



# EMPTY ASSURANCES

Three case studies reveal serious human rights abuses at industry certified palm oil plantations, including labor trafficking and child labor

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## SAWIT WATCH

Sawit Watch is an Indonesian advocacy NGO based in Bogor. The organization focuses on the impact of the palm oil industry and its expansion on local communities, workers and the environment.

## INTERNATIONAL LABOR RIGHTS FORUM (ILRF)

The International Labor Rights Forum (ILRF) is a human rights advocacy organization dedicated to achieving just and humane conditions for workers worldwide, founded in 1986 and based in Washington D.C. ILRF works with trade unions and community-based labor rights advocates to expose violations of workers' rights, including child and forced labor, discrimination, and violations of workers' rights to organize and bargain collectively. Our field research helps to build and promote worker-driven organizations and solutions. We develop, propose, test, and assess government and corporate policies to ensure that global trade, procurement, and development practices support workers' rights. Through raising public awareness about working conditions in global low-wage industries -- especially in the garment and agriculture industries -- we educate consumers to push companies and governments for change.





RSPO Labor Case Studies

# Executive Summary

In July 2013, Bloomberg released an investigative report exposing the existence of child and forced labor in the supply chains of major international brands such as Pepsi and Kraft. Palm oil is a commodity most of us know little about, yet is virtually ubiquitous in our daily consumption. It is a key ingredient of a host of store staples like cosmetics, soaps and snack foods.

Palm Oil is harvested on plantations mostly in Indonesia and Malaysia by workers who remain hidden from the public eye. Many of them are children who work in unsafe conditions for far below the minimum wage. Others have been deceived by labor brokers into being caught in debt-bondage like situations, and are trapped in remote areas with no ability to pay for a passage home.

The palm oil industry-- led by household brand names such as Unilever, Kraft, IKEA and McDonalds-- has known that these human rights violations have "tainted" its products for years. Rather than taking a human rights approach and shedding light on the abuses, however, the industry has sought to address these problems through a confidential, 75% industry-governed voluntary certification system: The Roundtable on Sustainable Palm Oil (RSPO). The RSPO stamp of approval is meant to assure consumers that plantations are free of conflict palm oil.

Unfortunately, we found flagrant disregard for human rights at some of the very plantations the RSPO certifies as "sustainable." The situation, indeed, extends beyond that which Bloomberg journalists uncovered. Not only does serious exploitation exist in palm oil supply chains: the industry's ethical

certification has proven to be no guarantee against abuse.

**Together with our partner Sawit Watch, we analyzed on-the-ground realities at three RSPO certified palm oil plantations in Indonesia. Our investigations included site visits and worker interviews. We found serious human rights abuses at each of the three plantations. They include labor trafficking, child labor, unprotected work with hazardous chemicals, and long-term abuse of temporary contracts.**

All of these violations are breaches not only of basic international labor norms, but also of the RSPO standard itself. Regardless of the industry's intentions—whether well-meaning or deceptive-- it is clear that the existing system is failing to protect workers.



