



PT PERKEBUNAN MILANO

# NOTULENSI MEETING

Day : Monday  
Date : 09 January 2017  
Time : 14.30  
Place : *Mess Kebun Sei Daun*  
Topic :

Meeting with Labor Unions regarding Amnesty International report on *PT. Perkebunan Milano* and *PT. Daya Labuhan Indah (DLI)*.

## Agenda:

1. Discussion of Amnesty International Report on child labor and violation of the workers' rights.
2. Discussion/clarification from labor unions on Amnesty International report of PT. Milano and PT. DLI
3. Feedbacks and suggestions from the labor unions and management

The meeting was held at *Mess Kebun Sei Daun*, and attended by representatives of the unions, employees and Heads of *PT. Perkebunan Milano SDE, BSE, MBE, CDE, PKS MPA* and *PT. Daya Labuhan Indah (DLI) KWS, KSD, PKS DLI 2*. The meeting was opened by Mr. Low Kim Seng (LKS), in his speech, he thanked the participants. The meeting discussed International Amnesty allegations against *Wilmar International Ltd.* particularly against *PT. Perkebunan Milano* and *PT. Daya Labuhan Indah* on employment issues in its oil palm plantations business and industry-.

The discussion began with the airing of Amnesty International video footage that have been uploaded and posted to social media. The footage captured alleged points regarding employment issues in *PT. Perkebunan Milano* and *PT. Daya Labuhan Indah*, such as:

1. Child Labour (employing minors)
2. Forced Labor (targets are set too high)
3. Wages / salaries are paid below the minimum wage
4. Working hours and overtime (harvesters work more than 40 hours in a week) and on their days off workers still have to work and paid 40,000 / ton, they are paid for the weight of the FFB and not paid for overtime.

5. Violations on the right to healthy and safety working conditions (Not all workers have access to medical checks, as it is only limited to some workers).
6. Gender Discrimination (companies employ women as daily paid workers and never promoted them to be permanent workers despite they have been working for a long period of time)

After the video footage from Amnesty International aired, Mr. Hadia Mufti (a representative from *PT. Perkebunan Milano* and *PT. Daya Labuhan Indah*) asked the employees and labors' representatives whether what was shown in the footage does happen in *PT. Perkebunan Milano* and *PT. Daya Labuhan Indah* plantations, as the purpose of the meeting is to clarify and to discuss about the allegations. Further, *Mr. Hadia Mufti, Michael Tiwon, Low Kim Seng, Khairul Anuar and Ristiano Adjie* invited representatives of the unions and employees to present their views and responses regarding the video footage

#### **Responses from labors union:**

Mr. Heri (Head of SERBUNDO) from PT. DLI KWS

Before responding about the video footage, Heri thanked *Mr. Low Kim Seng (LKS), Michael Tiwon, Hadia Mufti, Khairul Anuar, Ristiano Adjie*, all staffs and participants of the meeting. He expected the meeting to be able to strengthen the relationship between the company and its labours. Upon the video footage, Heri, as the representative of PT. DLI responded:

- a. There is no child/underage labor
- b. There is no forced labor, targets are based on calibration; and for workers who could not meet the target/base, their salaries are not cut.
- c. Working hours complies with the government regulation: 7 hours.
- d. Workers dealing with chemicals undergo health checks every 6 month.
- e. Facilities: housing, place of worship, school buses, water and electricity are available in good and decent conditions

Employees, through the labors union, are ready to support and to help in answering/clarifying the allegations of Amnesty International against WILMAR particularly *PT.Perkebunan Milano* and *PT.Daya Labuhan Indah*).

Mr. Tambunan (Secretary of SERBUNDO) PT. DLI KWS

Responding the allegations of human rights violations in *PT.Perkebunan Milano* and *PT.Daya Labuhan Indah*, Tambunan objected the allegation and said that it does not

happen at PT Daya Labuhan Indah. He said further:

- a. Working hours complies with the government regulations
- b. There is no child labor.
- c. No forced labor, there is no problem with the target and base.
- d. Workers dealing with chemicals undergo health checks every 6 month.
- e. Facilities: housing, place of worship, school buses, water and electricity are getting better and more decent.

Mr. Poltak Sirait (Head of SERBUNDO) PT. Perkebunan Milano SDE

According to Poltak, the video footage or the allegations of Amnesty International to PT. Perkebunan Milano and PT. Daya Labuhan Indah were not entirely true because the union was always involved as a partner in managing palm oil plantation business – where they work to provide for their family. And the allegations of labour rights violations in PT. Perkebunan Milano Kebun Sei Daun does not exist as issued or conveyed by Amnesty International.

