



Wilmar reaffirms No Burn policy and commitment to mitigate forest fires in Indonesia, Allegations of deliberate burning are unfounded

Singapore, 10 December 2015 – Wilmar International Limited (“Wilmar”) has a strict No Burning policy, and does not tolerate the use of fire in land preparation and development. This policy applies to all Wilmar operations worldwide, including those of our subsidiaries and third-party suppliers. All our suppliers have been notified that any breach of our No Burn policy, proven to be deliberate, will result in the immediate termination of business dealings.

Wilmar has taken on an active role in mitigating the occurrence of forest fires, through the implementation of our No Deforestation, No Peat, and No Exploitation Integrated Policy. We supplement these efforts with community education and awareness campaigns, as well as multi-stakeholder partnerships to entrench sustainable practices throughout the industry. These efforts are detailed in our statement, [Wilmar’s Efforts to Mitigate Forest Burning in Indonesia](#).

These efforts were criticized in a Friends of the Earth (FoE) report, “Up in Smoke”, published 7 December 2015. Despite our detailed clarifications with FoE prior to publication, the report remains a biased and inaccurate account of the situation on-the-ground.

We strongly refute both assertions by FoE that (i) burning is used to intentionally degrade protected land to allow subsequent development of oil palm plantations on the land, and (ii) deliberate burning is a strategy used to increase the yield of oil palms.

No development on peat and best management practices for High Conservation Value areas

Wilmar has put an end to the development of plantations on peatlands (regardless of depth) in October 2012, long before the Indonesian Government announced its moratorium on peatland development this year. Our No Peat policy was extended to all our third-party suppliers with the launch of our Integrated Policy in December 2013. Where plantations have been established on peat in the past, we will ensure that best management practices are implemented to reduce the risk of fires. Where feasible, we will also explore options for the long term restoration of peatlands, as crops planted on peat reach the end of their current rotation.

Wilmar has also committed to identifying and protecting High Conservation Value (HCV) areas in all our estates since we joined the Roundtable on Sustainable Roundtable (RSPO) in 2005. By design, HCV areas have poor accessibility by vehicles in order to protect them from encroachment. This inevitably complicates fire-fighting efforts, should the areas be inadvertently affected by fires during the dry season. Where HCV areas have been damaged by fires, we will restore these areas in line with our HCV management plan. We will **not** be planting the affected areas with oil palm, contrary to what was suggested in FoE’s report.

Burning negatively affects oil palm yields and results in loss of income

It is common knowledge in the industry that fires are harmful to oil palms in all stages of development. Fire prevention measures are an integral part of good estate management.

FoE incorrectly inferred from the paper they cited, [Effects of Fires in Juvenile Oil Palm Fields on Yield and Oil Palm Breeding](#) (Bakoumé et. al.,2010).¹, that “oil palm trees between 2 and 5 years old are not harmed by burning” and “burning the trees has been shown to result in increased yield and therefore a higher rate of return”. These statements by FoE completely contradict the findings of the paper, which are (i) the total yield from burnt palms are lower than those from unburnt palms, and (ii) the annual loss in income are approximately 14% and 17% from lowered yield in partially burnt and totally burnt palms, respectively. The paper concludes by reiterating “the importance of preventing fires among oil palms at all ages” (Bakoumé et. al.,2010).

Fire prevention and suppression procedures

Wilmar has a robust and well-established fire prevention and suppression program to minimize the incidence and impact of fires in and around the areas we operate. This includes social enclaves within our concessions, and lands owned by neighboring communities. Our concessions are equipped with fire-fighting infrastructure and equipment, and staffed with an on-site fire brigade. On-the-ground personnel are also trained to be vigilant and prepared to respond to fire incidences quickly and decisively. On an annual basis, a substantial fire management budget is allocated to estate management in Indonesia, to ensure that all 200,000 hectares (inclusive of Inti & plasma) are well covered.

Wilmar’s Standard Operating Procedure (SOP) during the dry and fire-prone season is to conduct daily patrols around at-risk areas, identified based on our fire risk analysis. Wilmar’s Central GIS department supplements our on-the-ground fire monitoring efforts with the use of remote sensing technologies, such as NASA’s Active Fire data and INDOFIRE, to identify hotspots within our oil palm concessions across Indonesia. This is also done on a daily basis during the dry season. On-the-ground personnel are immediately alerted and ground checks will be conducted for all hotspots with more than 60% probability of an actual fire.