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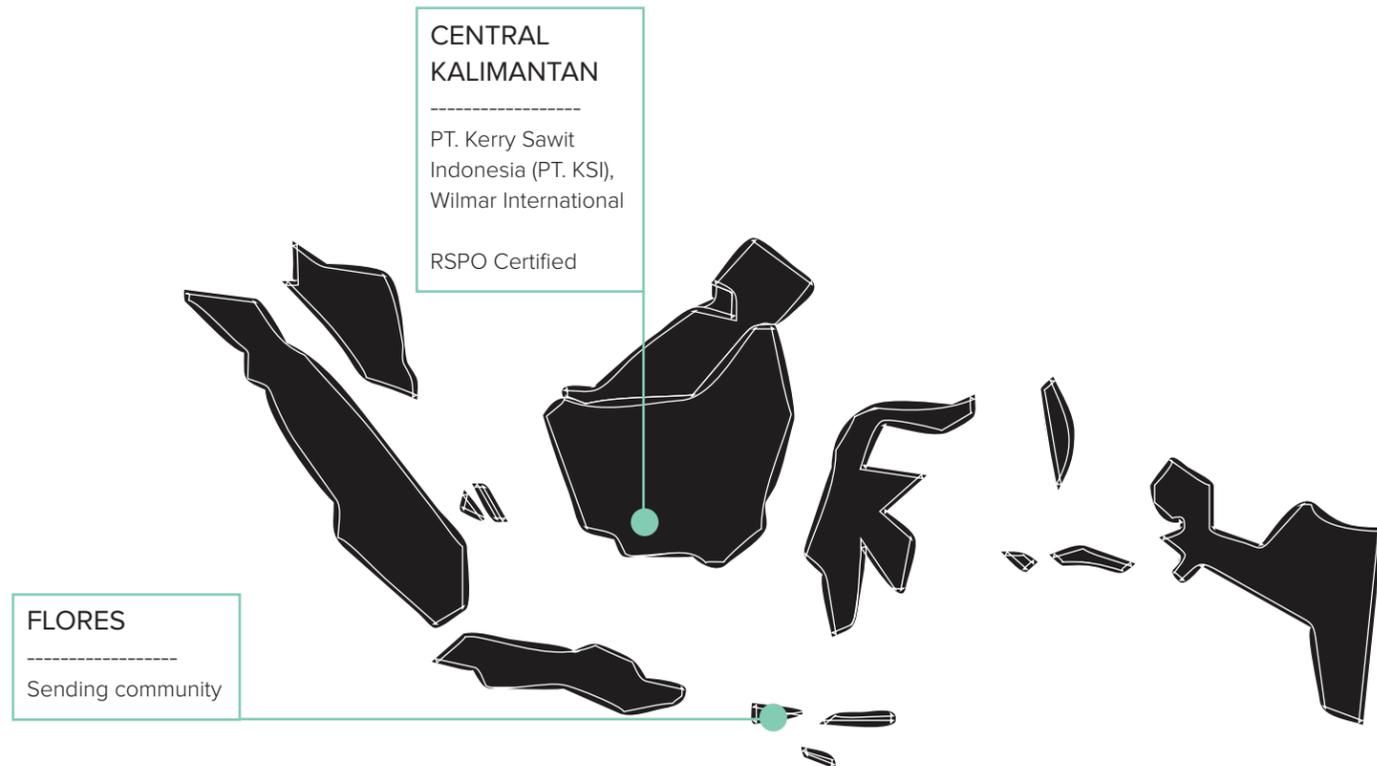
Case Study 1:

# PT Kerry Sawit Indonesia

## Labor Trafficking and False Promises

### ABOUT THE INVESTIGATION

In November 2012, our local field researchers conducted an investigation of the RSPO certified KSI Plantation in remote Central Kalimantan. The assessment primarily consisted of interviews with five workers.



**“THE RECRUITER SAID THAT THE COMPANY WOULD PROVIDE ME WITH EVERYTHING I NEEDED.”**

### LABOR TRAFFICKING: TOMO’S STORY

Workers were hesitant to talk to the researchers, but after some trust was built, one man in particular opened up as a group of four others nodded in assent. This 32 year old man was trafficked from Flores with 50 others by a labor recruiter under false promises, and forced by necessity into a debt-bondage-like situation. His story follows.

### ATTRACTIVE PROMISES

“I was recruited to move from my hometown in Flores to work at this plantation. I have been here now for over a year.

I found out about the job through my uncle Piet Jogo, who is from my village and is now an officer at STPI [the state-run union]. At the time—in July 2011—he was recruiting employees for the plantation. He came to me and told me that a palm oil company was searching for workers.

Back then, I worked for a coconut plantation in my village and made enough money to meet my basic needs. The recruiter said that if I moved to work for the palm plantation, the company would provide me with everything I needed— even housing, water and electricity. He told me that on top of this I would be paid a monthly salary of 2 million Rupiah [\$173 USD/month],<sup>2</sup> or even 3 million [\$260 USD/month] if I worked hard. I would be placed either as a fresh fruit bunch harvester or a plantation maintenance worker. He promised that the company would employ my wife as well.

I was very interested in the job from Piet Jogo’s description. Based on what he laid out, I decided to move to Kalimantan with my wife, my three children, and my brother. However, my life here is completely different from what he promised.

### THE JOURNEY

We only brought 600,000 Rupiah [\$52 USD] from home, since we had been promised that all of our needs would be taken care of by the company. We took a bus for half an hour to Nangaroro, the sub-district capital. Then, we went to Ende by bus for an hour and a half to get to the port.

In total, Piet Jogo recruited 50 of us at once from Flores. We all were on the same ship, which traveled for several days from Ende to Surabaya. From there, we took a ship again to get to Kumai, Pangkalanbuun: another two-night journey.

