and Regenerating Forests as High Carbon Stock (HCS) Forests. High carbon stock does not apply to plantations or other land in agricultural production.

Wilmar understands that further research and pilot studies are underway across a number of geographies to identify HCS areas that can and should be protected. Wilmar will engage and participate in this on-going research. Before implementation of HCS area conservation, there will be expert review and participatory consultation with governments, communities and NGOs.

Wilmar further understands and supports the fact that this research and development is based on fundamental ecological landscape conservation principles that aim to identify and protect as much HCS forest in the landscape as possible. The work also

includes pragmatic assessments of social, economic and political factors that will affect the future viability of identified HCS patches.

Wilmar commits to engaging in and supporting this critical work. We will ensure that there is a robust, scientifically-sound, socially, politically and economically acceptable approach to identifying and protecting HCS forests.

In the interim and until this approach is finalized, HCS forests will be protected. Young Scrub and Cleared/Open Land areas may be developed.

While HCS research continues in Africa, Wilmar will work with all relevant stakeholders (Government, social and environmental civil society, local communities, experts etc) to develop and implement an appropriate HCS threshold that protects high carbon stock forests, biodiversity and community and human rights while providing social and economic opportunity, and that will determine whether Young Regenerating Forest areas may be selectively developed. No new land development will occur until this research and consultation have been finalized. In the interim and until such a determination is made, the global standards included here will apply: Young Regenerating Forests and other HCS forests will be protected, and Young Scrub and Cleared/Open Land areas may be developed. Any plantation development activity must implement the current HCS method to identify HCS areas for protection.

- **High Conservation Value Areas**

Wilmar pledges to identify and protect HCV areas in all estates within our global supply chain under the full scope of this policy. We will continue to implement international best practices in the identification and management of HCV areas in accordance with Principle 5.2 and 7.3 of the “RSPO Principles and Criteria for the Production of Sustainable Palm Oil 2013”.

Wilmar recognizes that many non-forest areas are also High Conservation Value, and also contain high social and cultural values. We will ensure that these non-forest HCV areas are also protected in accordance with the full scope of this policy.

Wilmar recognizes that there are a limited number of competent HCV assessors who can do a credible HCV assessment in many parts of the world. Where there are difficulties finding appropriate assessors, Wilmar will work with the broader stakeholder community to identify and engage appropriate experts.

Wilmar will support the conservation and restoration of important forests, peatlands, and other ecologically and culturally important lands within the landscape in which we operate. We will investigate options to do this with a wide range of stakeholders, including governments and civil society.

We will also undertake enrichment planting of HCV areas, riparian areas, areas along major roads within plantation complexes, and available vacant space not suitable for crops and this will add to the HCS of the area. Areas identified as containing community and culturally significant HCVs will be managed to maintain these values.

We will work with relevant authorities and take strong measures to protect native animals and plants, especially endangered and threatened species. Poaching of wildlife in plantations or forests is prohibited. Hunting, capturing, extracting, and trafficking wild animals on plantations is prohibited.

We respect the traditional rights of indigenous groups and communities to hunt. We will work together with these groups to ensure that hunting occurs in a controlled manner and in areas designated for those purposes provided that their hunting activities are legal, non-commercial, do not involve threatened or endangered species, do not threaten the long-term viability of the species, and do not have negative impacts on ecological processes important for agriculture and local ecosystem sustainability.

- **No Burning**

We will implement a “No Burn” policy, which means that there can be no use of fire in the preparation of new plantings, or re-plantings or any other developments, in accordance with the full scope of this Policy.

- **Progressively Reduce Greenhouse Gas Emissions on Existing Plantations**

We will identify significant pollutants and greenhouse gas emissions, and plans will be prepared and implemented to reduce or minimize them. We will adopt and implement significant GHG emissions reduction targets, and these will be achieved through treating mill effluent to reduce methane emissions, avoiding deforestation, and best practice management of cultivated peatland, and where applicable through restoration of peatland and peat forest to reduce emissions.