Detailed reports are filed on every fire incidence, documenting the actions and time taken to extinguish the fire, the size of the area affected, and likely cause of the fire (see Appendix 1: Fire Incidence Report). Subsequently, this information is used for the police report, which is filed for each and every fire incidence (see Appendix 2: Police Report).

Fire reports are collated daily across our Indonesian operations, and submitted to our corporate offices and headquarters before the end of each day. This keeps our senior management team updated on the situation on-the-ground.

¹ Bakoumé et. al. (2010). Effects of Fires in Juvenile Oil Palm Fields on Yield and Oil Palm Breeding. *Journal of Agricultural Science*, Vol. 3 (No.3).

Fires were not a result of deliberate burning and were dealt with quickly and decisively

Despite our best efforts, fires may occasionally occur in our concessions, particularly during the dry season. Most of the fires mentioned in the FoE report originated from outside our concession areas, and have been propelled into our concessions by topography and wind. A fire assessment conducted by The Forest Trust (TFT) in Wilmar's concessions, PT Rimba Harapan Saksti, PT Kerry Sawit Indonesia and PT Sarana Titian Permata, in November and December 2015 also concluded that some fires within Wilmar's HCV areas were the direct result of activities by nearby local communities. Evidence of boundary pegs for land claims, and rice cultivation were found. The communities surveyed during the study were open about their use of fire as a traditional practice².

It is also important to understand that not every "hotspot" identified by remote sensing technologies is a fire. The most accurate hotspot data from the Fire Information for Resource Management System (FIRMS-NASA) can only offer 64% accuracy. In addition, detected hotspot locations are only accurate up to 1 km². It is therefore not possible to conclude with certainty that a location within a 1km² pixel was affected by a detected fire.

Wilmar is an active member of the RSPO and is committed to having our plantations and mills certified to the Principles and Criteria of the RSPO. This explicitly forbids land preparation by burning. PT Sarana Titian Permata and PT Kerry Sawit Indonesia have already achieved RSPO certification. PT Rimba Harapan Saksti has completed RSPO certification audit, and is awaiting final approval from the RSPO.

PT Rimba Harapan Saksti (RHS)

- The fires originated from outside our concession, and were brought into the immature areas of the concession by strong winds over the flat terrain. Our on-site fire brigade brought the fires under control efficiently, minimizing the affected area to less than 15 ha in five different locations.
- Fires also spread to our HCV areas in eight locations. Fire-fighting in HCV areas were more challenging due to poor accessibility. Damaged HCV areas will be restored, in line with our HCV management plan, and will not be planted with oil palm.
- Police reports have been filed for all fire incidences within the RHS concession.
- Wilmar adheres to the widely used definition of peat soils, which are soils containing more than 65 percent organic matter. A soil survey conducted by a reputable independent soil expert³ in 2007 confirmed that there is no peat soil in the RHS concession – see Appendix 3: Soil Study of Rimba Harapan Saksti. FoE cited in their report that the first government moratorium on primary forest and peat overlapped with a part of the RHS concession; *the overlapping areas were removed in the later revisions of the moratorium*. While we are not

² TFT closing meeting report, 3 December 2015,

³ Dr Paramanathan a/l Selliah, Param Agricultural Soil Surveys (M) Sdn Bhd.
<http://research.utar.edu.my/utargrn/icp/Paramanathan/index.jsp>

privity to the specifics of why the government removed these areas from subsequent revisions of the moratorium, we believe there must be strong justifications for doing so.

PT Sarana Titian Permata (STP)

- The fires originated from outside our concession, and were brought into the concession by strong winds. There were numerous fire sources (hotspots) outside the boundaries of our concession in the GPS image; these have mostly been obscured by photographs added on top of it when presented in the FoE report – see Appendix 4: STP Concession Map. Our on-site fire brigade brought the fires under control quickly; therefore affected areas were relatively small.
- Fires also spread to our HCV areas in four locations. Damaged HCV areas will be restored, in line with our HCV management plan, and will not be planted with oil palm.
- Police reports have been filed for all fire incidences within the STP concession.