Piet Jogo provided the shipping ticket, but I had to pay all other transportation costs—including meals for my three children-- despite what he promised. By the time we got to the plantation, we had already been forced to use part of our small 600,000 Rupiah savings.

Once we arrived at Kumai, Pangkalan Bun, we were fetched by a company bus for a final six or seven hour ride. At this point we were divided into two groups: 30 of us were placed at PT SKI and the other 20 were assigned at PT STP.

## “ALL THAT PIET JOGO PROMISED CAME TO NOTHING.”

### NECESSARY DEBT

All that Piet Jogo promised came to nothing. We had to survive on our own after we got here. The company provided meals for 3 days, and after that we were left to pay for our own food. Our salary during our three month training was only 200,000 Rupiah (\$17 USD), rather than the 2-3 million (\$173 - \$260 USD) promised. We tried to be as efficient with this money as possible, but it was not enough. We needed to feed ourselves. So we decided to get in debt to the plantation store.

### TEMPORARY EMPLOYMENT STATUS

Once our training ended, we were informed by an administrative assistant that we were to be employed as Permanent Day Laborers. The assistant made the announcement orally, and said that with this status we might get pension insurance.

We never received any employment contract or letter from the company. Since the first day of my employment here, I have not known how much my fixed monthly salary is, or what my benefits are.

### ONGOING CONDITIONS

We work extremely hard to harvest the fresh fruit bunches. What we do is not equal to what we receive. I receive 1-2 million Rupiah (\$87 - \$173 USD) a month. My earnings are not always enough to cover even our daily needs. Everything here is very expensive.<sup>3</sup>

The company did not employ my wife, but fortunately

three months ago she finally found work at PT STP, another palm oil plantation. I am very grateful for this, since often my salary is only enough to pay our monthly debt payment. We owe 1 million Rupiah (\$87 USD) a month to the plantation store.

### TRAPPED AWAY FROM HOME

My life was much better in my home village than here. There was no one forcing me to work so extremely hard, and no burden to pay debts. I want to take my family home, but we are trapped here unless I can earn enough money.

Out of the 30 people who were recruited with me, only six are still here at this plantation. The other 24 have escaped and found work at other palm oil plantations in Hamparan and East Kalimantan. Several of them are working at PT TAS. None that I know of have managed to make their way home. I have heard that their new workplaces are better but a bit hotter. After my experience I personally think that work at any plantation would make a person feel dumbed down, as I have felt since my arrival.

### RECRUITER PROFITS

Piet Jogo went home right after we all arrived at the plantation. He never showed up afterwards, or asked about our conditions. On the other hand, I know that he received 50,000 Rupiah (\$4.33 USD) from the company for every worker he successfully sent to the plantation. I hate him for what he did to us. He is an irresponsible person. Whenever I meet him in the plantation, I never talk to him.”

## “I WANT TO TAKE MY FAMILY HOME. BUT WE ARE TRAPPED HERE UNLESS I CAN EARN ENOUGH MONEY.”

<sup>1</sup> All worker names in this report have been changed to protect identities. The labor recruiter's name has not been changed.

<sup>2</sup> All monetary conversions are based on November 14, 2013 exchange rate.

<sup>3</sup> For example, a cup of ramen noodles costs IDR 3,500 at the plantation store if purchased up-front, and if purchased through debt, it costs IDR 4,500 (the worker is charged a one-time fee of IDR 1,000, but no additional interest over time). The same product would cost significantly less in Flores: approximately IDR 2,500.