We will establish a monitoring system to regularly report progress in reducing these significant pollutants and emissions from plantation and mill operations using appropriate tools, such as the RSPO-endorsed palm GHG tool or its equivalent.

2. **No Development on Peat**

- **No Development on Peatland regardless of Depth**

A peat soil contains more than 65% organic matter. Wilmar will not accept any development of any peatland, regardless of the depth of peat in accordance with the full scope of this policy.

- **Best Management Practices for Existing Plantations on Peat**

Where plantations have been established on peat in the past, Wilmar will work with expert stakeholders to ensure that Best Management Practices for peat, as defined by the RSPO and peat experts, are adopted.

- **Where Feasible, Explore Options for Peat Restoration by Working with Expert Stakeholders and Communities**

As crops planted on peat meet the end of their current rotation, Wilmar will explore options for the long-term restoration of peatland and peat forest.

3. **No Exploitation of People and Communities**

- **Respect and Support the Universal Declaration of Human Rights**

We commit to upholding and promoting the Universal Declaration of Human Rights for all workers, contractors, indigenous people, local communities and anyone affected by our operations under the full scope of this Policy.

- **Respect and Recognize the Rights of All Workers including Contract, Temporary and Migrant Workers**

We commit to ensuring that the rights of all people working in any operation covered under the full scope of this policy are respected according to local, national and ratified international laws. We also commit to ensuring international best practices where legal frameworks are not yet in place. The following principles are core elements that we will implement as part of this policy:

- i. Child labour – the company and its suppliers/sub-contractors shall not knowingly use or promote the use of child labour and shall take appropriate measures to prevent the use of such labour in connection with their activities. The company shall employ remedial actions in the case that child labour is uncovered to ensure appropriate follow-up on and assistance for protection of the child's welfare.
- ii. Forced and bonded labour - the company and its suppliers/sub-contractors shall not knowingly use or promote the use of forced or bonded labour or human trafficking and shall take appropriate measures to prevent the use of such labour in connection with their activities. The company shall employ remedial actions in the case that such labour or trafficking is uncovered to ensure that victims are referred to the existing services for support and assistance.
- iii. Ethical recruitment – the company and its suppliers/sub-contractors shall ensure that no fees or costs have been charged, directly or indirectly, in whole or in part, to job-seekers and workers for the services directly related to recruitment for temporary or permanent job placement, including when using the services of Private Recruitment or Employment Agent or performing recruitment activities directly.
- iv. No unlawful document retention - the company and its suppliers/sub-contractors shall strive to ensure that job-seekers are not required to provide monetary deposit or other collateral as a condition of employment; and are not subject to the unlawful withholding of wages, identification cards, passports or other travel documents, or other personal belongings without their consent.
- v. Occupational health and safety - the company and its suppliers/sub-contractors shall protect workers from exposure to occupational health and safety hazards that are likely to pose an immediate risk of permanent injury, illness or death.

We will work to protect workers, local communities, and the environment from exposure to hazardous chemicals. Use of pesticides that are categorized as World Health Organization Class 1A or 1B listed by the Stockholm or Rotterdam Conventions are not used, except in specific and urgent situations. The use of Paraquat is prohibited. We will work with stakeholders to determine and implement alternative pest control strategies to totally avoid these pesticides.

- vi. Workplace accident insurance - the company and its suppliers/sub-contractors shall provide accident insurance for to all workers covering medical treatment for work-related illness and injury; and compensation for work-related illness and injury causing death or permanent disability.

