



Wilmar Integrated Policy Rapid Assessment

**PT Wilmar Nabati Indonesia Dumai
and
PT Wilmar Nabati Indonesia Pelintung

Overarching Report**

Jakarta

December 2017



I. Statement

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II. Acknowledgement

Wilmar and TFT are thankful of the supports all parties who have participated in this collaboration.

Many parties (internal and third-party suppliers) have contributed their time, effort, experience, and expertise during this process, which is an invaluable element in the journey toward transformation.

Detailed information on the company and/or select individuals is not included in this report to ensure that commercial and confidential data remain secure.



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III. Executive Summary

Eleven (11) palm oil mills in Riau, Indonesia, were selected from a sample of high priority mills that were identified through the Mill Prioritization Process¹ (MPP), conducted in January 2016, from the total 216 palm oil mills that are part of the supply chain of PT Wilmar Nabati Indonesia, Dumai (WINA, Dumai) and PT Wilmar Nabati Indonesia, Pelintung (WINA, Pelintung) refineries in Riau, Indonesia.

Field visits to the 11 mills and their supply bases have been conducted and the overall summary of findings from these visits may be found in Appendix 1.

This report describes the summary of findings from the visits completed under the Aggregated Refinery Transformation (ART) plan for the WINA Dumai and WINA Pelintung refineries and is intended to provide information on the current situation in the field, and areas requiring improvement. Actions and recommendations have been proposed to mitigate the issues. Involvement from various stakeholders will be critical to bringing about the necessary changes, and mills in the supply chain will need to take ownership in driving a positive transformation through their Fresh Fruit Bunches (FFB) supply base.

Primary Findings

Positive Findings:

In terms of legal compliance, mills visited and their own plantations have fulfilled various legal requirements in line with prevailing regulations in Indonesia. Many companies visited have also implemented activities designed to conserve and protect areas of high conservation value. Environmental impact management has been carried out within most companies by establishing temporary storage area for dangerous and hazardous materials' waste (LB3). Generally, the companies have attempted to protect the workers from discrimination and human rights violation through the establishment of Workers' Union. Findings also show that all companies have included farmers in the supply chain as FFB supplier partners. Mills and dealers in general know their FFB suppliers and the geographical locations of the source of their FFB supply.

Areas of Improvement:

Legal Compliance

Many farmers are not in possession of Cultivation Registration License (*Surat Tanda Daftar Budidaya/STD-B*), a governmental requirement. This situation is prevalent across Indonesia as farmers frequently are unaware of their obligation to comply with legal requirements. Most of the agents/dealers are found to not have the legal documents for their business. While many mills have fulfilled almost all of the legality aspects, the absence of systems to monitor the validity of legal documents is found as common issue which needs to be addressed in order to ensure compliance with permits and legality requirements.

¹ http://www.tft-transparency.org/app/uploads/2015/10/Mill-Prioritisation-Process_Dec-2015.pdf

Protection of High Conservation Value Areas

Several companies have attempted to manage high conservation values areas and carried out High Conservation Values (HCV) Identification even though it was not in accordance with Indonesia's 2008 HCV Toolkit². Nonetheless, smallholders often do not understand the definition of, and management requirements for, HCV areas. In general, companies did not carry out High Carbon Stock (HCS) studies in the early phase of their land development because the HCS concept was developed in 2010 and the toolkit was launched in 2014. Nonetheless, HCS study is an important consideration for companies that still have areas of land that are yet to be developed.

Peatlands

Peat management must be improved through the implementation of best management practices (BMP) detailed in national regulations and RSPO Guidelines on BMPs for Existing Oil Palm Cultivation on Peat³, especially with regard to water management, prevention of burning, fertilizer usage, subsidence, and land cover.

Environmental Impact Management

Some companies still use chemical materials prohibited by Rotterdam Convention, Paraquat and 1A and 1B chemicals classified by World Health Organisation (WHO), such as brodifacoum. This practice is common, particularly at the smallholder level. Chemical management (including storage) has not been carried out optimally. The environmental management efforts of the smallholders was found to be insufficient with the absence of Statement Letters on Environmental Management (*Surat Pernyataan Pengelolaan Lingkungan/SPPL*) and use of burning practices for domestic waste within the smallholder areas and workers' housing areas.

Workers and Communities

The findings show that almost all companies have not conducted a Social Impact Assessment (SIA). As a result, the companies' CSR (Corporate Social Responsibility) programs are not aligned with the impacts of company's operational on the local communities. Improvement is required in fulfilling the rights of the workers, particularly daily casual workers (Buruh Harian Lepas/BHL), through provision of written working agreements, making copies of working agreements available to the workers, utilization of Personal Protective Equipment (PPE) in accordance with the type and risk of the job, and provision of insurance. The companies also need to ensure that the workers families especially children do not engage in unpaid work or work that may be an indicator of child labour. Many companies are in need of an appropriate grievance mechanism and conflict resolution process.