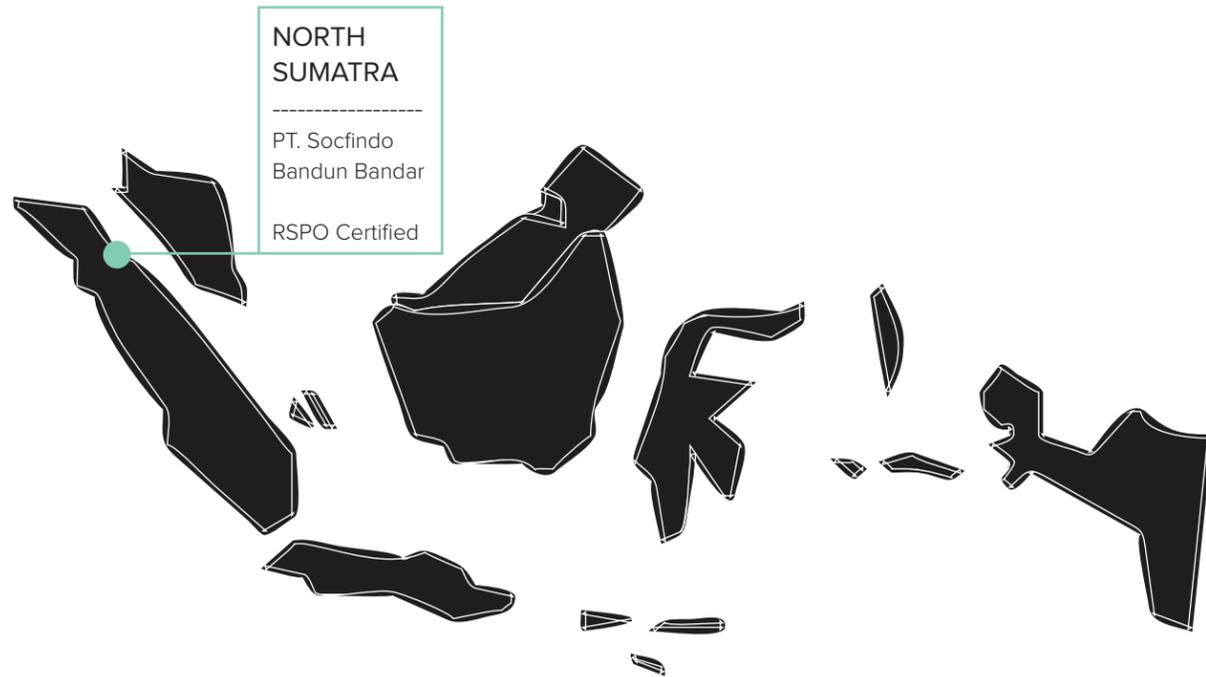
Case Study 2:

# PT Socfindo Bangun Bandar

## Unattainable Quotas and Child Labor

### ABOUT THE INVESTIGATION

In November 2012, and then again in September 2013, we conducted site investigations of the RSPO certified plantation PT Socfindo Bangun Bandar. Our assessments primarily consisted of interviews with 15 workers (including two under-aged workers) in the first round and one working family in the second round.



### FOCUS ISSUE: CHILD LABOR

Child labor on palm oil plantations is primarily driven by low wages for adult workers and the need to meet assigned target quotas. Children are generally not employed directly by plantations. In this manner, palm plantations directly benefit from child labor (through higher yields per worker) without bearing direct legal responsibility for the presence of working children. This is exactly the situation we discovered at PT Socfindo Bangun Bandar.

According to Indonesia’s National Action Plan for the Elimination of the Worst Forms of Child Labor, child labor on large agricultural plantations is considered a worst form of child labor, since it can involve exposure to pesticides, extreme weather, long hours, and carrying heavy loads. Indonesia has been on the Department of Labor’s “List of Goods Made with Child Labor or Forced Labor” since 2010 for the presence of child labor on palm oil plantations.

This isn’t the first time PT Socfindo’s plantations have been in the spotlight for relying on child labor: In 2007, the an ILO survey found that PT Socfindo’s plantations had the highest number of child laborers among the private estates surveyed.<sup>1</sup>

The following are excerpts from our interview with a family that works at PT Socfindo Bangun Bandar: one of a number we spoke to that faces this particular situation.

**“I OFTEN BRING MY CHILDREN TO WORK... I NEED MONEY, SO I HAVE NO CHOICE.”**

### FATULUSI’S STORY

“I often bring my children to work, despite the fact that the regulations prohibit it. I need money, so I have no choice. I bring them to help me fulfill the quota target; if I don’t fulfill it I’ll be scolded. And working together we can often exceed the target and get a bonus payment.

The company does not want to know anything about the children’s pay: their pay comes from their parent’s pay.

Sometimes I bring my wife to help as well. Part of the reason is that managing the harvesting pole alone is very hard, and I get cuts on my hands. When I first started harvesting work, I thought I couldn’t do it. Imagine the tree being 12 meters tall: just holding the pole was difficult! I remember the first day I tried to use one to pick fruit bunches. They just wouldn’t fall; it gave me such headache. That day I worked from 7 in the morning to 2 in the afternoon, and only succeeded in harvesting five bunches.