- vii. Employment contracts - the company and its suppliers/sub-contractors shall ensure that workers are given in writing, in a language that they understand, the details of their working conditions, including but not limited to the nature of the work to be undertaken, rate of pay and pay arrangements, working hours, vacation and other leave, and all other benefits of employment. In keeping with RSPO Principle 6.6, we will respect the rights of personnel to form and join trade unions of their choice, and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, parallel means of independent and free association and bargaining should be made available to all such personnel.
- viii. Wages - the company and its suppliers/sub-contractors shall ensure all workers are paid a wage equal to or exceeding the legal minimum wage
- ix. Working hours - the company and its suppliers/sub-contractors shall ensure that workers are not working more than sixty (60) hours per week, including overtime; that overtime hours are worked on a voluntary basis; and that workers have at least one day off in seven.
- x. Record keeping - the company and its suppliers/sub-contractors shall maintain a transparent and reliable record of working hours and wages for all workers.
- xi. Respect for diversity - the company and its suppliers/sub-contractors shall ensure that workers are protected from any discrimination that would constitute a violation of their human rights; shall establish working practices that safeguard against any unlawful or unethical discrimination; and shall endeavour to ensure that migrant workers are treated no less favourably than other workers performing similar task.
- xii. Harassment and abuse - the company and its suppliers/sub-contractors shall ensure the implementation of policies to prevent and remediate harassment and abuse, including sexual harassment and abuse.
- xiii. Access to remedy - the company and its suppliers/sub-contractors shall ensure workers have access to judicial remedy and to credible grievance mechanisms, without fear of recrimination or dismissal.
- xiv. Data protection principles - the company and its suppliers/sub-contractors shall ensure confidentiality in all of their dealings and ensure that permission has been given and documented before disclosing, displaying, submitting or seeking confidential or personal information or data obtained in connection with the recruitment or employment of workers.
- xv. Accommodations – When housing accommodations are provided, the company and its suppliers/sub-contractors with whom they are engaged in long-term contracts shall ensure that
 - a. they are adequate and safe;
 - b. separate and segregated accommodations are provided for single men and women;
 - c. there are no restrictions imposed which interfere with workers' rights to leave the housing facility during their free time;
 - d. the average living space in the absence of National regulations will be not less than 3.8m² per individual;

- e. sleeping quarters are possible to lock from both outside and inside; and
 - f. each worker has a locker to secure his or her belongings.
- xvi. These rights include those of personnel to form and join trade unions of their choice, and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, parallel means of independent and free association and bargaining are made available for all such personnel.

- **Facilitate the Inclusion of Smallholders into the Supply Chain**

Smallholders are a critical part of the industry, and they face unique situations. Wilmar will conduct ongoing consultations with smallholders, and provide technical assistance and support to smallholders to help them achieve rapid compliance with this policy. Wilmar welcomes support from governments and civil society to assist smallholders in achieving compliance.

- **Respect Land Tenure Rights**

Making reference to the Food and Agriculture Organization's Voluntary Guidelines on the Responsible Governance of Tenure, Wilmar will respect tenure rights, and recognize duties and responsibilities associated with tenure rights, such as respect for the long-term protection and sustainable use of land, forests, and fisheries. This is done in cognizance of the national obligations, constitutions, local laws and regulations of the country we are operating.

- **Respect the Rights of Indigenous and Local Communities to give or withhold their Free, Prior and Informed Consent (FPIC) to Operations on Lands to Which They Hold Legal, Communal or Customary Rights**

Wilmar pledges to respect and recognize the long-term customary and individual rights of indigenous and local communities, and commit to ensuring legal compliance as well as international best practices in FPIC are implemented, in accordance with the full scope of this policy, prior to commencing any new operations. Wilmar will engage with international stakeholder communities to ensure FPIC processes are correctly implemented and continuously improved.

- **Resolve All Complaints and Conflicts through an Open, Transparent and Consultative Process**

Wilmar will develop and maintain processes for the responsible handling of all complaints at the local, regional, national and international levels. These processes will be developed and updated and improved as conditions warrant in consultation with stakeholders and will be made publicly available.

Wilmar commits to actively promote and support the responsible resolution of any conflicts. This will include working with relevant stakeholders such as the RSPO grievance panel to ensure that conflicts are resolved through mutually agreed processes that respect customary and individual rights and that ensure the free, prior and informed consent of relevant stakeholders to any resolution agreements.

Wilmar maintains a clear and strong commitment to non-violence and will do whatever possible, in all contexts, to prevent the use of force or the threat or real application of violence.

Wilmar commits to actively and constructively engaging with all stakeholders, including communities, governments, customers and civil society at the local, national and international levels. This includes a commitment to make information regarding the impacts of its operations publicly available.

