

MSM Malaysia, Wilmar Sugar collaborate to build a sustainable sugar supply chain

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KUALA LUMPUR: MSM Malaysia Holdings Bhd (MSM Malaysia) and Wilmar Sugar Pte Ltd (Wilmar Sugar) inked a collaboration agreement in December 2021 to build a sustainable sugar supply chain.

MSM Malaysia and Wilmar Sugar will embark on joint efforts to assist and support each other to pilot an approach to enable sustainable raw sugar sourcing within both company's joint supply chains by focusing on traceability reporting of sugar supplies and monitoring of sustainability performance based on the NDPE Sugar Policy.

The sustainable sugar programme follows Wilmar Sugar's parent company, Wilmar International Ltd (Wilmar), launching its No Deforestation, No People Exploitation (NDPE) Sugar Policy in September 2021, demonstrating MSM Malaysia and Wilmar Sugar's commitment to protecting the environment, labour, and communities while promoting progress in operational efficiencies and best practises.

MSM Malaysia group chief executive officer Syed Feizal Syed Mohammad said the outcome from collaborating with Wilmar Sugar, one of the prominent players in the sugar commodity, and its NDPE Sugar sustainability programme enables MSM Malaysia to establish concrete raw sugar traceability and sustainable practices in line with MSM Malaysia's environmental, social and governance (ESG) framework commitment.

"We are moving rapidly in ensuring that we embody sustainability in our operation and business.

"Therefore, it is important to ensure sustainability starts with the supply chain ecosystem. MSM Malaysia targets to source sustainable raw sugar for local market production.

"This collaboration with Wilmar Sugar takes us one step further in enhancing MSM Malaysia's ESG commitment and presence to wider markets globally as a sustainable refiner of premium sugar and will further strengthen our position as a top 8 integrated sugar refiner in the world," Syed Feizal said in a statement today.

Wilmar's group head of sugar Jean-Luc Bohbot said the long-term partnership with MSM Malaysia would provide both companies with the ability to address consumers' increasing demand for a sustainably sourced product.

"The launch of the NDPE Sugar programme delivers on customer demands for responsibly-sourced sugar and fosters better inclusivity for smallholder sugarcane growers," said Jean-Luc, who is also the managing director of Wilmar Sugar.

He said sustainability within the sugar sector has focused solely on third party certification, which has made it difficult for smallholders worldwide to be part of the sustainability supply chain.

"The NDPE Sugar programme and the collaboration with MSM Malaysia will allow the provision of more support to sugarcane smallholders in key producing countries, thereby helping to bring sustainable sugar through the supply chain from smallholders to global consumers," Jean-Luc said.

Through this programme, MSM Malaysia will improve its sustainable values and manifest its support towards Sustainable Development Goal (SDG) 12, Responsible Consumption and Production - Ensure sustainable consumption and production patterns, one of the SDGs by the United Nations.

Currently, MSM Malaysia operates two sugar refineries, one in Prai, Penang, with an annual production capacity of 1.05 million tonnes of refined sugar, the country's largest sugar refinery, and in Tanjung Langsat, Johor, with a yearly production capacity of 1 million tonnes of refined sugar, set to ramp up its production in 2022.

Wilmar Sugar operates an integrated sugar business across the entire value chain from sugar cane plantations to processing, merchandising, and distributing sweetener products.

It operates sugar mills, cogeneration plants, ethanol distilleries and sugar refineries across the globe, linking key origins and destinations through a market-leading team.

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