It’s hard these days. My salary was recently raised to 1.4 million Rupiah (\$121 USD) a month, and it’s still not enough. I have to pay for my children’s education, groceries, and for gasoline to go to work. How can I manage to have any savings with this salary? I don’t even have anything saved for my children’s education. Is this living sufficient? Sometimes I feel like giving up.”

## “IN ORDER TO MAKE ENDS MEET, WE NEED THE HARVEST BONUSES.”

### YATI'S STORY (FATULUSI'S WIFE):

“My husband is paid 300,000 Rupiah (\$26 USD) for the first two weeks of the month, and the remainder at the end of the month. How can we stretch this money for half a month? It must pay for everything, from groceries, to gasoline, to school books to transportation. In order to make ends meet, we need the harvest bonuses. And if anyone needs a motorcycle taxi, we drive them to supplement our income.

Look at my house: we have no furniture here. It is as empty as a football field, and my children could play ball in the house. Whenever we have guests, we roll out the mat because we have no chairs.

Sometimes I just want to cry when I see my husband's salary, because it is not enough. It makes my head ache, and I don't know how much I can take. I am ashamed to complain about this to our neighbors. I just pray to God: He has plans.”

## “SOMETIMES I JUST WANT TO CRY WHEN I SEE MY HUSBAND'S SALARY, BECAUSE IT IS NOT ENOUGH.”

### BROADER INVESTIGATION: KEY FINDINGS

Our investigation uncovered the following key labor rights violations, which are breaches not only of basic international labor norms, but also of the RSPO standard itself:

RSPO CRITERIA	NON-COMPLIANCE	SUMMARY NOTES
<b>CHILD LABOR</b> RSPO Criterion 6.7	<b>x</b>	Workers bring their children to work to help fulfill the unattainable quotas they are required to meet. Most helpers are teenagers; some workers bring elementary-school aged children to work on school holidays.
<b>WAGES</b> RSPO Criterion 6.5	<b>x</b>	Plantation pays casual laborers only IDR 15,000 per diem to fulfill core plantation work like spraying pesticides and fertilizing. Permanent employees face wage deduction penalties for failure to fulfill quotas and other tasks. Workers are required to purchase their own equipment, including boots, gloves, and goggles.
<b>HEALTH AND SAFETY</b> RSPO Criterion 4.6, Criterion 4.7	<b>x</b>	Workers, including pesticide sprayers, are not provided adequate safety equipment.
<b>REPRODUCTIVE RIGHTS</b> RSPO Criterion 6.9	<b>x</b>	Casual laborers are not provided maternity leave.

<sup>1</sup> ILO IPEC Baseline Survey on Child Labor on Plantations in North Sumatra Province, 2007



Case Study 3:

# PT London Sumatra Rambung Sialang

## Casual Labor Abuse, Health and Safety Dangers

### ABOUT THE INVESTIGATION

In November 2012, and then again in September 2013, we conducted site investigations of the RSPO certified plantation PT London Sumatra Rambung Sialang. Our assessments primarily consisted of interviews with six workers in the first round, and one extended worker in the second round.



“I HAVE WORKED AT PT LRS FOR OVER 12 YEARS AS A CASUAL DAY LABORER.”

### FOCUS ISSUE: CASUAL LABOR

In an effort to keep labor costs low, palm growers on plantations across Indonesia hire many workers on a daily basis as needed, creating a large class of casual laborers who do not enjoy the security and benefits received by permanent employees. Casual workers are considered unskilled labor whose jobs can change daily and often include spraying pesticides, weeding, gathering loose palm fruits, and even harvesting. These workers (who have a higher percentage of women than permanent employees) have no job security, earn as little as half the pay of regular workers, and have to pay for their own safety equipment. On some plantations, casual laborers are actually the majority of the workforce.

We found that PT London Sumatra Rambung Sialang relies on casual laborers to fulfill core plantation work like spraying pesticides and fertilizing. Workers like Sutantri, whose story follows below, have been working at the plantation for years as “casual laborers” without the opportunity to become regular employees.