Creation of Shared Values

The companies should increase smallholders' understanding and capability to implement sustainable management in their plantation, through socialization

² <https://www.hcvnetwork.org/resources/national-hcv-interpretations/HCV%20Toolkit%20for%20Indonesia-Engversion-final.pdf>

³ <http://sustainability-college.rspo.org/wp-content/uploads/2016/11/Manual-on-BMPs-for-Existing-Oil-Palm-Cultivation-on-Peat-English.pdf>



or best management practices. FFB Sale and Purchase Agreement between the mill and third party suppliers, as well as between dealer/agent and smallholders should incorporate clauses related to sustainable management and illegal FFB.

Traceability

Most companies including dealers/agents were found to be in need of establishing a well-documented traceability system to track the origin of FFB.



A. Introduction

Aggregator Refinery Transformation (ART) is a programme built to strengthen every actor in the supply chain to promote transformation, providing a collaborative framework for refiners, millers and growers with an opportunity to work closely to overcome challenges faced on the ground. Through ART, refineries provide a central point for growers and millers to progress on HCV; HCS and peat protection; environmental impact management; labour standards; Free, Prior and Informed Consent (FPIC); and traceability.

Based on these initial criteria, Wilmar has implemented this programme across nine key refineries covering [six key landscapes](#) in Malaysia and Indonesia.

A1. Wilmar's Integrated Policy

Recognizing that the palm oil industry must change in order to ensure sustainability and long-term profitability, Wilmar International Limited committed to a ["No Deforestation, No Peat, and No Exploitation"](#) (NDPE) policy⁴. The provisions of the NDPE policy are applicable to all Wilmar operations worldwide and all third-party suppliers from whom Wilmar purchases or with whom Wilmar has a trading relationship. As part of the supplier verification process, and in line with Wilmar's NDPE Policy, evaluation was conducted on mills and smallholders supplying to two Wilmar refineries in Riau, Indonesia i.e. WINA Dumai & WINA Pelintung.

A2. Prioritising Mill Visits

To prioritize which mill will be visited, mill prioritization process (MPP) was first conducted. This process analyzes both spatial and non-spatial aspects of each mill. Spatial attributes cover information on protected areas as regulated by law, key biodiversity areas, peatlands, and potential disruptions in forest areas based on estimation of mill supply needs. Non-spatial attributes include mill sustainability, ISPO and RSPO certification status, refinery supply volume, and public information. This method aids in prioritizing field visits based on potential risks related to socio-environmental factors at the mill and its supply chain (plantation and smallholders).

In WINA Dumai & WINA Pelintung refinery, 11 supplier mills out of all the high priority mills were selected for visits (or about 5% of mills that supply crude palm oil (CPO) to the WINA Dumai & WINA Pelintung refinery). This report presents comprehensive findings of the 11 mills and its FFB suppliers (own as well as third-party) visited during April 2016 to September 2017. Proposed action and recommendations in this report are drafted to support the transformation process and continuous improvement within the supply base, in line with Wilmar's NDPE Policy.

⁴ <http://www.wilmar-international.com/sustainability/wp-content/themes/wilmar/sustainability/assets/Wilmar%20Integrated%20Policy%20-%20FINAL%20-%205%20Dec%202013.pdf>

A3. Bringing Change

A report is written for each visit (mill, estate, smallholders and dealer/agent), detailing the findings and providing recommendations as well as next steps toward improvement. The deep engagement process involves subsequent follow-up discussions with the visited suppliers to review implementation of the proposed action plans. Further, an overarching report is developed, summarising issues and recommendations without identifying particular mills or growers. This report serves as a medium to provide important information about trends of issues that require attention across the region/landscape. Broad-level engagement workshops and training thereafter conducted in which all the suppliers of a particular refinery are invited to attend.

A4. Scope of Assessment

The findings in this report are from 11 mill visits and a sampling of FFB suppliers, own as well as third-party. These FFB suppliers include those with their own plantations, third-party plantations, smallholders, and dealers/agents. The sample of each mill’s suppliers for visit were in most cases selected by TFT and Wilmar based on each mill’s supplier list prior to, and on occasion at the beginning of, the visit. The suppliers selected were often the larger volume suppliers to the POMs as well as those located in geographical priority areas. The availability of the owner/management is also an influence on decision making in several cases. It is important to note that suppliers in Indonesia generally were initially reluctant to be involved in the early stages of this process, however that reluctance has diminished over time.

The plantation categorization utilized is as follows:

Plantation Category	Acronym	Description
(Estate)	Est.	Estates are palm oil production areas with total area more than 25 ha, managed by one entity with the aim of producing palm oil products. Prior to establishing a plantation on government land, companies must secure a formal permit from the regional as well as the central government.
Farmers (Smallholder)	SH	Indonesia has a legal framework on establishing plantations for the cultivation of palm oil, however, there is ambiguity between traditional laws and formal land laws. Varying claims on one piece of land is commonplace in Indonesia. It is mandatory for plantations to be registered to the regent/mayor to secure a STD-B. Farmers may prove ownership through freehold title (SHM) or village head-issued land registration certificate (SKT). Smallholders are those who have oil palm plantation with total area less than 25 ha. However, there are not many regulations on plantations with area of less than 25 hectares.



