

Objective

1. BSR is currently conducting an assessment of Wilmar labor management systems and practices in conjunction with Wilmar management (HQ & Indonesia).
2. The objective of the assessment is to highlight areas and develop recommendations where Wilmar's current management systems and tools can be improved to ensure good implementation of Wilmar's sustainability policies, as well as gradual fulfillment of international stakeholder expectations pertaining to labor and labor-related issues.

Progress to date

1. Review and identification of priority issues based on Indonesian legal and regulatory requirements and external stakeholder findings, encompassing: 1) management systems, 2) working conditions and terms of employment, 3) non-discrimination, 4) freedom of association, 5) grievance mechanisms, 6) workforce protection, 7) living conditions.
2. Review of internal Wilmar documents, including Human Resources policies, Occupational Health & Safety policies, Collective Labor Agreement.
3. In-depth workforce and management interviews at PT Perkebunan Milano Plantation, PT Daya Labuhan Indah Plantation and PKS Milano Pinang Awan Mill in December 2016.
 - Interviews were conducted mostly in the form of focus group discussions, reviewing the issues listed above.
 - Interviews with non-management workers were conducted without the presence of management personnel. A total of 98 non-management workers were interviewed, which included permanent and contract workers across various positions, and union representatives.
4. Initial discussion with the local Wilmar management team on preliminary findings encompassing both good practices and key risks.

Preliminary findings

1. There are a number of existing good practices in place, which include a variety of policies and procedures, worker communication channels, and a collective labor agreement, among others.
2. Key areas requiring deeper engagement and discussion to validate indicators include:
 - The level and appropriateness of targets for harvest workers in particular – which may lead to a subsequent reliance of harvesters on peak season earnings, bringing rise to the potential for harvesters to utilize ‘invisible’ labor (possibly including children) to help maximize their income during this period;
 - The status and employment opportunities for casual workers;
 - The presence, adequacy and affordability of schools/ education on/ around estates, which could have a potential link to the risk of child labor – not withstanding existing Wilmar provisions of transport for workers’ children to attend primary / secondary schools, and onsite free kindergarten and crèche facilities;
 - Other issues such as communication and training on policies, usage of employees’ personal resources to carry out work-related tasks, and others.

Next steps

Next steps include:

1. Detailed, in-depth review and analysis of findings.
2. Discussions with Wilmar on key risks and opportunities, and recommendations for improvement and further action.
3. Development and dissemination of a public report.