



# Recommended Practices for Screening New Suppliers

## Why is it important to conduct a due diligence?

A due diligence (or simply background check) process when screening new suppliers can help to ensure FFB coming into our supply chain is not linked to any deforestation. An easy way to define 'deforestation' is by using the industry accepted cut-off date of 31 December 2015 as the yardstick when you screen for new suppliers. FFB supplies that are linked to areas with deforestation beyond this cut-off date would pose risks in your supply chain.

**!** While different companies may have different internal procedures and requirements, the following due diligence process set out a simple general guideline that can complement any existing internal processes:

In addition to key commercial criteria such as price, quality, consistency of supply etc., companies should also consider their exposure to potential deforestation risk from FFB coming into their supply chain. Companies are encouraged to adopt preventive steps when screening potential suppliers:

- 1) Explain your commitment and market requirements for deforestation free palm oil to potential suppliers (estates, dealers, smallholders).
- 2) Ask potential suppliers the following questions and document the answers.

Type of Supplier	Sample Questions
Estate	<ul style="list-style-type: none"> <li>• When was your estate first developed? (*)</li> <li>• What is the size of your estate? Are there any unplanted areas? What is your plan for these unplanted areas?</li> <li>• Is your estate certified – RSPO, MSPO?</li> <li>• Can you share the boundary map or GPS coordinates of your estate?</li> </ul> (*) If the estate was cleared and planted after 31 December 2015, contact your buyer refinery(s) to discuss next steps that you can take.
Dealer	<ul style="list-style-type: none"> <li>• Which district/ sub-district/ village do you source FFB from?</li> <li>• How many smallholders and estates do you buy from?</li> <li>• Are your FFB sources consistent?</li> <li>• Do you keep records of the smallholder and estates that you buy from?</li> </ul>
Smallholder	<ul style="list-style-type: none"> <li>• When was your estate first developed? (*)</li> <li>• Is your estate certified – RSPO, MSPO?</li> <li>• Can you share GPS coordinates of your estate?</li> </ul>



### MSPO Requirement – for plantations, organised and independent smallholders:

- No development of palm oil on land with High Biodiversity Value.
- No conversion of Environmentally Sensitive Areas (ESAs). New planting above 100 ha requires additional assessment and mitigation measures.



## Sample Onboarding Questionnaire for New Estate

For estates		
1	When was your plantation first developed?	Year: _____
	Was the area converted from other agricultural land (i.e., rubber, coconut, etc.)? If so, which type?	Yes. Type: _____ No
2	Size of planted area (ha)	_____ ha
3	Type of certification:	MSP0                      RSPO
4	Can you share the boundary map or GPS coordinates of your estate?	Yes                      No
5	Are there unplanted areas in your plantation?	Yes                      No
6	What are your plans for unplanted areas?	- Oil palm plantations <input type="checkbox"/> - Other plantations <input type="checkbox"/> - Others (please state) _____



## Sample Onboarding Questionnaire for New Dealer

For estates			
1	Which district / sub-district / village SPOC do you source from?	_____	
2	Size of planted area (ha)	_____ ha	
3	How many dealers, smallholders and estates do you buy from?	Dealers: _____	Estates: _____ SH: _____
4	Are your FFB sources consistent?	Yes	No
5	Do you keep records of the smallholder and estates that you buy from?	Yes	No



## Sample Onboarding Questionnaire for New Smallholder

For estates			
1	When was your plantation first developed?	Year: _____	
	Was the area converted from other agricultural land (i.e., rubber, coconut, etc.)? If so, which type?	Yes. Type: _____	No
2	Type of certification:	MSP0	RSPO
3	Can you share the boundary map or GPS coordinates of your estate?	Yes	No