The mills, estates, and smallholders visited were assessed along Wilmar's NDPE policy. The assessment was not conducted as an auditor or certification body would, on the contrary, TFT and Wilmar approached the field visits as an opportunity to provide advice which might help the suppliers meet global market expectations. The objective was to work together with the mills, plantations and smallholders to create pragmatic and collaborative solutions for improvement. The assessments broadly covered:

1. No deforestation on HCV nor HCS land
2. No development on peatlands
3. No exploitation of workers, traditional societies, and local communities

The resulting field visit report details the strengths and weakness of the management and operations practices as observed and reviewed during the field visit. The report also offers recommendations on identified shortcomings that need immediate as well as long-term operational management and attention. These concerns are highlighted to protect the integrity of WINA's supply chain. Most, if not all, issues of concern highlighted in the report are common across the industry and are not specific to Wilmar's supply chain.



B. Aggregator/Refinery Transformation Plan Progress

B1. Mill Prioritisation Process & Selection Progress

The Mill Prioritisation Process (MPP) was completed to identify highest priority mills from which eleven mills were selected for field visits.

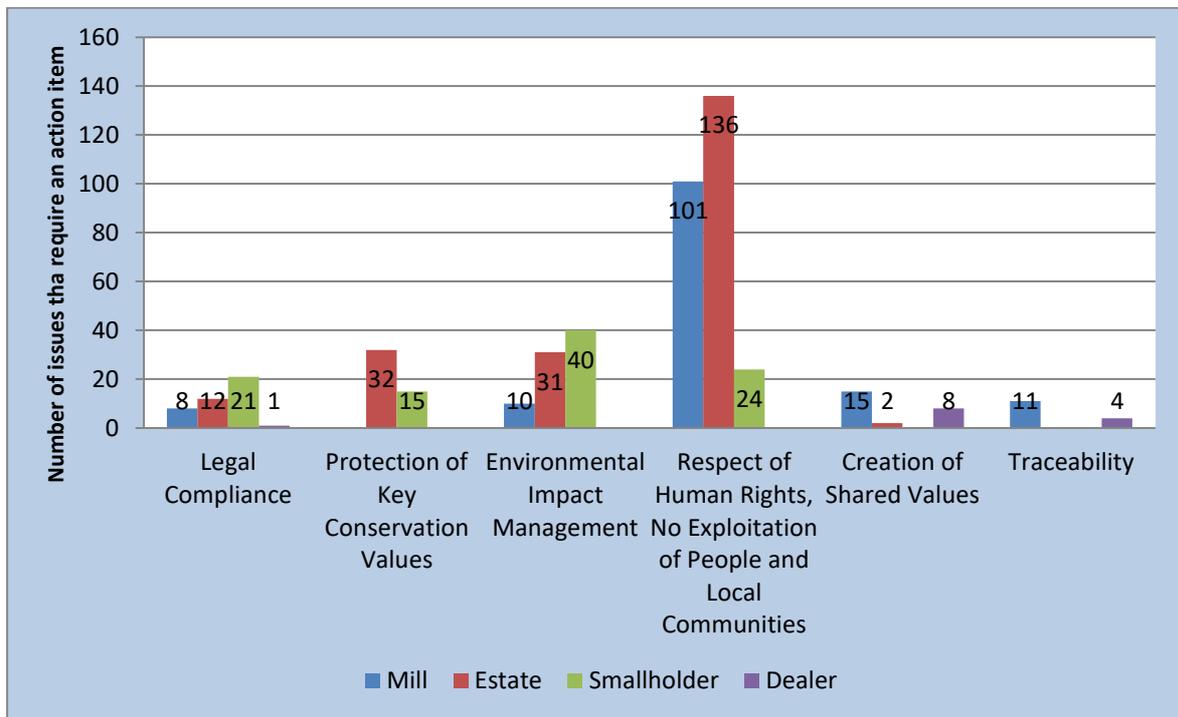
Table 1: Summary of MPP

No.	Item	Total
1	Identification and verification of supplier mills	216
2	Mills visited selected through MPP using spatial and nonspatial aspects, with consideration of potential to effect change	11

C. WINA Dumai and WINA Pelintung Supply Chain Overview

This section summarizes the strengths and weaknesses related to policy compliance that was observed during the field visits. The strengths and weaknesses outlined below have been recorded against the objective of the Wilmar’s NDPE Policy. Additional details of the criteria and observations used to evaluate compliance toward all policy objectives are available in the summary report and each individual report for the visited mills.