PT Kerry Sawit Indonesia (KSI)

- The cluster of hotspots mentioned in the FoE report is outside the KSI boundary. This area is a forest reserve, and the palms photographed in the FoE report were planted by the local community, not by the KSI management. Wilmar does not source Fresh Fruit Bunches (FFBs) from forest reserve areas.
- Fires also spread to a small portion of our HCV area. Damaged HCV areas will be restored, in line with our HCV management plan, and will not be planted with oil palm.
- Police reports have been filed for all fire incidences within the KSI concession.
- The drainage canals mentioned in the FoE report were either roadside drains or boundary drains to demarcate HCV areas. These are both part of best management practices for agriculture, as well as for managing human-wildlife conflicts under the RSPO guidance.

Breach of No Burn policy by Wilmar suppliers will result in termination of business dealings

Wilmar's strict No Burn policy extends to our third-party suppliers. All our suppliers have been notified that any breach of our No Burn policy, **proven to be deliberate**, will result in the immediate termination of business dealings.

Bumitama Agri, also mentioned in the FoE report, is a supplier with whom we have had a long-standing relationship. We acknowledge Bumitama's sustainability efforts, such as the launch of their comprehensive sustainability policy and publication of their first sustainability report this year.

Nevertheless, we take any allegations of policy breaches by our suppliers very seriously, and have begun our engagement process with Bumitama in order to investigate the root causes of the fires and the alleged clearing of peatlands.

Bumitama's response to FoE's report will be made available on their website (<http://www.bumitama-agri.com/>) in due course.

Wilmar is firmly committed to supporting efforts to mitigate forest burning in Indonesia. We will continue working with relevant stakeholders to find long-term solutions that will address the root causes of forest fires.



PT. SARANA TITIAN PERMATA 1

Excellent & Trustworthy

BERITA ACARA KEBAKARAN

Pada hari Minggu Tanggal Enam bulan September Tahun Dua Ribu Lima Belas (06/09/2015) telah terjadi kebakaran di area HCV Divisi 3 PT.STP 1 dengan keterangan sebagai berikut :

A. Kronologis Kejadian

- | | |
|----------------------------------|--------------------------|
| 1. Penyebab terjadinya kebakaran | : Tidak diketahui |
| 2. Areal terjadi kebakaran | : areal HCV Blok 086 |
| 3. Luasan | : ± 0.3 Ha |
| 4. Api diketahui pada pukul | : 09.30 WIB (06/09/2015) |
| 5. Api Padam pada pukul | : 16.00 WIB (06/09/2015) |
| 6. Kondisi Lahan | : Area HCV |

B. Penanggulangan

- | | |
|---|---|
| 1. Membuat sekat / isolasi areal terbakar | |
| 2. Peralatan padam api | : 4 Unit Mesin Robin
2 Unit Water Bowser |
| 3. Tenaga | : 5 Orang Karyawan
Team pemadam kebakaran
6 Orang Staff |

C. Akibat kebakaran

Setelah di sensus yang terbakar ada areal HCV seluas 0.3 Ha diblok 086 Divisi 3 PT.STP1 .

Demikian berita acara ini dibuat dengan sebenar-benarnya untuk dapat dipergunakan sebagai mestinya.

Dibuat Oleh :

Untung Slamet
Divisi Manager

Diketahui Oleh :

Budi Mulyono
Estate Manager



POLRI DAERAH KALIMANTAN TENGAH
RESOR SERUYAN
SEKTOR SERUYAN HILIR

Jalan Gajah Mada Kuala Pembuang, 74212

Kuala Pembuang, 16 September 2015

Nomor : B / 43 / IX / 2015
Klasifikasi : Biasa
Lampiran : -
Perihal : Penerimaan pemberitahuan
peristiwa kebakaran lahan
perkebunan Kelapa Sawit
PT.Sarana Titian Permata I
(PT.STP I)

K e p a d a

Yth. **PIMPINAN PT. SARANA TITIAN
PERMATA I (SATU)**

di -

Tempat

1. Dasar :

- a. Undang-undang No. 02 Tahun 2002 Tentang Kepolisian Negara Republik Indonesia;
- b. Surat pemberitahuan laporan kejadian kebakaran dari PT.Sarana Titian Permata I (PT.STP I) dengan Nomor : P / 1 / X11 / 2015 , Tanggal 06 September 2015.

