

Progress update

1. BSR is completing a detailed analysis of the findings of the PT Milano and PT Daya Labuhan Indah (DLI) assessment, which will be disclosed in an in-depth report to Wilmar on March 1, 2017 and discussed further with Wilmar management.
2. BSR completed in-depth workforce and management interviews at PT Mustika Sembuluh (Plantation & Mill) in January 2017.
 - Similar to the assessment at PT Milano and PT DLI, interviews were conducted mostly in the form of focus group discussions, with a focus on 1) management systems, 2) working conditions and terms of employment, 3) non-discrimination, 4) freedom of association, 5) grievance mechanisms, 6) workforce protection, 7) living conditions.
 - Interviews with non-management workers were conducted without the presence of management personnel. A total of 56 non-management workers were interviewed, which included permanent and contract workers across various positions, and bipartite organization representatives.
 - Discussions were held with PT Mustika Sembuluh management to obtain an understanding of the existing management system and policies, and then subsequently to discuss preliminary findings.

Preliminary findings – PT Mustika Sembuluh

1. PT Mustika Sembuluh has a set of good policies and practices in place, which include the provision of good, free education with provisions in place to extend this to senior high school and the establishment of a bipartite organization, among others.
2. Key areas requiring further discussion include:
 - Perceived difficulties among workers on their ability to earn sufficient income during low crop season, which leads to worker dependence on peak season earnings, creating risk of potential excessive working hours and/or resulting in the use of ‘invisible labor’.
 - The need for increased/ strengthened communication and training for workers on policies, including wage structure and calculations & grievance mechanisms.
 - The need for an evaluation and strengthening of the current PPE provision policy, including the quality/ adequacy of PPE provided to workers.
 - The usage of employees’ personal resources to carry out work-related tasks.

Next steps

1. In-depth analysis of PT Mustika Sembuluh assessment findings.
2. Discussions with Wilmar on risks and opportunities observed at PT Milano, PT Daya Labuan Indah and PT Mustika Sembuluh, and associated recommendations.
3. Development and dissemination of a public report.