Figure 1. Number of Findings requiring follow up actions across six clusters of criteria⁵



C1. Legal Compliance

In relation to legal compliance, the mills and estates have fulfilled various legal requirements under the prevailing regulations in Indonesia. This includes necessary licenses and certificates, including: SIUP⁶, SITU, NPWP, TDP, IUP, IUP-P, SIM Pabrik, SIO Operator, AMDAL, RKL-RPL, HGU, and IMB. Most of the smallholders have legal documents for their plantation, the Land Certificate (*Surat Keterangan Tanah/SKT*) or Land Ownership Certificate (*Surat Hak Milik/SHM*). Specific areas of legal compliance that need further

⁵ The detail numbers of findings refer to the table in Appendix 1. Respect of Human Rights has the highest number of issues as has the largest sub-criterias compare to other criterias.

⁶ SIUP – business trade license, SITU – corporate domicile certificate, NPWP – taxpayer ID number, TDP – company registration certificate, IUP – plantation permit, IUP-P – plantation permit for processing, SIM Pabrik - Surat Izin Mesin Pabrik, SIO – operator permit/Surat Izin Operasi Operator, AMDAL – Environmental Impact Analysis, RKL – Environmental Management Plan, RPL – Environmental Monitoring Plan, HGU – Right to Cultivate, and IMB – Izin Mendirikan Bangunan

attention are identified in the table below:

Table 2: Recommendations on Legal Compliance

Findings	Recommendations	Applicable To
Some mills do not have procedure or process to systematically monitor the validity of their legal documents.	Mills to establish procedure, process and person-in-charge (PIC) to systematically monitor the validity of their legal documents and renew the expired documents.	<i>Mill</i>
Many farmers who supply FFB to the mills do not have licenses related to the scale of their operation, such as (STD-B) for operational areas of <25 hectares and cultivation license (IUP-B) for plantations >25 hectares, as stipulated in government regulations.	Mills/Own Estates should ensure that relevant suppliers are informed about the importance of securing STD-B and IUP-B from the relevant government offices.	<i>SH</i>
There are some smallholders who own more than 25 hectares area.	The smallholders should change their legality and be registered as commercial estates.	<i>SH</i>
Most of the dealers/agents have not established the legality of their business, through SIUP and TDP.	Mill should ensure that the dealers/agents are informed about the importance of establishing legality of their business.	<i>D</i>
Dealers and estates, both own and third party estates, do not have systems or procedures to monitor illegal activity in their area.	Mill and the suppliers, both dealers/agents, smallholders, and third party estates, establish system or procedure to monitor illegal activities, such as theft of loose fruits or HCV/HCS area encroachment by external parties, in their area.	<i>Est., SH, D</i>

C2. Protection of Key Conservation Areas

Generally, the visited companies were found to have environmental and high conservation value (HCV) areas management policies and systems in place. However, only a few of the companies had carried out HCV areas identification assessments, followed by HCV areas management and monitoring plans. Most HCV Identification assessments were not in accordance with Indonesia's 2008 HCV Toolkit. An example of HCV areas management efforts carried out by mills and smallholders was the prohibition of planting activities and chemical use in riparian areas. Nonetheless, implementation of HCV area best practices is not prevalent.

Table 3: Recommendations on Protection of Key Conservation Areas

Findings	Recommendations	Applicable To
Many companies did not have procedures related to HCV areas, including procedures for HCV identification in accordance with Indonesia's 2008 HCV Toolkit and implement of HCV areas management and monitoring plan.	Prior to new plantation, need to carry out HCV areas identification in accordance with Indonesia's 2008 HCV Toolkit, comprising identification, public consultation, and partner peer review. All evaluation must be conducted by	<i>Est.</i>

	licensed conservation evaluators listed in the HCV Resource Network. Management and monitoring plans must be drafted and accommodate HCV management and monitoring efforts prior to opening up new land.	
Most of the smallholders did not understand the definition of HCV areas, hence their efforts to manage HCV areas in their own plantation was not optimum.	Mills should provide guidance and technical assistance to the smallholders with regards to the importance of HCV areas and best management practices.	<i>SH</i>
Many companies have not committed to deforestation prevention efforts or conducted HCS analysis prior to the new land clearing. One mill has not undertaken soil survey study prior to land development.	Companies with concession areas that have not yet been developed must commit to deforestation prevention efforts and conduct a HCS study that refers to the HCS Toolkit approach and use authorized HCS practitioner services. The related management and monitoring plans need to be drafted and include conservation area management and monitoring prior to new land clearing. Companies should also undertake a soil survey study prior to land development. It can be used as the basis in determining agronomic management of oil palm plantation.	<i>Est.</i>
Peatland management by some companies is not in line with best practices for peat.	If plantations are already established on peatland, best practices must be in line with national regulations and RSPO guidelines on BMPs for Existing Oil Palm Cultivation on Peat ⁷ , especially in relation to water management, prevention of burning, fertilizer usage, subsidence, and land cover.	<i>Est., SH</i>



Figure 2. Riparian areas



Figure 3. Select trees with beehives

⁷ <http://sustainability-college.rspo.org/wp-content/uploads/2016/11/Manual-on-BMPs-for-Existing-Oil-Palm-Cultivation-on-Peat-English.pdf>



Figure 4. Cultural heritage site



Figure 5. Pizeometer to measure subsidence

C3. Environmental Impact Assessment

Environmental impact management policies and procedures were often found to be in place. Some companies have attempted to implement environmental impact management through activities that include: managing chemical materials as well as dangerous/hazardous waste and utilization of solid and liquid waste for land application to increase the soil’s fertility. The smallholders generally did not have plans for further land clearing, so land burning practice were not found during the visit.