2. Sehubungan dengan perihal tersebut diatas kami selaku pihak yang berwajib Polsek Seruyan Hilir telah menerima pemberitahuan tentang adanya peristiwa kebakaran yang di sampaikan oleh pihak perusahaan Bapak/Ibu pimpin yang mana kebakaran lahan tersebut terjadi pada hari Minggu tanggal 06 September 2015 sekira jam 09.30 Wib bertempat di Divisi 3, PT.STP.I , Blok B 49 (086) Desa Tanjung Rangsang, Kec.Seruyan Hilir, Kab.Seruyan , Prop. Kalteng yang mengakibatkan lahan milik PT.Sarana Titian Permata I (PT.STP I) seluas \pm 0,3 (Nol Koma Tiga) Ha asal mula api tidak diketahui darimana asalnya dikarenakan sewaktu diketahui api sudah menyala kemudian tindakan yang dilakukan dari pihak perusahaan yaitu melakukan pemadaman dengan menggunakan 1 (satu) Back Bucket, 2 (dua) alat Spray, 22 Dirigen 20 Liter dan 1 (satu) unit Water Bowser mengenai peristiwa kebakaran tersebut hingga api padam.

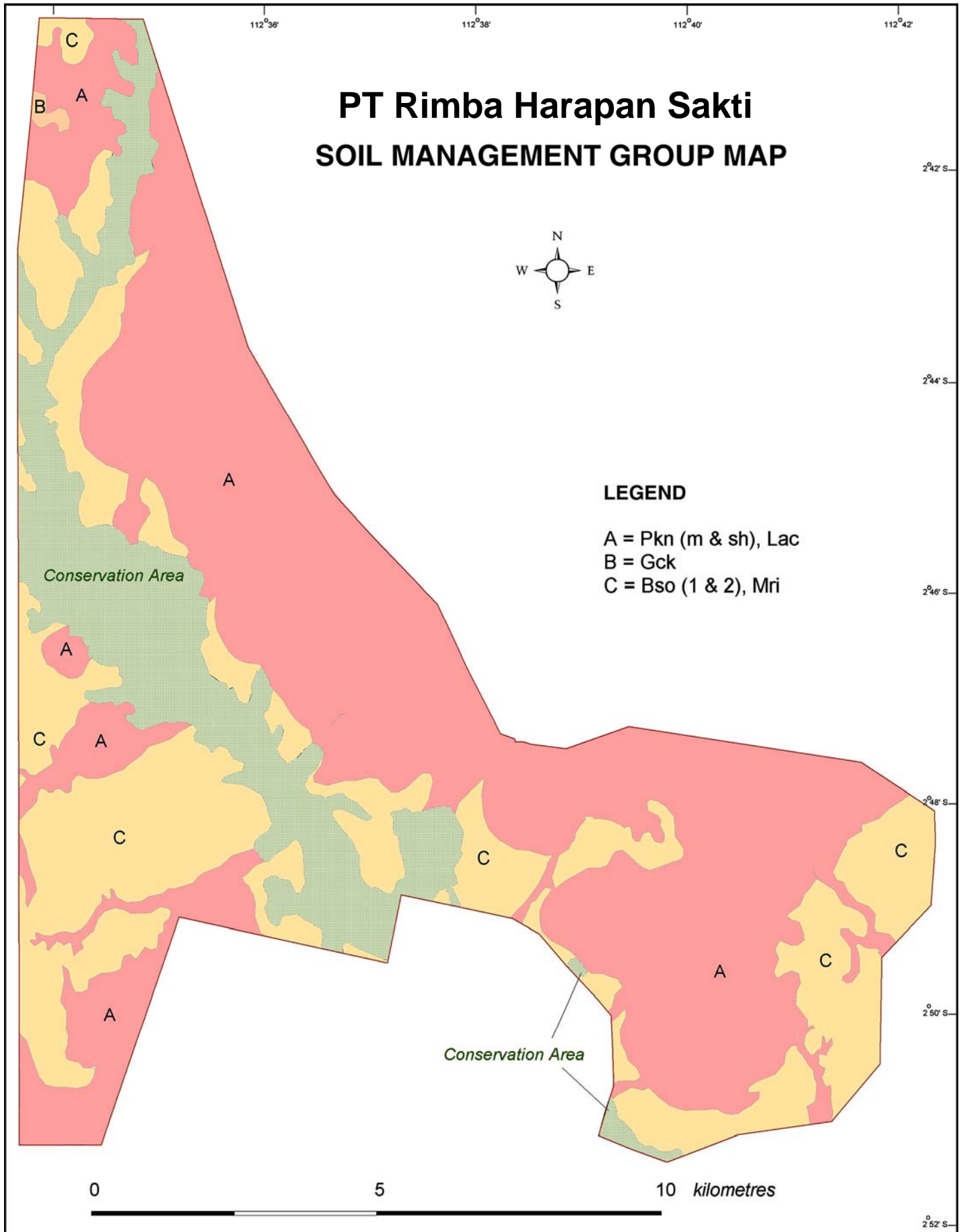
3. Demikian surat ini dibuat agar dapat digunakan sebagaimana mestinya.