### SUTANTRI’S STORY: OVER 12 YEARS AS A CASUAL LABORER

“I was born in this village, and have worked at PT LRS for over 12 years as a casual day laborer. I work as a pesticide sprayer, and worked in the past as a fertilizer. My casual status means that my monthly workload is unstable: If the plantation needs me, I am called to work; otherwise, I do not work. Sometimes

### DAILY PAY & EQUIPMENT COSTS

Sutantri is paid IDR 56,000 (\$4.85 USD) for days she works, provided she meets quotas. She receives no other benefits or bonuses. Sutantri is paid in part twice a month: the company withholds a portion of her pay each month until the following month, which she notes is particularly difficult.

Sutantri is responsible for covering the following work-related costs, further depressing her already low wages:

**Motorcycle:** Paid by installment. (Workers use their own motorcycles to transport the diluted herbicide from the office to the plantation.)

**Gasoline:** IDR 15,000/day (\$1.30 USD)

**Sprayer Batteries:** IDR 10,000 ea. (\$0.87)

**Rubber Boots:** IDR 80,000- 95,000/ 6 months (\$7 or \$8 USD)

## “THE [PESTICIDE] SPRAYING VALVES FREQUENTLY LEAK, CAUSING BLISTERS AND INJURIES TO OUR BODIES.”

we work up to 20 days in a month, sometimes only 10 days, and even at times only one day. It all depends on what the plantation asks for.

All of us casual laborers want to become permaneng employees. It is better than being miserable as we are. Employees have better conditions. They get sick days and maternity leave. We must work even through pregnancy. They get pensions once they can no longer work. The company avoids any obligation to the casual laborers, on the other hand, when we are no longer strong and able to work.

### HEALTH AND SAFETY DANGERS

I work as an herbicide sprayer. The spraying valves frequently leak, causing blisters and injuries to our bodies. But to the company these are not considered work-related injuries, and they will not give us medical attention.

The problem with spraying work is that it is often windy, and the vapor can get to our faces and eyes. We try to avoid this by spraying against the wind, but it is not always possible.

The strictest time is during audits: all safety equipment must be worn. Other than that, we rarely use it. The plantation provides us with goggles, but they are no good because we can't see the way when we wear them. In plantations like this, the roads have holes. The goggles fog up when we sweat. Gloves are also provided, but they are made of yellow rubber, and get hot and wet when our hands sweat during work.

The face masks are the same: they become stuffy and hot. So instead we bring cloth to cover our mouths, and wear scarves on our heads.

Harvesters have many work accidents—for example they're hit by falling branches or fruit. But the helmets are itchy, and if we wear them for too long they become heavy and our heads hurt.

### WORKERS HAVE LITTLE OTHER OPTION

Even with these conditions, many people want to work as casual laborers. They would do anything to get work. Sometimes only a few workers are needed, so people buy the foreman food and cigarettes, since they give jobs first to workers who are close to them. The meaner foremen make workers buy them things frequently by threatening them with no work.

We workers never seem to get anything right; we are wrong all the time. When we walk fast when we spray, they say the weeds won't be killed that way; when we walk slower they say we are applying too much herbicide. Sometimes we are blamed if there are any remaining weeds. We will always be blamed. The spraying workers are always wrong in many ways. And yet all of our energy is drained. And if we ever protest to the foremen, they retort: 'You dare to protest when you are still a casual laborer? What would you do once you were hired permanently?'

Conditions are terrible for casual laborers.”

## “CONDITIONS ARE TERRIBLE FOR CASUAL LABORERS.”

### BROADER INVESTIGATION: KEY FINDINGS

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RSPO CRITERIA	NON-COMPLIANCE	SUMMARY NOTES
<b>CHILD LABOR</b> RSPO Criterion 6.7	x	Workers bring their children to work to help fulfill the unattainable quotas they are required to meet. Most helpers are teenagers.
<b>WAGES</b> RSPO Criterion 6.5	x	Plantation relies on casual laborers to fulfill core plantation work, paying the following per diem wages: harvesters: IDR 25,000 plus IDR 750/ fruit bunch, and pesticide sprayers: IDR 56,000 per diem. Permanent employees face wage deduction penalties for failure to fulfill quotas and other tasks. Workers are required to purchase their own equipment, including motorcycles, gasoline, pesticide sprayer batteries, boots, harvesting poles, axes, and sickles.
<b>HEALTH AND SAFETY</b> RSPO Criterion 4.6, Criterion 4.7	x	Workers, including pesticide sprayers, are not provided adequate safety equipment.
<b>REPRODUCTIVE RIGHTS</b> RSPO Criterion 6.9	x	Casual laborers are not provided maternity leave.