

Helping suppliers solve their sustainability challenges one step at a time

Background

GAR is utilising The Forest Trust's (TFT) [Aggregator Refinery Transformation](#) approach to help more than 400 supplier mills adopt sustainable practices compliant with our GAR Social and Environmental Policy (GSEP). Using traceability information we possess on our supplier mills and TFT's [Mill Prioritization Process](#), PT Sugih Resta Jaya (SRJ), a palm oil mill in the Riau province, was identified as a priority mill due to its proximity to areas that had recently undergone forest change, peatlands, legally protected areas, and key biodiversity areas. SRJ was also mentioned in two reports titled "Tiger in your Tank (2014)", and "No One is Safe (2016)" issued by Eyes on the Forest – a group of Non-Governmental Organisations (NGOs) – which highlighted palm oil being grown in illegal areas and entering mills where SRJ operates.

Action

In August 2015, we began engagement with the owners of SRJ to communicate GAR's sustainability commitments and our process to help suppliers comply with sustainability guidelines. SRJ's management welcomed this and allowed GAR and TFT personnel to conduct a site visit to its mill in Sungai Akar Village, Riau Province from 9 – 13 November 2015. As SRJ is an independent palm oil mill that gets its supply of fresh fruit bunches (FFB) from independent estates and smallholders which are not owned by them, the scope of the visit also included access to a sample of SRJ's suppliers including agents, smallholders and independent plantations.

After the visit, GAR and TFT compiled a report which provided SRJ's management with issues found, as well as recommendations to address them. These recommendations included developing of management plans to promote sustainable practices, creation of policies and procedures on legality, environmental management and protection of human rights and the rights of its workers. In addition, given that a large portion of SRJ's suppliers were independent farmers, agents and intermediaries, we saw the opportunity in using our engagement with SRJ, to further steer these farmers and intermediaries towards the same sustainable path.

GAR and TFT provided support in helping SRJ create an action plan which was issued on 16 May 2016. Three months later, we met again with SRJ's management to observe their progress and were encouraged by what they had accomplished. SRJ had an environmental and social company policy consistent with GSEP, developed procedures related to traceability to the plantation, incorporated traceability in its procurement contracts with suppliers, and started working with intermediaries to document the locations of its smallholder farmers.

In recognition of SRJ's progress, GAR provided further support to SRJ in 2017 through a Collaboration For Transformation (CFT) programme, which provides intensive workshops to suppliers on how to go about reshaping their practices to become more sustainable. A total of four CFT sessions were conducted for SRJ's entire company, from top management to on-the-ground workers, covering topics such as traceability, labour, waste management and environment, to ensure everyone understood the importance of making their business sustainable and how to implement it.

GAR's Deep Engagement Process



Chronology of deep engagement process with PT SRJ

26 Aug 2015: Meeting with SRJ owner to introduce GAR policy and programme on supplier engagement

9-13 Nov 2015: Site visit to SRJ and its suppliers

16 May 2016: Time-bound action plan created by SRJ

4 Aug 2016: Progress review of action plan

Apr-Dec 2017: CFT I, II, III, IV intensive workshops with SRJ

Outcome

GAR has successfully supported SRJ in strengthening their sustainability practices according to the GSEP.

Today, they have properly documented procedures that ensure legal compliance within its operations, and policies on environmental impacts, protection of human and workers' rights, and traceable products.

They have also established traceability to plantation in their procurement system which will help them improve the sustainable practices of smallholder farmers that supply their mill. "GAR has helped our company to create a traceability system that is helpful in allowing us to engage our suppliers to improve production, quality and sustainability of the fresh fruit bunches they supply to us," said Edy Susanto, General Manager, PT SRJ.

SRJ has come a long way and are in the midst of applying for [Indonesian palm oil certification](#) (ISPO), further reinforcing their strong commitment to sustainability.



Collecting traceability to plantation data with SRJ smallholders.



GAR trainers and SRJ participants during the CFT training.



SRJ briefing employees about its Operational Health and Safety policy.