Wilmar will seek to ensure that information is provided in formats and languages relevant to the affected stakeholders. Wilmar also commits to open and transparent negotiation for all joint management activities.

Implementation Timeline

Wilmar will create transparent sourcing networks with full traceability. Effective immediately, Wilmar will not engage in development of HCS, HCV, or peat, nor knowingly source from suppliers engaged in development of HCS, HCV, or peat.

Wilmar will work with suppliers and provide support to rapidly shift development away from these areas. These commitments will apply to all subsidiaries, refineries, mills that Wilmar owns, manages or invests in, regardless of stake and all third-party suppliers we purchase from or with whom we have a trading relationship. Wilmar understands that companies will need time to implement the Core Provisions described in this policy, but also understand the need for urgent action to delink its operations from deforestation. In addition to immediately shifting development activities away from HCS, HCV, and peatland areas upon announcement of this policy, we expect suppliers to be fully compliant with all provisions of this policy by December 31, 2015

Wilmar will develop its own Action Plan and make this plan publicly available and will publicly and transparently report on-going progress with the expectation that they will receive input, advice and feedback from a broad range of multi-stakeholders including governments, NGOs, communities, and experts.

Wilmar will work with the full range of stakeholders to constantly innovate and improve implementation of this policy.

Wilmar will cease to do business with any suppliers who our independent advisors or other stakeholders find are in serious violation of this policy, and who do not take immediate remedial action to correct those violations. However, regardless of remedial action, we will not do business with serious repeat violators of the policy.

For example, any supplier proven to be burning or developing HCS, HCV, or peatlands, or egregiously abusing human or community rights and who are not demonstrating real progress toward remedial action, will be placed on a banned list.

Support to Suppliers

Wilmar believes that through innovation, constructive dialogue and close cooperation between key players and stakeholders of the industry, it is possible to transform the industry into a responsible contributor to the environmental and economic well-being of the countries in which we operate. Wilmar believes in transformation through engagement. Wilmar wants all companies they are linked to in the industry to engage in implementing the core provisions of this policy.

Through our own business activities and through the support of stakeholders, Wilmar will seek to support suppliers in shifting their operations away from deforestation, peatland development, and exploitation of people and local communities.

Enforcement

Wilmar acknowledges that failing to strongly and unequivocally enforce these policies will lead to poor implementation. Wilmar will establish clear assessment procedures to determine their own and suppliers' performance against this Policy. The most powerful sanction Wilmar has available is to cease doing business with a supplier. Wilmar reserves the right to disengage from any supplier based on their performance against this Guidance.

Stakeholder Engagement

Wilmar values stakeholder input, and will reach out to local and international NGOs, communities, governments, workers, experts and other relevant stakeholders to assist with implementation. We will seek and welcome their input and intelligence on supplier performance and review; and will quickly investigate and act upon stakeholder identification of policy violations. We will work with governments, companies, communities, NGOs and other stakeholders to support adoption of government policies that facilitate a rapid shift to an industry free of deforestation and exploitation.

Reporting

We will provide regular public updates on implementation of these policies, and invite stakeholders to provide input. During the first year of implementation, we will provide updates every quarter, and regular updates following that.

Analysis and Review

Wilmar understands the need to constantly review the effectiveness of policies and implementation practice. Wilmar will conduct constant analysis of the implementation process and will engage fully with all stakeholders in a constant review and improvement process. Wilmar's aim is to constantly improve implementation.

As new information and knowledge comes to light, either through our experience or through others' research or experience, Wilmar will adjust and improve the policy in ways that are consistent with our goals of protecting forests, peatlands, local communities and human rights.

Grievance Procedure

Wilmar will establish a Grievance Procedure to enable any stakeholder to raise a grievance against any party. All grievances logged under the Grievance Procedure will be dealt with in a timely manner, and all investigations and findings will be reported transparently with full public disclosure.

Wilmar will seek input from all stakeholders on the Grievance Procedure provisions and procedures to ensure an effective grievance mechanism. If any particular grievance is raised in the RSPO grievance process, then we will follow the RSPO process.