KEPALA POLRES SERUYAN HILIR



FATKHADIN ALI NAJIB

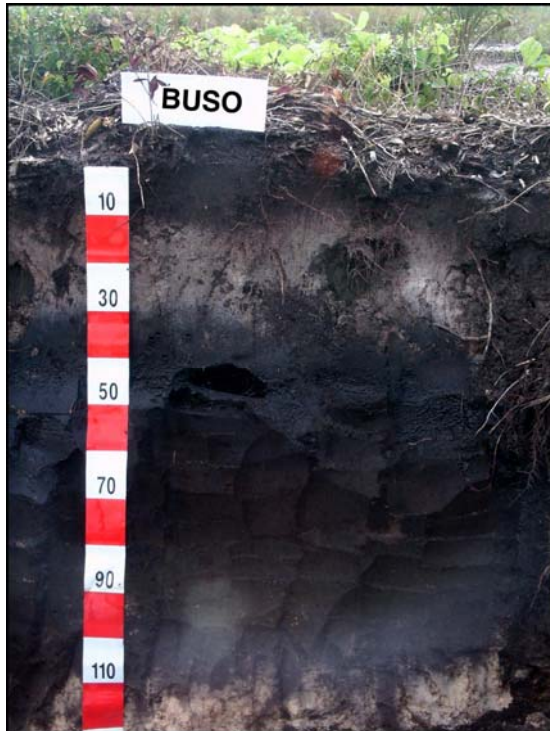
AJIN KOMISARIS POLISI NRP 73010079



SOIL MANAGEMENT GROUPS MAP LEGEND
LADANG RIMBA HARAPAN SAKTI
Kecamatan Seruyan Hilir
Kabupaten Seruyan
Provinsi Kalimantan Tengah, Indonesia

Soil Management Group	Soil Map Units	Main Characteristic/ Limitation	Management Practices Needed	Extent	
				Ha	%
A	Pkn/m/2 Pkn/sh/2 Lac/1	Deep, poorly drained soils. Textures organic sand overlying sandy clay and clay. Low to moderate fertility status. Flooding. Poor drainage.	Good fertilizer programme. Controlled drainage: <ul style="list-style-type: none"> • cover crop establishment • frond stacking • EFB application 	6,667.3	57.2
B	Gck/1	Deep, imperfectly drained soils. Textures sandy clay to clay. Flooding and poor drainage. Low to moderate fertility status.	Drainage and flood mitigation. Good fertilizer programme.	35.6	0.3
C	Bso/1 Bso/2 Mri/2	Shallow to moderately deep (0-100 cm) sandy soils with cemented layer. Flooding/Moisture stress. Poor anchorage. Poor rooting. Wind damage. Very low moisture and nutrient holding capacity. Very low fertility status.	<ul style="list-style-type: none"> • Minimise land clearing. • Break-up cemented pan. • Mulching with EFB • POME application. • Fertilization • Trace elements 	4,959.1	42.5
Sub-total:				11,662.0	100.0
(Prior to HCV Assessment) Conservation Area:				2,128.0	-
GRAND TOTAL:				13,790.0	-

