



GAR Highlights Key Challenges In Establishing A Sustainable Plantation Workforce

Bangkok, 9 November 2016 – Today, at the 14th Annual Roundtable Conference on Sustainable Palm Oil (RT14 RSPO), Agus Purnomo, Managing Director for Sustainability of Golden Agri-Resources (GAR) highlighted some of the key challenges – such as urbanisation – facing the company and the palm oil sector in recruiting and retaining a sustainable plantation workforce.

People make up the backbone of the palm oil industry, and as one of the world's largest palm oil producers, GAR provides employment to 174,000 people in rural areas of Indonesia.

Overall, the agriculture sector comprised 15 percent of Indonesia's GDP in 2014, and remains the main source of employment in rural areas where poverty is more prevalent. According to the World Bank, GDP growth that originates from agriculture is estimated to be at least twice as beneficial to the poorest segment of a country as growth from non-agricultural sectors. Furthermore, palm oil is Indonesia's second-most successful agricultural product and is a key driver for the country's rural economy.

GAR's Managing Director for Sustainability, Agus Purnomo said, "Palm oil is a labour intensive industry and to ensure long term progress of the oil palm industry, sustainability of the plantation workforce is critical."

Fifty percent of GAR's workforce comprises youth and young adults, a demographic increasingly leaving rural communities to pursue employment in urban centres which is considered more attractive, making recruitment of an educated, motivated, talented workforce prepared to work in remote, rural locations more challenging. To attract and retain the next generation of talent – essential for building a plantation economy of the future – GAR invests heavily in scholarships, partnering with educational institutions across the region to drive future recruitment.

In 2015, GAR contributed more than US\$ 2.5 million to incentivize educational opportunities through scholarship. This included provision for specialist programmes through partnership with the Bandung Institute of Technology and Science (ITSB) and via the Eka Tjipta Foundation (Indonesia); contributions to the Singapore University of Technology, the Lee Kuan Yew Scholarship Fund and St. Joseph's Institution International Scholarship Fund (Singapore); and to the Peking University Education Foundation (USA) and TsingHua University Education Foundation (China).

Boosting the appeal of the sector also requires fair working conditions and employee-wide benefits. "To attract and retain a sustainable plantation workforce, GAR is committed to upholding Indonesian labour regulations and international labour standards across its entire operations. We also invest in community infrastructure and services as well as ensuring similar benefits are provided to contract and permanent workers," Agus Purnomo explained.

GAR has set up more than 200 schools educating 28,886 students, providing healthcare to all plantation workers with 1,000 patients treated daily and health education provided to 17,000 people across all GAR's plantations. To further demonstrate their commitment to establishing a sustainable workforce, together with Wilmar International and Neste, GAR is collaborating with the US headquartered human



and labour rights organization BSR to review and identify existing labour market conditions within the Indonesian palm growing sector. The study will focus on three major oil palm regions in Indonesia; Riau, North Sumatra, and Central Kalimantan, and highlight current common practices, policies and regulations across the palm sector in Indonesia, making the survey first of its kind.

ENDS

ABOUT GAR

GAR is one of the leading palm oil plantation companies with a planted area of more than 480,000 hectares (including smallholders), located in Indonesia. It has integrated operations focused on the production of palm-based edible oil and fat.

GAR is focused on sustainable palm oil production. In Indonesia, its primary activities include cultivating and harvesting of oil palm trees; processing of fresh fruit bunch into crude palm oil (CPO) and palm kernel; merchandising and refining CPO into value-added products such as cooking oil, margarine and shortening. It also has operations in China and India including a deep-sea port, oilseeds crushing plants, production capabilities for refined edible oil products as well as other food products such as noodles. For more information visit: www.goldenagri.com.sg

CONTACTS

Wulan Suling
Golden-Agri Resources
wulan.suling@sinarmas-agri.com
(+62) 818 909 900

Archana Shah
Cohn & Wolfe
archana.shah@cohnwolfe.com
(+65) 9182 4004