

## Five major industry leaders unite to tackle labour rights challenges in Indonesia's palm oil sector

Cargill, Golden-Agri-Resources, Musim Mas, Sime Darby Plantation and Wilmar announce two new pilots as part of the *'Decent Rural Living Initiative'* convened by Forum for the Future

**Jakarta, 19 June 2019** – Five industry leaders have today announced two new collaborative pilot projects set to tackle labour rights challenges in Indonesia's palm oil sector, by developing much-needed improvements in working conditions.

Cargill, Golden-Agri-Resources, Musim Mas, Sime Darby Plantation and Wilmar have united as part of the *Decent Rural Living Initiative* (DRLI), convened by international sustainability non-profit, Forum for the Future. Formed in early 2018, DRLI is a unique pre-competitive collaboration which aims, long-term, to help ensure the sustainability of the palm oil sector.

As a key ingredient in both food and non-food products, palm oil is well-recognised as the world's most widely used vegetable oil with the industry employing over 5.7 million people in Indonesia alone. Combined with Malaysia, the two countries supply 85%<sup>[1]</sup> of palm oil used globally, yet significant and pressing challenges throughout the sector – from excessive pesticide use, to rights infringements - continue to threaten and undermine its sustainability.

*"Following a stakeholder consultation process with Indonesian civil society, industry bodies and inter-governmental organisations, DRLI partners identified two strategic areas for pre-competitive collaboration", said Ariel Muller, Managing Director, APAC at Forum for the Future. "With a commitment to addressing root causes, harnessing rural workers' potential as agents of change and sharing lessons learned across the value chain, these companies have the potential to catalyse systemic change."*

**Dr Simon Lord, Chief Sustainability Officer, Sime Darby Plantation, added:** *"We often say that we cannot do it alone. With increasing scrutiny on the complex human rights challenges faced within our industry, a multi-stakeholder approach such as the Decent Rural Living Initiative is the way forward to create a meaningful and permanent systemic change. Now that we are starting to put collective action in place, it is important for other players in the supply chain to also come on board, providing insights as well as support to strengthen this initiative and bring positive impact to the sector. Together, we will achieve more than just the sum of our individual actions."*

The **first** of the two pilots will launch in West Kalimantan. It will focus on developing contracts that minimise the precariousness of casual and flexible work - thereby improving conditions and allowing greater choices for casual workers. This is particularly significant for women, who disproportionately count among this segment of the industry's workforce.

**Ms Perpetua George, Wilmar's General Manager for Group Sustainability, said:** *"The pilot entails extensive engagement efforts with workers, workers' unions and the private sector in what would be a constructive and beneficial Public Private Partnership. We hope this effort will be a model for others to adopt. We also welcome more participation and collaboration from like-minded palm oil industry players to help improve and strengthen the working conditions and rights of workers in the industry."*

The **second pilot area** aims to create a more gender-balanced palm oil industry by strengthening the role of gender committees on estates.

Commenting on the pilot, **Ms Anita Neville, Senior Vice President of Golden-Agri-Resources' Group Corporate Communications**, said: *"Golden-Agri-Resources recognises the importance of the role of women in rural agriculture - especially as agents to help address the challenges agriculture faces. To help them realise their change agent potential we need to create safer, more inclusive workplaces, and believe enhancing the role and function of gender committees across our business and the wider industry is an essential first step."*

Today's announcement follows a consultation process throughout 2018 to identify specific areas where industry-level collaboration could focus to create lasting, impactful change. Key findings and practices developed through the pilots will be scaled up and shared with the wider industry later this year.

**Dr Gan Lian Tiong, Director, Musim Mas**, said: *"We believe that, to achieve the vision of realising a credible palm oil supply chain, we have to ensure that our solutions also cater for, and encompass smallholders' needs. We are hopeful that the Decent Rural Living Initiative's pre-competitive approach and pilots would eventually be scaled up to include smallholders, and go towards supporting them in adopting sustainable agricultural practices in the long run."*

*"From safety to healthcare to education, Cargill's palm oil plantations work to enrich the communities we operate in,"* added **Richard Low, CEO of Cargill Tropical Palm Holdings**. *"We are excited about the Decent Rural Living Initiative because of its potential to make meaningful improvements to the lives of those who work across the agriculture sector, regardless of their gender."*

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## **NOTES TO EDITORS**

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For over 20 years, we've been working in partnership with business, governments and civil society to accelerate the shift toward a sustainable future. Together we are reinventing the way the world works.

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<sup>[1]</sup> European Palm Oil Alliance <https://www.palmoilandfood.eu/en/what-is-palm-oil>