

News Release

Wilmar and Verité confront systemic labour issues in the Indonesian palm oil industry

Singapore, 6 April 2017 – Focusing on Wilmar-owned plantations first in Indonesia, Wilmar International Limited (“Wilmar”) and Verité, a global fair labour non-profit organisation, are collaborating to develop robust and sustainable solutions to address recurring and systemic labour issues towards improving labour practices in the Indonesian palm oil industry.

Verité will build on the existing work carried out by Wilmar since August 2016 to identify critical problem areas and root causes of specific labour issues. Following this, Verité will facilitate the development of action plans with clear deliverables, milestones and timeframe, taking into account stakeholder input and recommendations especially for high-risk systemic issues like children in plantations, freedom of association, working hours and labour casualisation. Internal systems and processes will be built, as well as internal capacity strengthened, to ensure sustainability and accountability.

Ms Perpetua George, General Manager of Group Sustainability at Wilmar, said, “Our collaboration with Verité is to find real solutions and improvements for people in the oil palm community. It is important that solutions can be replicated in not just our own operations, but also elsewhere in the industry such as with our suppliers. A lot of the issues we see in the oil palm community are entrenched and multi-dimensional; solving these problems are beyond the capability and capacity of any one company. The old saying, ‘It takes a village’ certainly rings true, the entire oil palm community needs to work together to address these labour challenges holistically.”

Following the release of its [white paper](#) on labour risks in palm oil production, Verité participated in the 2012 review of the RSPO Principles and Criteria that eventually included broader labour standards, including forced and trafficked labour. It is an active member of the RSPO, currently convening the Labour Task Force, and advocating for ethical labour in palm through various RSPO working groups. Verité works closely with a palm oil labour rights coalition made up of Indonesian and Malaysian grassroots organisations and labour unions.

“We welcome Wilmar’s courageous step towards a comprehensive and deep-dive approach to root out the sources of its labour risks, and test some of the solutions that labour groups, including Verité, have been proposing. Stakeholder dialogue and transparency are key principles of this programme, and Verité will be rolling out a stakeholder engagement and reporting mechanism in the next few weeks”, said Mr Enrico Bagadion, Managing Director of Verité Southeast Asia. He continued, “It will be a lot of work, but thirty thousand workers is a compelling proposition.

The project will be implemented in five phases over a 12-month period.

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Notes to Editor:

A spokesperson from Wilmar is available for interview. Please contact iris.chan@wilmar.com.sg for arrangement.

Wilmar also released today its [action plan](#) on two operations in North Sumatra that is focused on addressing the issues identified from its internal and independent assessments by the Business for Social Responsibility (BSR), Roundtable on Sustainable Palm Oil (RSPO) and International Sustainability & Carbon Certification (ISCC). The collaboration with Verité will build on these findings.

ABOUT WILMAR'S SUSTAINABILITY

As a leading agribusiness group, Wilmar recognises we have a fundamental role to play in developing quality products required by the world while ensuring a responsible and sustainable manner of production. We adopt a holistic approach to sustainability that is fully integrated with our business model. Guided by the philosophy that our business must enhance stakeholder value while minimising our environmental footprint, our business practices are aligned with universally acceptable social and environmental standards. Wilmar's [No Deforestation, No Peat and No Exploitation policy](#) underpins our aspiration to make a positive impact and drive transformation across the palm oil industry.

For more information, go to www.wilmar-international.com/sustainability.

ABOUT VERITÉ

A Skoll Foundation awardee, Verité is an independent global advocate for workers with a mission to ensure that people worldwide work under safe, fair and legal working conditions. It provides knowledge and tools to eliminate the most serious labour and human rights abuses in global supply chains by aligning business and social impacts. Verité's approach emphasizes dialogue, consensus building and collective action as one of the most effective and sustainable ways to win rights-based progress. For more information on Verité's work on palm, go to <https://www.verite.org/project/our-work-in-palm-oil/>

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