

GAR Supplier Support Action Plan: GSEP Principle 3 – Work Environment and Industrial Relations

GAR, in collaboration with Nestlé, the Danish Institute of Human Rights and TFT, has undertaken a labour assessment of four mills supplying one of GAR’s refineries: PT SMART TBK Belawan.

GAR is using learnings from the labour assessment to improve implementation of the GAR Social and Environmental Policy (GSEP) specifically Principle 3 of GSEP: Work Environment and Industrial Relations in its own and third party supplier operations.

GAR has developed this action plan to help create GSEP compliant supply chains that also meet customer requirements, such as those in Nestlé’s Responsible Sourcing Guidelines.

GAR’s high level action plan includes:

1. **Identify priority areas of improvements within four mills visited and assist these four mills in carrying out action plans to improve practices.**

GAR will support the participating mills through existing supplier support mechanisms such as the [Aggregator Refiner Transformation approach](#), [SMART SEED](#), SMART LEAF, and [Collaboration for Transformation](#).

2. **Incorporate processes undertaken in the labour assessment (including subsequent work to support suppliers on priority areas of improvement) to improve existing efforts on Work Environment and Industrial Relations within its supply chains.**

GAR will incorporate specific methods from the labour assessment including worker interviews, management interviews, stakeholder consultations into future supplier site visits, to improve GAR’s ability to identify areas for improvement.

3. **Work with relevant stakeholders within industry, government and civil society to develop industry-wide initiatives on improving Work Environment and Industrial Relations.**

Work with peers in the industry, government and civil society to tackle priority issues related to Work Environment and Industrial Relations.

Below are several areas GAR has identified as priority areas for improvement based on this labour assessment.

No	Priority areas of Improvement	Short Term (One year program with 4 suppliers)	Mid Term (2-5 years work to carry out with rest of supply chain)
1	Supplier’s management capacity	<ul style="list-style-type: none"> ▪ Educate management on legal obligations in areas of Worker Environment and Industrial Relations: e.g. prohibition of child labour and forced labour, minimum wage, and right for labour to organise and enter into collective bargaining agreements 	<ul style="list-style-type: none"> ▪ Create capacity building mechanisms in broad engagement to educate all of GAR’s suppliers in management responsibilities and legal requirements in areas of Work Environment. Designing and implementing a supplier code of conduct to be launched in 2018.

		<ul style="list-style-type: none"> ▪ Using ISPO certification as an enabler for education and engagement. Educate suppliers on legal requirements needed to obtain ISPO certification especially in areas of Work Environment and Industrial Relations. 	
	Fulfillment of workers' rights (wages, leave entitlements, welfare, facilities, working hour, working contract, overtime, non-discriminative, worker insurance etc.)	<ul style="list-style-type: none"> ▪ Socialisation of regulations on workers' rights through meetings with suppliers and their workers (seminars, workshops, site visit) 	<ul style="list-style-type: none"> ▪ Collaboration with stakeholders, company management, worker representatives/unions, <i>depnaker</i> (Indonesian government labour office), to conduct education program for capacity building of workers ▪ Provide printed materials (pocket book) as well as web content on worker rights
	Occupational Health and Safety	<ul style="list-style-type: none"> ▪ Socialisation of regulations on occupational health and safety through meetings with suppliers (seminars, workshops, site visit) ▪ Provide general templates and help companies create OHS policies, procedures and SOPs 	<ul style="list-style-type: none"> ▪ Require that Occupational Health and Safety (OHS) regulations and standards are adhered to including passing of any mandatory government inspections ▪ Require reporting of work related accidents and fatalities from suppliers ▪ Incorporate OHS into supplier code of conduct and mechanisms to monitor/ensure compliance such as certification or random audits. ▪ Provide printed materials (pocket book) as well as web content on occupational health and safety
	Child Labour	<ul style="list-style-type: none"> ▪ Socialisation of regulations on child labour through meetings with suppliers (seminars, workshops, site visit) ▪ Provide standard templates and help companies make child labour policies and procedures and employee recruitment policies, procedures and SOPs ▪ Require all suppliers to have clear policy supported by 	<ul style="list-style-type: none"> ▪ Support collaboration to ensure availability of educational facilities for children in oil palm plantations ▪ Identify and address systemic causes of child labour in oil palm plantations and address them (work load, incentive system) including working with smallholder farmers and communities on these issues.

		<p>standard operating procedures to prohibit child labour within their operations including that of their suppliers and contractors.</p>	
	Forced Labour	<ul style="list-style-type: none"> ▪ Socialisation of regulations on forced labour through meetings with suppliers (seminars, workshops, site visit) ▪ Socialisation of the grievance delivery mechanism to the authorities (the labour service) ▪ Require all suppliers to have clear policy supported by standard operating procedures to prohibit forced or bonded labour within their operations including that of their suppliers and contractors. 	<ul style="list-style-type: none"> ▪ Identify the forms of forced labour found in supplier's operations through special employment assessments
	Freedom of association and industrial relations	<ul style="list-style-type: none"> ▪ Socialisation of regulations on labour union and company-worker bipartite forums through meetings with suppliers (seminars, workshops, site visit) 	<ul style="list-style-type: none"> ▪ Collaboration with stakeholders, especially the labour office, conduct education program for capacity building of workers and unions. ▪ Provide printed materials (pocket book/fact sheet) as well as web content on freedom of association and industrial relations.

To find out more about GAR's Supplier Support programme contact: supplier.support@sinarmas-agri.com or visit: <https://goldenagri.com.sg/sustainability/supply-chain/>