Table 4: Recommendations on Environmental Impact Management

Findings	Recommendations	Applicable To
Some companies have not carried out Environmental Impact Management	Companies shall carry out Environmental Impact Management in accordance with the applicable regulations. Environmental impacts of the companies’ operational activities need to first be identified to allow for the implementation of appropriate environmental management plans.	Mill, Est.
Some companies still use chemicals prohibited under WHO Class 1A & 1B categories, and still use Paraquat.	Chemicals categorized as WHO Class 1A & 1B should not be used and replaced with chemicals that have the same function but are permitted under relevant regulations. Similarly, the use of Paraquat is prohibited under Wilmar’s policy and should also be replaced with chemicals that have the same function but are permitted under relevant regulations.	Est., SH
Some companies have not carried out regular medical check-ups for their workers who were exposed with chemical materials, or provided training on environmental impact management for the relevant workers.	Carry out regular medical check-ups for workers who are exposed with chemical materials in their daily job, and hold training on environmental impact management for the relevant workers.	Mill, Est.

Chemical storage at several companies and by some farmers is not well managed. The chemicals are stored with other materials and is not labeled with material safety data sheets (MSDS).	Construct adequate chemical storage facility. Ensure all chemicals are labeled with MSDS and keep records up to date.	<i>Est., SH</i>
Most of the visited smallholders did not have the required Statement Letter on Environmental Management (<i>Surat Pernyataan Pengelolaan Lingkungan/SPPL</i>).	Mills should ensure that their smallholder suppliers are informed of and understand the importance of obtaining SPPL.	<i>SH</i>
Fire prevention system and tools were still inadequate at the estate and mill level. As an example, a company only had the structure of emergency team, while adequate fire extinguishers were not available in mill.	Improve fire prevention tools in accordance with the mill's total area and needs, including the office area nearby the estates, such as hydrant, evacuation lane, monitoring tower, and meeting point.	<i>Mill, Est.</i>
Burning domestic waste was still a common practice in the plantation and smallholder's housing areas.	Mill to provide counseling to the workers and the smallholders to avoid the burning of domestic waste. Mills should provide technical assistance in the handling of domestic waste.	<i>Est., SH</i>



Figure 6. Temporary storage facility of hazardous chemical waste



Figure 7. Fire fighting equipment storage facility



Figure 8. Land application of liquid waste



Figure 9. Example of hazardous chemicals

C4. No Exploitation of Workers and Residents

Most of the companies have attempted to protect the workers from discrimination and human rights violations through the establishment of Workers' Union. The companies were found to have provided adequate housing area for their workers. The relationship with the surrounding communities was well managed in almost all companies visited.

Table 5: Recommendations on No Exploitation of Workers and Local Residents

Findings	Recommendations	Applicable To
Several companies were found to be without policies related to minimum age of employment, forced labor (associated with loans), access to remedy, whistleblower protection, and sexual harassment prevention. As an example, one company did not require the submission of ID cards during the recruitment process.	To develop standard employment policies on workers' welfare and provide implementation training on the implementation of these policies. This will help to increase understanding of standard practices and procedures related to workers' welfare such as providing contracts, access to remedy, whistleblower protection, sexual harassment prevention.	Mill, Est., D
Some companies recruited workers without providing a written employment contract. Two companies did not pay workers minimum wage and it was not clear if all companies provided payslips to workers.	Provide an employment contract, guaranteeing minimum wage, and provide payslips with a detailed breakdown of wages, bonuses and deductions to all workers-permanent and casual.	Mill, Est., D
For smallholders who own less than 25 hectares, workers were found to not be provided with PPE and did not receive minimum wages.	Raise awareness amongst smallholders on workers' welfare issues and provide support to them to improve conditions of workers' employed by them especially around Health and Safety and Child Labour.	SH
For smallholders who own more than 25 hectares, the provision of PPE was also found among the workers. Employment agreements were also not provided and the workers are yet to be registered in the Social Security system (BPJS).	Smallholders who own large land holdings above 25ha or who are organized as co-operatives, should ensure that their workers are employed in accordance with all basic minimum legal requirements such as provision of contracts, minimum wages, PPE and BPJS insurance.	SH
The utilization of proper PPE in accordance with the type and risk of jobs have yet to be well-implemented in mills and estate.	Undertake a complete Occupational Health and Safety (OHS) risk assessment of various sites and develop the appropriate OHS procedures and plans to mitigate Health & Safety risks to workers including providing proper PPE to them in accordance with the type and risk of jobs. The companies should also ensure that the PPE is worn well and regularly with the workers by providing positive incentives and training workers.	Mill, Est.
Daily casual workers (<i>Buruh Harian Lepas</i> /BHL) have still yet to obtain their basic legal entitlements, such as contract, PPE, and social insurance.	Ensure BHL workers are granted contracts, daily minimum wage and insurance. If BHL workers are employed for more than 21 days a	Mill, Est.