Photographs of Major Soil Profile in RHS



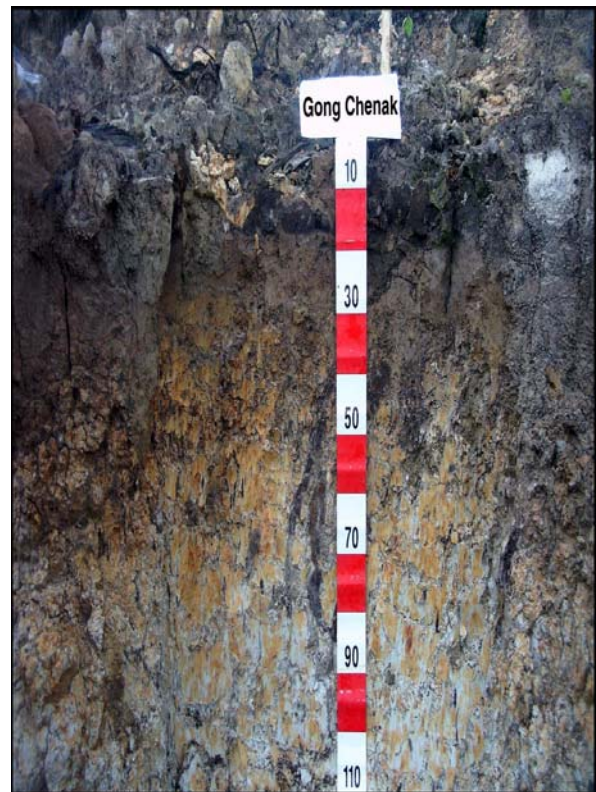
Buso series



Miri series

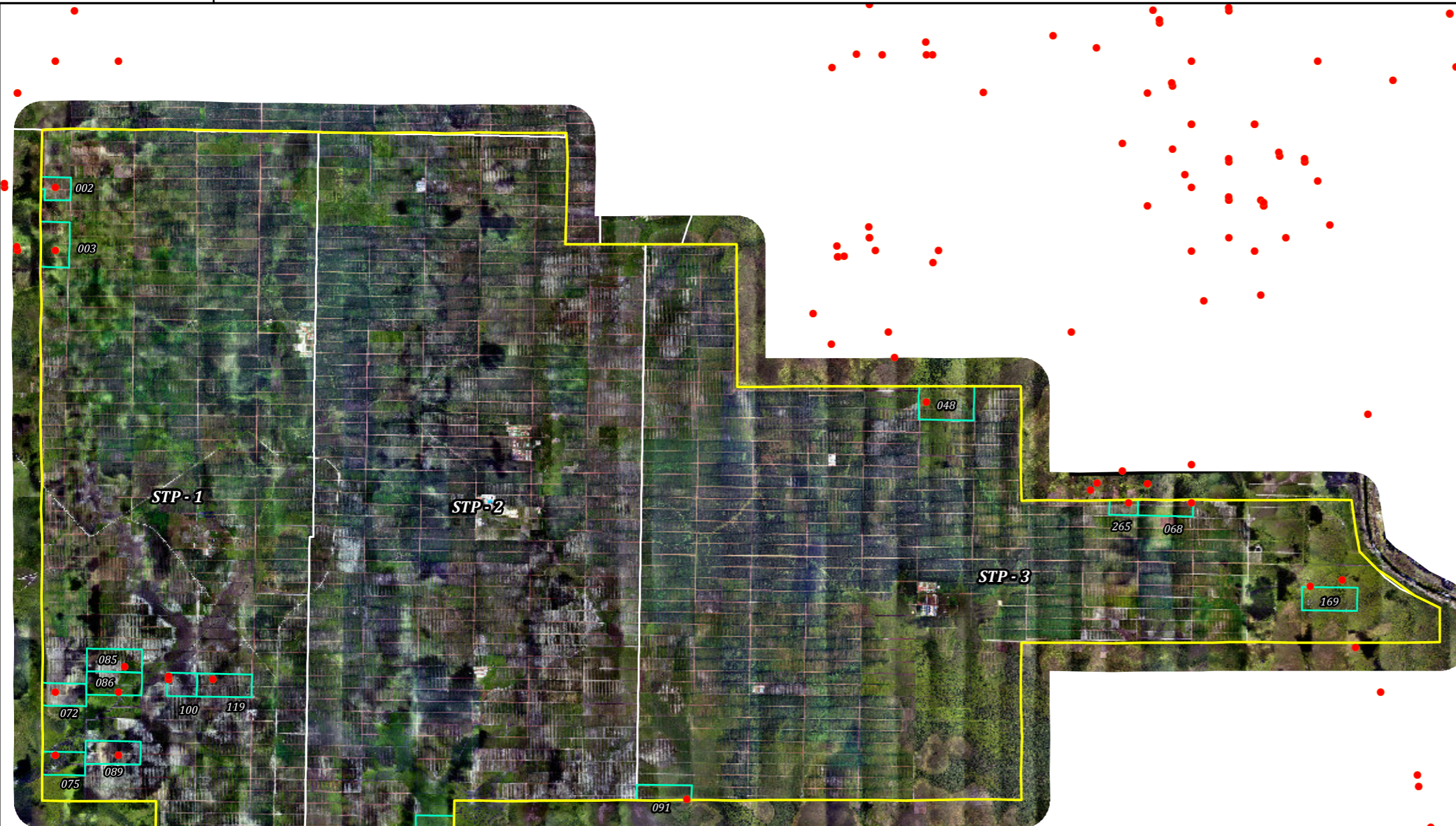


Pukun series



Gong Chenak series

112°30'E



No	Date	Estate	HotspotID	Latitude	Longitude	Sumber
1	9-Aug-2015	PT. Sarana Titian Permata	Hotspot/STP/2015/1	112.575	-2.942	NASA
2	16-Aug-2015	PT. Sarana Titian Permata	Hotspot/STP/2015/2	112.538	-2.953	NASA
3	16-Aug-2015	PT. Sarana Titian Permata	Hotspot/STP/2015/3	112.645	-2.895	INDOFIRE
4	16-Aug-2015	PT. Sarana Titian Permata	Hotspot/STP/2015/4	112.655	-2.895	INDOFIRE
5	16-Aug-2015	PT. Sarana Titian Permata	Hotspot/STP/2015/5	112.613	-2.879	NASA
6	5-Sep-2015	PT. Sarana Titian Permata	Hotspot/STP/2015/6	112.535	-2.954	NASA
7	8-Sep-2015	PT. Sarana Titian Permata	Hotspot/STP/2015/7	112.535	-2.956	NASA
8	8-Sep-2015	PT. Sarana Titian Permata	Hotspot/STP/2015/8	112.534	-2.947	NASA
9	8-Sep-2015	PT. Sarana Titian Permata	Hotspot/STP/2015/9	112.5	-2.923	NASA
10	8-Sep-2015	PT. Sarana Titian Permata	Hotspot/STP/2015/10	112.486	-2.921	NASA
11	10-Sep-2015	PT. Sarana Titian Permata	Hotspot/STP/2015/11	112.493	-2.923	NASA
12	15-Sep-2015	PT. Sarana Titian Permata	Hotspot/STP/2015/12	112.485	-2.925	INDOFIRE
