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Palm Oil Innovation Group (POIG) Pushes for Stronger Labour Rights Assessments and Auditing Procedures at RSPO Annual Meeting

Paper commissioned by WWF examines factors reducing effectiveness of certification schemes, makes suggestions for improvements, while POIG member Musim Mas issues industry's first comprehensive labour assessment

Bali, Indonesia - The last four years of annual meetings of the Roundtable on Sustainable Palm Oil (RSPO) have included escalating recognition of the urgent need to address systemic labour violations facing the palm oil sector's millions of workers. At this year's meeting, underway in Bali, the [Palm Oil Innovation Group](#) (POIG) offers the most broadly endorsed proposals yet for improving the effectiveness of existing certification systems. At the same time, POIG member and major palm oil producer Musim Mas has set a new bar for its peers with the [publication](#) of the Indonesian palm oil industry's first comprehensive, independent labour compliance assessment.

"POIG members are leading the way in identifying and demonstrating the innovations needed to strengthen assurance systems for the palm oil industry," said Robin Averbeck, Agribusiness Campaign Director with Rainforest Action Network. "Legitimate assessments of labour conditions are critically needed and Musim Mas' recent assessment and corrective action plan now sets a new standard of best practice for the sector."

The new WWF-commissioned study [Innovating Assurance](#) presents a set of recommendations for the RSPO to adopt to improve the quality of assurance systems used to independently verify member's compliance with its standard. Key innovations include the setup of an escrow fund, increased transparency and limits of successive audits by the same auditors and certifying bodies.



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“The Palm Oil Innovation Group has shown that you can improve assurance systems through innovation. The WWF commissioned paper recommends that the RSPO strengthen its systems, including through the establishment of an escrow fund to increase the objectivity and integrity of audits, and delinking the financial dependency of certification bodies from their clients, and trialing unannounced audits.” Matthias Diemer spokesperson for WWF and co-chair of the Palm Oil Innovation Group.

The paper [Innovating Assurance](#) recommends the following measures:

- Tightening the standard
- Increasing the transparency of individual audit reports
- Limiting the number of successive audits by the same lead auditors and certification bodies
- Utilising risk-based approaches as part of the audit process
- Improving the complaints systems associated with the standards
- Better training of auditors
- Removing the direct link between certification bodies and their customers
- Separating monitoring of member progress from auditing

The Palm Oil Innovation Group (POIG) endorses these suggestions, and has already taken a number of them on board in order to improve verification of member progress against the POIG Charter, when it was considered feasible to do so. They are reflected in the revisions of the [POIG Charter Verification Indicators](#) used to verify compliance by its grower members Agropalma, DAABON and Musim Mas and POIG’s Auditing Guidelines currently being finalised.

Verité carried out the Musim Mas assessment in three mills and eight estates in Central Kalimantan and Riau, Indonesia. The assessment aimed to identify risks of non-conformance to POIG’s Charter, RSPO Principles and Criteria, Verité Best Practice Standards and other international norms on worker protection and Occupational Health and Safety. They also targeted to determine the areas of innovation required.

“As the first major Southeast Asian palm oil producer to join POIG, Musim Mas opened its doors to a comprehensive labour assessment as part of its commitment to improving the welfare of its workforce – the very people on whom its business bottom line depends on. Hopefully, this will set a precedence for the wider industry to greater introspection on labour conditions, and enact changes essential for the de-linking of labour issues from the palm oil industry, and work towards verified and responsible production.” said Petra Meekers, Director for CSR and Sustainable Development with Musim Mas.



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The field assessments were conducted over nine days and involved in-depth interviews with 123 non-management workers without the presence of management personnel. The auditors also carried out a documentary review of personnel files, pay records and time records and site inspections, as well as interviews with management representatives, unions and smallholder cooperative. The audit and findings in the mill and estates are categorised into three broad categories, namely, labour and human rights, compensation and hours, as well as health and safety.

In the one-year period since the assessment leading up to the publication of the report today, the Group has reviewed the gaps in the highlighted areas and worked to address highlighted issues, enabling case closure in most aspects. Musim Mas is still working on other matters requiring lengthier consideration in addition to finalizing the full independent verification of its operations against the POIG Charter.

The Palm Oil Innovation Group has submitted its [POIG Charter](#) to the RSPO's P&C Review Task Force leading the current review of its certification standard in the hope that its additional requirements to achieve No Deforestation, No Peatland and No Exploitation will be incorporated into the revised standard for all members in November 2018. The group also continues to develop innovations that aim to overcome other challenges facing the palm oil sector. One major concern is the drainage-based use of huge tracks of peatland by the palm oil sector. Cultivation of oil palm on peat is not viable in the long term as it leads to huge greenhouse gas emissions, elevates fire-threat, subsidence and ultimately, flooding and loss of productivity. POIG has established a working group that aims to share results from sustainable peatland management pilots amongst growers and landscape-based approaches for peatland rewetting and fire prevention. It is hoped that dialogue, involving all stakeholders in the landscape and downstream industries, will enable development of realistic solutions, including opportunities in Indonesia to support just transitions to wet agriculture or 'paludiculture' on rewetted peatlands.

POIG's members in Brazil and Columbia continue to set benchmarks for responsible palm oil in Latin America. In Brazil, Agropalma is investing in education and in an apprenticeship program that also aims to promote gender equity. In Colombia DAABON is focusing on pilots to diversify income for palm oil producers and programmes to support peace in schools and amongst families.



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About Palm Oil Innovation Group (POIG)

The Palm Oil Innovation Group (POIG) is a multi-stakeholder initiative that strives to achieve the adoption of responsible palm oil production practices by key players in the supply chain through developing and sharing a credible and verifiable benchmark that builds upon the Roundtable on Sustainable Palm Oil (RSPO), and creating and promoting innovations. Founded in 2013, the initiative was developed in partnership with leading NGOs as well as with progressive palm oil producers.

To learn more about POIG, visit www.poig.org