	<p>month and three months consecutively they should be converted to permanent workers. BHL workers hired as sub-contracted workers should only perform functions such as maintenance, security and other non-core production roles. If sub-contracted, then the companies/contractors should ensure BHL workers are granted their basic entitlements in accordance with the working agreement or laws and regulations.</p>	
<p>Family (wives and children) were found to help workers in the collection of loose fruits. Children were also found playing in the working area (in the plantation).</p>	<p>The companies should ensure that the workers do not bring their families to the working area to help with their work. This can be done by providing minimum wage to all workers, ensuring workers' targets are achievable in a seven-hour day, deductions are not excessive (such as deductions for not picking up loose fruit) and bonuses are fair. Companies should also provide day care facilities and ensure access to education facilities (i.e. fund the local school, provide transportation for children to attend schools or colleges) for the workers' children in the housing area. Other proactive efforts to prevent children coming to plantation can include the provision of vocational training opportunities (i.e. set up or fund vocational training programmes for youth in partnership with local civil society organisations (CSOs) or university or training centres if possible)</p>	<p><i>Est.</i></p>
<p>Almost all companies have not conducted Social Impact Assessments (SIA) as part of their social management plan.</p>	<p>Conduct social impact assessment to formulate management and monitoring plans related to social aspects in order to minimize potential conflict, as well as ensure the CSR activities are in accordance with the community's needs based on the impact of company's operational activities.</p>	<p><i>Mill, Est.</i></p>
<p>Grievance mechanism procedures are not yet developed or implemented in most of the companies. This mechanism must ensure that the grievance committee maintains a level of independence from company management to ensure impartiality, such as through involving the union.</p>	<p>Establish a grievance mechanism to cover both internal and external complaints. Establish LKS-Bipartit for all companies with 50 employees or more to ensure workers have an official channel to seek redressal to grievances.</p>	<p><i>Mill, Est.</i></p>



Figure 10. Educational facility at the plantation



Figure 11. School bus



Figure 12. Daycare facility



Figure 13. Spraying team

C5. Creation of Shared Value

Smallholders have been included in the supply chain as FFB suppliers to all visited companies. In general, the provision of FFB price information to the suppliers was carried out in a transparent manner by the mill, either through SMS or information board.

Table 6: Recommendations on Creation of Shared Value

Finding	Recommendation	Applicable To
Some companies did not have a policy or procedure on sustainable management for their supplying plantations.	Establish policy and procedure on sustainable management for plantations and socialize it to the third party suppliers.	Mill
Several dealers and mills did not have FFB Sale and Purchase Agreements with their third party suppliers, including clauses on sustainability and prohibition of illegal FFB.	Prepare FFB Sale and Purchase Agreements with the third party suppliers and incorporate clauses on sustainability and prohibition of illegal FFB.	Mill, D
Some companies were not transparent with regard to providing price information to the third party suppliers or other information and documents required by the external stakeholders.	Improve transparency in providing information to stakeholders, i.e. providing FFB price information on the mill's information board, and by making available relevant information or documents required by the external stakeholders.	Mill



Figure 14. FFB delivery note

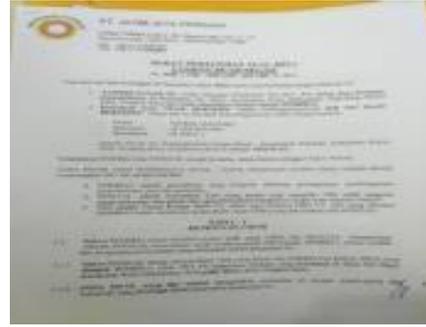


Figure 15. FFB Sale and Purchase Agreement

C6. Traceability

Most of the companies have made efforts to record the list of FFB suppliers through FFB recipient documents, as well as established PIC who was responsible to map the supply chain. In general, the source of FFB from companies and smallholders' plantation can be identified.

Table 7: Recommendations on Traceability

Finding	Recommendations	Applicable To
Most companies have not established a formal traceability system up to plantation level.	Establish traceability system comprising FFB purchasing procedures and information from suppliers that include smallholders' name, address, coordinates, and total area. This information should be completed with supporting documents.	Mill, D



Figure 16. Smallholder's data and supplier map



Figure 17. FFB at smallholder's plantation



D. Conclusion and Next Steps

Actions to address the findings identified during the visits to mills and FFB suppliers shall be the basis for an action plan (with those mills already assessed) to close the gaps in areas where issues have been identified. Wilmarshall re-engage with the mills to discuss and agree the most viable approach to ensure the issues identified are addressed in an effective and timely manner.

