

**Earthworm Foundation final report  
for the Action Plan with Wilmar Operational Unit in West Sumatra  
May 2022**

**1. Resolution Process with the Koto Baru and Kinali Communities and PT PMJ**

As per the previous report<sup>1</sup>, a cooperative managing oil palm farmer groups that are also supplying fresh fruit bunches to PT Primatama Mulia Jaya (PMJ) is among the key stakeholders amid the complex problems in Kanagarian Kinali and Koto Baru, where PT PMJ operates.

Earthworm Foundation (EF) underlined two main issues related to this cooperative: (1) organizational issues pertaining to membership transparency and profit sharing, and (2) the alleged intimidation practice by this cooperative against the Koto Baru community as reported by the Southeast Asia Globe in June 2020<sup>2</sup>.

Regarding the alleged intimidation of the Koto Baru community, the cooperative explained that an agreement had been made between the cooperative and the Koto Baru community, which stated that the cooperative could manage the previously disputed land after one cycle of field crops managed by the Koto Baru community. EF emphasized to the company that even though this agreement has been made and PT PMJ has no direct role in the cooperative management, PT PMJ should continue to monitor the case to ensure that this agreement is carried out with the right community groups, documented and being implemented in a manner that is in line with the agreement signed. PT PMJ, as the buyer of the cooperative's FFB, also needs to monitor the process of implementing the cooperative's plan to map the existing land and align it with the list of members.

After a series of discussions conducted between EF, PT PMJ, and the cooperative, the cooperative demonstrated efforts to strengthen its organization. The first step taken by the cooperative was to hold an Annual Members Meeting (*Rapat Anggota Tahunan / RAT*) on November 23, 2021, which was attended by representatives of the two farmer groups who are members of this cooperative. RAT in cooperatives is not only an obligation, but also a way to demonstrate transparency regarding organizational performance, and an opportunity to

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<sup>1</sup> [https://www.wilmar-international.com/docs/default-source/default-document-library/11052021-ef-wilmar-quarterly-eng.pdf?sfvrsn=96912f5\\_0](https://www.wilmar-international.com/docs/default-source/default-document-library/11052021-ef-wilmar-quarterly-eng.pdf?sfvrsn=96912f5_0)

<sup>2</sup> <https://southeastasiaglobe.com/the-fight-for-land-rights-in-indonesia-wilmar/>

discuss organizational strategies where members can actively participate and express their aspirations. In this meeting, the cooperative informed EF its plan to re-measure their plantation area, and align it with the registered members.

EF's previous report also mentioned the complexity caused by the dynamics in this society, which are influenced by social changes, customs, traditions, and even changes in the political landscape – for example, traditional leaders with different customary beliefs. This undoubtedly becomes a challenge in resolving grievances and conflicts because we have to ensure that any disputes, especially those of a tenurial nature, must be resolved with the right customary leaders. Some of these internal issues, although following customary process, are not well documented and can lead to confusion. PT PMJ should maintain relationships with stakeholders in West Pasaman, including the customary leaders and local government, ensuring support to facilitate dialogue, if needed (this may include consideration to engage third party facilitators). In this case, both EF and PMJ should continue to maintain cultural sensitivity and respect to the prevailing customs.



*Meeting with Koperasi*

Status: Closed

## 2. Strengthening the Grievance Procedure

Since August 2020, EF has been assisting the development of the procedure to improve the effectiveness of the grievance handling process at Wilmar's subsidiary companies at the unit level. This process is in line with Wilmar's broader efforts at the group level, such as the update of the [No Deforestation, No Peat and No Exploitation \(NDPE\) policy](https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/policies/wilmar-ndpe-policy---2019.pdf?sfvrsn=7870af13_2)<sup>3</sup> and [Grievance Procedure](https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/grievance/grievance-sop/grievance-procedure_final.pdf?sfvrsn=7670cea2_2)<sup>4</sup> in 2019, as well as the launch of the [No Exploitation protocol](https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/policies/wilmar-no-exploitation-protocol.pdf?sfvrsn=e2b8c921_2)<sup>5</sup> developed in partnership with labor and tenure rights expert organizations such as Verite, EF, and Landesa. In June 2021, this draft procedure was discussed with the field team in the Pasaman region to ensure that it is feasible and can be easily understood. During this discussion, feedback and inputs were gathered to refine and finalize the procedure.



