

Executive Summary

Field verification of grievance involving RAN allegations against PT Runding Putra Persada and its supply chain, CV Buana Indah and a smallholder farmer, conducted by Golden Agri-Resources (GAR) and Wilmar on 7 – 15 November 2022

This verification was carried out to address the RAN report "[Carbon Bomb Scandals](#)" published in late September 2022. A field visit was conducted at PT Runding Putra Persada mill (RPP) and its suppliers, namely CV Buana Indah and a farm belonging to smallholder Mr Mahmudin.

The following is the executive summary:

1. Mr Mahmudin's Farm

The verification team visited the location of Mr Mahmudin's farm as stated in the RAN Report. Mr Mahmudin has a certificate of ownership (SHM) covering an area of 29 hectares and claims ownership over another area of around four hectares which does not yet have SHM. Based on the field verification, the four-hectare area is located within the Rawa Singkil Wildlife Reserve (SMRS) area. Mr Mahmudin said he believed the area was part of the SHM, and that he was not aware of the boundary of the SMRS. The verification team did not find any SMRS boundary markers such as demarcation pegs, ditches, signboards or other boundary signs around Mr Mahmudin's farm. In the surroundings around the farm area inside the SMRS, our team also discovered other farms which are accessed through Mr Mahmudin's farm. The owners of these farms could not be determined.

Mr Mahmudin also operates a Fresh Fruit Bunch (FFB) collection point (FFB ramp). The supply of FFB to the collection point comes from local community farms around Mr Mahmudin's farm. These community farms have not been fully mapped by Mr Mahmudin. FFB from Mr Mahmudin's ramp is dispatched directly to PT RPP's mill under CV Buana Indah's name in the Delivery Order document (CV BI).



Image: Mr Mahmudin's farm

2. CV Buana Indah's FFB Ramp (CV BI)

The location of CV BI's ramp and office is about 90 Km away or four hours' drive from PT RPP mill. The team verified that CV BI does not have a system for recording and tracing all its FFB suppliers.

3. PT Runding Putra Persada (PT RPP)

PT RPP mill obtains FFB supplies from its own plantations and dealers/agents. According to the 2021 TTP declaration report, PT RPP has achieved 100% FFB traceability. However, upon checking the FFB supplier list the team found that PT RPP has not been implementing the FFB traceability system properly. There is no mechanism for assessing potential suppliers (Due Diligence); no dedicated team running and monitoring the TTP process; and its data collection of FFB suppliers is patchy and inconsistent.

According to its FFB supplier list, CV BI is a new supplier registered in April 2022.

Time-bound Action Plan

Based on the findings, a time-bound action plan needs to be implemented to ensure supply from PT RPP to GAR and Wilmar is in accordance with NDPE commitments and policies. In particular, the traceability process needs to be strengthened and improved.

The plan includes the following:

1. PT RPP must achieve 100% traceability by end March 2023
2. PT RPP must improve its TTP system which includes implementing a due diligence mechanism for prospective suppliers and appointing a dedicated team to oversee the TTP process. Details of our assessment of the PT RPP traceability system and a time-bound action plan can be viewed here: <https://bit.ly/3uHnu1H>
3. An audit/verification will be carried out to ascertain the fulfilment of no.1 and no.2 by the second semester of 2023 at the latest
4. PT RPP is to engage with its suppliers as per below:

a) Mr Mahmudin

- To release the four hectares of land inside the SMRS to the authorities and show evidence of this in the form of a letter of handover and a receipt of the land release
- To provide a list of all the farmers supplying the FFB collection point including details such as name of farmer, address, farm size, spatial coordinates, and status of the land rights
- The above must be fulfilled no later than the first semester of 2023 and will be subject to audit/verification

b) CV Buana Indah

- To provide a list of all the farmers supplying the CV BI's ramp including details such as name of farmer, address, farm size, spatial coordinates, and status of the land rights
- This must be fulfilled no later than the first semester of 2023 and will be subject to audit/verification

Support from GAR and Wilmar

GAR and Wilmar will provide the following support and assistance to PT RPP:

1. Help boost the capacity of PT RPP team to improve the traceability process
2. Enrol PT RPP in an FFB mapping programme to the farm level. GAR will include PT RPP in the [Sawit Terampil Programme](#)
3. GAR will also help build the capacity of farmers in the PT RPP supply chain improve their agronomic practices and compliance with NDPE principles