

New Palm Oil Alliance ‘SUSTAIN’ Initiates Blockchain Solution to Drive Sustainable Practices Across the Supply Chain

Singapore, 12 September 2018 – A new grouping of oil palm growers, palm oil processors, consumer goods manufacturers, not-for-profit organizations and technology leaders recently gathered to initiate a blockchain solution that aims to improve traceability to production areas and accelerate the push towards NDPE (No Deforestation, No Peat, No Exploitation) compliance in the complex palm oil chain.

SUSTAIN (Sustainability Assurance & Innovation Alliance) brings together relevant stakeholders in the palm oil industry to collaboratively address landscape-level sustainability issues and allow synergy creation among industry players by establishing a common blockchain-based platform for palm oil.

Companies in attendance at the SUSTAIN launch included palm oil companies Apical and Asian Agri; renewable diesel producer Neste; consumer goods manufacturer KAO; facilitation team CORE (Proforest and Daemeter); and technology partner SAP. Additional collaborators from across the palm oil supply chain are expected to join the new alliance as it further develops an industry solution.

“SUSTAIN is *not* about building another traceability data collection tool, analytics or dashboard. The key focus of SUSTAIN is to promote collaboration and align efforts in solving landscape-level issues by leveraging on technology to address shared challenges in the supply chain,” said Dato' Yeo How, President, Apical Group. “We aim to work together with industry partners in creating an industry solution towards greater transparency and sustainability assurance through the successful integration of sustainability good practices with the latest technological solutions.”

It is envisioned that SUSTAIN will provide open access to a system with downloadable tools that can be utilized by a wide range of users such as dealers and smallholders. The tools can be used by all parties to establish traceability, monitor policy compliance, efficiently trade FFBs (fresh fruit bunch), obtain best practice guides, and access innovative ESG-linked micro-financing.

The new industry alliance launches at a time when palm oil continues to play a vital role in satisfying global demand for vegetable oils driven by the exponential growth of the world's population. Palm oil remains the most feasible option for consumer products due to its unique properties and yield per hectare ratio which is the highest among all vegetable oils. The alliance aims to build on the increasing push towards collaborative effort and landscape approaches that the palm oil industry is driving.

“SUSTAIN will capitalize on the advantages of blockchain technology to encourage industry-level collaboration and wide adoption of a common blockchain-based platform as a practical solution to drive supply chain transformation to improve market access for palm oil products,” Yeo added. “The initiative has been created to acknowledge the critical roles of palm oil mills, dealers, agents, and smallholders in the supply chain and works towards inclusion and progressive transformation.”

SAP has joined SUSTAIN as technology partner. The company has been working with more than 60 enterprises across industries to create blockchain use cases in supply chain, manufacturing, transportation and pharmaceuticals.

“SAP believes innovation is driven from a deep understanding of our customers’ business and the environment in which they operate and the communities they serve. We are delighted to be working with SUSTAIN as their technology partner,” said Jim Cook, Vice President, Industries and Digital Leader, SAP South East Asia. “SAP Leonardo, our innovation platform supporting new technologies such as Machine Learning, Artificial Intelligence and Blockchain, will be used as a platform for SUSTAIN. SUSTAIN will capitalize on the advantages of blockchain technology to encourage industry-level collaboration to improve traceability and management of sustainable sources. Collaboration across the many stakeholders in this industry is vital to protect the livelihoods of those who work in the industry and protecting the environment.”

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Caption: SUSTAIN (Sustainability Assurance & Innovation Alliance), a new grouping of oil palm growers, palm oil processors, consumer goods manufacturers, not-for-profit organizations and technology leaders, was officially formed on 07 September 2018 to initiate a blockchain solution that aims to improve traceability to production areas and accelerate the push towards NDPE in the complex palm oil chain. Companies in attendance at the SUSTAIN launch included palm oil companies Apical and Asian Agri; renewable diesel producer Neste; consumer goods manufacturer KAO; facilitation team CORE (Proforest and Daemeter); and technology partner SAP. Additional collaborators from across the palm oil supply chain are expected to join the new alliance as it further develops an industry solution.