13	15-Sep-2015	PT. Sarana Titian Permata	Hotspot/STP/2015/13	112.475	-2.855	INDOFIRE
14	15-Sep-2015	PT. Sarana Titian Permata	Hotspot/STP/2015/14	112.475	-2.845	INDOFIRE
15	19-Sep-2015	PT. Sarana Titian Permata	Hotspot/STP/2015/15	112.475	-2.935	INDOFIRE
16	19-Sep-2015	PT. Sarana Titian Permata	Hotspot/STP/2015/16	112.485	-2.935	INDOFIRE
17	19-Sep-2015	PT. Sarana Titian Permata	Hotspot/STP/2015/17	112.475	-2.925	INDOFIRE
18	21-Sep-2015	PT. Sarana Titian Permata	Hotspot/STP/2015/18	-2.91	112.674	NASA
19	21-Sep-2015	PT. Sarana Titian Permata	Hotspot/STP/2015/19	-2.909	112.679	NASA
20	14-Oct-2015	PT. Sarana Titian Permata	Hotspot/STP/2015/20	112.497	-2.956	NASA

112°30'E

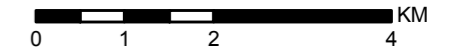


KALIMANTAN 2
PT. Sarana Titian Permata

Propinsi Kalimantan Tengah



Skala 1:85,000



Judul Peta :

HOTSPOT

Periode : 01 Jan - 15 Oct 2015

Keterangan :

- Hotspot
- Batas Estate
- Batas Block

Sumber Data :

1. Peta Rupa Bumi Indonesia, Bakosurtanal
2. Batas Estate
3. Hotspot, INDOFIRE periode 01 Jan - 15 Oct 2015
<http://indofire.landgate.wa.gov.au/indofire.asp>
4. Hotspot, NASA periode 01 Jan - 15 Oct 2015
<https://earthdata.nasa.gov/data/near-real-time-data/firms/active-fire-data>

Location



Date : 22 Oct 2015
Request By : Simon Suburat
Map Id. : HD5209