Wilmar should request mills to:

1. Follow up and close gaps found in individual entity reports
2. Encourage and monitor efforts by FFB suppliers to resolve the identified discrepancies
3. Implement the guidance for transformation (recommendations and proposed actions)
4. Provide regular updates to Wilmar on progress

Similarities between findings from the field visits indicates that it is likely that other suppliers to the refinery are facing similar issues and there is an opportunity to incorporate multi-stakeholder approaches as part of the solutions to addressing some of these issues. However, it should be noted that the mill selection process was designed to focus the attention on mills and plantations where there were more likely to be weaknesses in policy implementation which required attention.

TFT and Wilmar shall use the common findings to introduce and drive the Aggregator/Refinery Transformation (ART) plan with the other suppliers (who were not assessed) in Wilmar's WINA Dumai and WINA Pelintung Refinery supply bases. This must be done in parallel, while re-engaging with the 11 mills on a plan of action.

To empower the supply chain, the following broad steps are proposed:

- Combine mills in the catchment area into regional groups
- Based on issues identified in this overarching report, organize workshops to present the issues, discuss solutions, and provide training to improve practices.

APPENDIX 1: SUMMARY OF ALL FINDINGS⁸

Legend Est.: Estate (kebun) SH: Smallholders (petani)		Compliance towards regulations (There is no legal breach)		Monitoring system on legal compliance		No development of High Carbon Stock (HCS) Forests		No development of High Conservation Value (HCV) Areas		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 experts, stakeholders and communities		Minimisation of environmental impacts		No burning, including the availability of fire prevention system		No use of highly hazardous pesticides		Child labour		Forced and bonded labour		Ethical recruitment		Occupational health and safety		Employment contracts		Wages		Working hours		Respect for diversity		Harassment and abuse		Access to remedy		Accommodations		Freedom to all workers to form and join trade unions and to bargain collectively.		Free, prior and informed consent (FPIC) prior to new development		Social Impact Assessment (SIA) & CD-CSR		Land Tenure Study (LTS) & Participatory Mapping (PM)		Grievance mechanism for complaints and conflicts		All stakeholders are aware of company policy on sustainable plantation management		The company is committed to transparency		100% of the palm oil is traceable back to the FFB source	
Palm Oil Mill	Entity Type	Legal Compliance		Protection of Key Conservation Values areas					Environmental impacts management			Respect of Human Rights, No Exploitation of People and local communities															Creation of Shared Values		Tracability																														
Total		30	12	3	25	4	8	7	41	12	28	16	17	5	36	17	5	4	17	21	18	6	6	22	25	24	22	18	7	15																													
Percentage		55%	22%	5%	45%	7%	15%	13%	75%	22%	51%	29%	31%	9%	65%	31%	9%	7%	31%	38%	33%	11%	11%	40%	45%	44%	40%	33%	13%	27%																													
Mill 1	Mill	0	1	NA	NA	NA	NA	NA	1	0	0	1	1	0	1	1	1	0	1	0	1	1	0	1	1	1	1	1	0	1																													
	Own Est	0	1	1	1	0	1	1	1	0	1	1	1	0	1	1	1	0	1	0	1	1	0	1	1	1	1	NA	NA	0																													
	3rd Party Est	1	1	0	1	1	1	1	1	NE	1	1	1	1	1	NE	0	NE	NE	NE	1	1	NE	1	1	1	1	NA	NA	0																													
	SH	1	NA	NA	0	0	0	0	1	0	1	0	0	0	1	NA	1	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	0	NA	NA	0																												
	SH	1	NA	NA	1	0	1	1	1	0	1	1	0	0	1	NA	1	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	0	NA	NA	0																												
	Dealer	1	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	1	1	1																													
Mill 2	Mill	0	0	NA	NA	NA	NA	NA	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	1	1	1	1	1	0	1																												
	Own Est	0	0	0	1	0	1	1	0	0	1	0	1	0	0	0	0	0	0	0	0	0	0	1	1	1	1	NA	NA	0																													
	KUD	1	1	0	1	NA	NA	NA	1	1	0	0	1	0	1	1	0	0	NA	1	1	0	NA	NA	NA	NA	0	NA	NA	0																													

⁸The criteria is assessed as follow: 0 = Compliance, no issue, N/E = Not Evaluated, due to limited time or no access, 1 = potential issue, N/A = Not Applicable