*Meeting coordination with Team Wilmar Pasaman Barat*

On 28 - 29 September 2021, EF and PT PMJ held a socialization and training on the implementation of the Grievance Handling SOP<sup>6</sup> at Wilmar's regional office in Pasaman. This event was attended by 34 employees, including Plantation and Factory Managers, Bina Mitra<sup>7</sup>, and Administration / Document Control. This activity aimed to: (1) Socialize the Grievance Handling SOP to all relevant team members at Wilmar's subsidiary company in the Pasaman

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<sup>3</sup> [https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/policies/wilmar-ndpe-policy---2019.pdf?sfvrsn=7870af13\\_2](https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/policies/wilmar-ndpe-policy---2019.pdf?sfvrsn=7870af13_2)

<sup>4</sup> [https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/grievance/grievance-sop/grievance-procedure\\_final.pdf?sfvrsn=7670cea2\\_2](https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/grievance/grievance-sop/grievance-procedure_final.pdf?sfvrsn=7670cea2_2)

<sup>5</sup> [https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/policies/wilmar-no-exploitation-protocol.pdf?sfvrsn=e2b8c921\\_2](https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/policies/wilmar-no-exploitation-protocol.pdf?sfvrsn=e2b8c921_2)

<sup>6</sup> SOP Penerimaan dan Penanganan Keluhan

<sup>7</sup> Bina Mitra is the Local Community Engagement and Land Acquisition team

region, and (2) Reinforce the understanding of Wilmar Team members regarding communications, as well as understanding the roles and interests of the parties involved in grievance handling. Through an experiential learning approach, the participants learned the flow of the grievance handling, communication strategy, stakeholder analysis strategy, and negotiations. Following the training, Wilmar plans to roll out this procedure in the West Sumatra region as part of a pilot project, and to evaluate the effectiveness of the procedure implementation and its adoption after one year to identify the challenges that may arise during the procedure's implementation and develop steps to respond to these challenges.

During the design and development of the SOP, the EF team also conducted informal consultations with: Ninik Mamak Kinali, Ninik Mamak Koto Baru, Ninik Mamak Sasak and Nagari Institute (Zulkifli). Now that the final SOP draft is complete, EF encourages Wilmar to disseminate this procedure to the community and other relevant parties, as well as to maintain close monitoring to ensure the procedures are being implemented in line with the SOP. An evaluation of the effectiveness of the procedure by end of 2022 is also recommended. EF also underlines the importance of continuously strengthening and empowering Wilmar employees and field teams' capacity concerning social engagement.



*Training SOP Grievance Wilmar Pasaman Barat*

Status: Closed

### **3. Communication with parties and community organizations in West Pasaman**

One of the key stakeholders in West Pasaman is the Nagari Institute (NI) as an NGO that intensively assists the community in West Pasaman. For this reason, for the past two years EF have continued to ensure an exchange of information and constructive discussions with



NI, including those related to the development of the workplan between EF and Wilmar's subsidiary company in West Pasaman. In response to the grievance handling procedure that had just been developed and socialized, NI expressed its appreciation for the clarity regarding the objective and implementation plan of this procedure. However, NI believes that this procedure will be futile without supervision from credible third parties.

Status: Ongoing



*Engagement with Nagari Institute.*

Recommendation:

- As there are no multi-stakeholder collaborations or other such forums at either the district or provincial level to problem solve and brainstorm on such complex social issues, EF recommends Wilmar to establish a multi-stakeholder collaboration to find the best solutions for social problems involving Wilmar in West Pasaman.
- Wilmar to continue liase with NI to examine the mechanism for multi-stakeholder collaboration that can work out to achieve the objective.