Legend Est. : Estate (kebun) SH: Smallholders (petani)		Compliance towards regulations (There is no legal breach)		Monitoring system on legal compliance		No development of High Carbon Stock (HCS) Forests		No development of High Conservation Value (HCV) Areas		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 experts, stakeholders and communities		Minimisation of environmental impacts		No burning, including the availability of fire prevention system		No use of highly hazardous pesticides		Child labour		Forced and bonded labour		Ethical recruitment		Occupational health and safety		Employment contracts		Wages		Working hours		Respect for diversity		Harassment and abuse		Access to remedy		Accommodations		Freedom to all workers to form and join trade unions and to bargain collectively.		Free, prior and informed consent (FPIC) prior to new development		Social Impact Assessment (SIA) & CD-CSR		Land Tenure Study (LTS) & Participatory Mapping (PM)		Grievance mechanism for complaints and conflicts		All stakeholders are aware of company policy on sustainable plantation management		The company is committed to transparency		100% of the palm oil is traceable back to the FFB source	
Palm Oil Mill	Entity Type	Legal Compliance		Protection of Key Conservation Values areas					Environmental impacts management			Respect of Human Rights, No Exploitation of People and local communities																Creation of Shared Values		Tracability																													
	SH	1	NA	NA	0	NA	NA	NA	1	0	0	0	0	0	1	NA	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	0	NA	NA	0											
	SH	1	NA	NA	0	NA	NA	NA	1	0	1	0	0	0	NE	NA	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	0	NA	NA	0												
	SH	1	NA	NA	0	NA	NA	NA	1	0	0	0	0	0	NE	NA	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	0	NA	NA	0											
	SH	1	NA	NA	0	NA	NA	NA	1	0	0	0	0	0	0	NA	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	0	NA	NA	0											
Mill 6	Mill	0	1	NA	NA	NA	NA	NA	1	NE	NE	0	1	1	1	1	0	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1												
	3rd party est	NE	NE	0	1	1	1	1	1	1	1	0	0	1	1	1	0	0	1	1	1	0	1	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1											
	3rd party est	NE	NE	0	1	1	1	1	1	1	0	0	0	1	1	1	NE	0	1	1	1	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1										
	3rd party est	NE	NE	0	1	NA	NA	NA	1	1	0	0	0	1	1	1	NE	0	1	1	1	0	1	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1										
	SH	0	NA	NA	1	NA	NA	NA	1	1	0	0	0	0	1	NA	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	0	NA	NA	0											
	Dealer	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	1	1	1	1											
Mill 7	Mill	0	0	NA	NA	NA	NA	NA	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0											
	Own Est	0	0	0	0	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0										
	SH	1	NA	NA	1	NA	NA	NA	1	0	1	0	0	0	0	1	NA	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	0	NA	NA	0											

Legend Est. : Estate (kebun) SH: Smallholders (petani)		Compliance towards regulations (There is no legal breach)		Monitoring system on legal compliance					No development of High Carbon Stock (HCS) Forests			No development of High Conservation Value (HCV) Areas			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 experts, stakeholders and communities			Minimisation of environmental impacts			No burning, including the availability of fire prevention system			No use of highly hazardous pesticides			Child labour		Forced and bonded labour		Ethical recruitment		Occupational health and safety		Employment contracts		Wages		Working hours		Respect for diversity		Harassment and abuse		Access to remedy		Accommodations		Freedom to all workers to form and join trade unions and to bargain collectively.		Free, prior and informed consent (FPIC) prior to new development		Social Impact Assessment (SIA) & CD-CSR		Land Tenure Study (LTS) & Participatory Mapping (PM)		Grievance mechanism for complaints and conflicts		All stakeholders are aware of company policy on sustainable plantation management		The company is committed to transparency		100 % of the palm oil is traceable back to the FFB source	
Palm Oil Mill	Entity Type	Legal Compliance		Protection of Key Conservation Values areas					Environmental impacts management			Respect of Human Rights, No Exploitation of People and local communities																Creation of Shared Values		Tracability																																								
	SH	1	NA	NA	1	NA	NA	NA	1	0	1	0	0	0	1	NA	0	0	NA	NA	NA	NA	NA	NA	NA	NA	0	NA	NA	0																																								
	SH	1	NA	NA	1	NA	NA	NA	1	0	1	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	0	NA	NA	0																																								
	SH	1	NA	NA	1	0	1	NA	1	0	1	0	0	0	1	NA	0	0	NE	NE	NE	NA	NA	NA	NA	NA	0	NA	NA	0																																								
Mill 8	Mill	0	1	NA	NA	NA	NA	NA	1	NE	0	1	1	0	1	1	0	1	1	1	1	1	1	1	1	1	1	1	0	1																																								
	3rd Party Est	1	1	1	1	NA	NA	NA	1	1	1	1	1	0	1	1	0	0	1	1	1	1	1	1	1	1	1	1	1	0																																								
	SH	NE	NA	NE	1	NA	NA	NA	1	0	1	0	0	0	1	NA	0	0	NA	NA	NA	NA	NA	NA	NA	NA	0	NA	NA	0																																								
	SH	1	NA	NE	0	NA	NA	NA	1	0	1	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	0	NA	NA	0																																								
	Dealer	NE	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	1	NE	1																																								
Mill 9	Mill	0	0	NA	NA	NA	NA	NA	1	NE	NE	0	0	0	1	0	0	0	0	1	1	0	0	0	1	0	0	1	0	1																																								
	SH	1	NA	NA	1	NA	NA	NA	1	0	1	0	0	0	1	NA	0	0	NA	NA	NA	NA	NA	NA	NA	NA	0	NA	NA	0																																								
	SH	1	NA	NA	0	NA	NA	NA	1	NE	1	0	0	0	1	NA	0	1	NA	NA	NA	NA	NA	NA	NA	0	NA	NA	0																																									
	Dealer	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	1	0	0																																									
	Dealer	NE	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	1	1	1																																									