- a. There is no minor/underage workers (workers are even prohibited to bring child/family members to the plantation)).
- b. No forced labors, target/base are based on calibration, and workers who could not meet the target, their salaries are not cut.
- c. Wages are paid in accordance with the government regulation based on *UMSK*, and paid via ATM (none of which are paid below the minimum wage).
- d. On working hours, employees work in accordance with the government regulation: 7 hours (today *SDE* is already using fingerprint system)
- e. On health, Medical checkup is provided for workers dealing with chemicals every 6 month.
- f. Facilities: housing, place of worship, school buses, water and electricity are provided and are in good and decent condition.

Mr. Sodikin (Secretary of SERBUNDO) PT.Perkebunan Milano SDE

Sodikin responded and stated that there are no minor workers at PT. Perkebunan Milano Kebun Sei Daun and that the workers are prohibited to bring children / family members to the plantation. For workers dealing with chemicals, medical checkup service is provided every 6 months. Each worker is given *APD* for free based on their needs. And for harvesters, working tools are provided by the company based on needs.

Mr. Makmur harahap (Secretary of SERBUNDO) PT.Perkebunan Milano MBE

Makmur responded and stated that there are no minor workers at PT. Perkebunan Milano Kebun Marbau, and the workers are prohibited to bring children / family members to the plantation. For pregnant and lactating women workers, they are not allowed to work with chemicals, such as spraying and manuring. For workers dealing with chemicals, medical checkup service is provided every 6 months.

Mr. Yusrizal (Head of SPSI Labors Union) PT. Perkebunan Milano CDE

Yusrizal responded and stated that there are no violations of human rights at PT. Perkebunan Milano Kebun Cabang Dua as what Amnesty International stated, for example, there are no minor workers at the plantation.

Facilities: each worker is given APD for free based on their needs. APD is sealed, and by regulation, if the seal is broken it will be replaced with the new one. Housing, water, electricity are provided and are getting better and decent.

Mr. Masiran (Head of KPP) PT.Perkebunan Milano PKS MPA

As a representatives of PT.Perkebunan Milano PKS MPA, responded and stated that :

- a. There are no minor workers
- b. There is no forced labor
- c. On working hours, employees work in accordance with the government regulation: 7 hours.
- d. Workers who are working on holiday (Sunday) are paid in accordance with the regulation
- e. Health: medical checks are provided based on the needs of the workers. For example, workers working in machinery will have their hearings checked, and workers working with chemicals will have their health checked.
- f. APD is given for free based on the needs.
- g. Facilities : housing, places of worship, water, electricity, are provided. School bus is still rented.

Mr. Riadi (Head of SPSI) PT. Perkebunan Milano BSE

Responded that there are no labour rights (human rights) violations at PT.Perkebunan Milano Kebun Batang Sappinggol as accused by Amnesty International. There are no minor workers, forced labor, and below minimum wages.

Facilities: Housing, places of worship, sports facilities, water, electricity, and school bus are provided and are in good and decent condition.

Beside giving similar response, the representatives of employees from each unit were also giving few complaints or requests as follows:

Mr. Heri (Head of SERBUNDO) from PT.DLI KWS

- For harvesters who could not perform their duties and responsibilities, the foreman will give the sanctions to them. There are discrimination against the workers.

( this case is in PT.DLI KSD )

Mr. Tambunan (Secretary of SERBUNDO) PT.DLI KWS

- *Gerdang* (helping to pick *brondolan*)  
Workers are not allowed or prohibited from involving *gerdang* to help them harvest the fruit, in fact, *gerdang* will help workers in increasing their revenue, especially *premi lebih basis*. They hope that the management will be able to formulate a regulation to give permission to adult family members of workers to help them taking *berondolan* at field.

Mr. Poltak Sirait (Head of SERBUNDO) PT.Perkebunan Milano SDE

- Requested details on the working hours of transport workers (from what time to what time?)
- Fingerprint system
- The calculation of the distribution of Natura Rice as a transition from KHL to KHT (how is it calculated, for there has been a different calculation system before and after year 2013).

Mr. Sodikin (Secretary of SERBUNDO) PT.Perkebunan Milano SDE

- Requested to increase *premi lebih basis*, for there has been a difference of planting years of different palm trees (not homogen).

Mr. Makmur Harahap (Secretary of SERBUNDO) PT.Perkebunan Milano MBE

- On female workers: the management policy stated that female workers who are pregnant and breast-feeding are no longer able to work again after they took their “maternity leave” because their positions had been replaced by other workers. The union expects the management to be able to change this regulation and to allow female workers to work again after taking their maternity leaves.
- On electricity subsidies: requested to increase electricity subsidies for workers (current acceptable subsidies is IDR 15.000 for KWH 1,300)

- On Harvest: requested to increase *premi lebih basis*
- Requested to provide pensions to retired KHL over the age of 55

Mr. Agus Muhibin (Head of SERBUNDO ) PT.Perkebunan Milano MBE

- There are KHL harvesters that have been working for a long period yet have not been promoted to be KHT (permanent) harvesters (there are 6 workers), such as Nanang, Adi, Edi, etc.
- Requested the management to provide opportunities for workers' children who have finished their education, especially those residing within the plantation residential area or surrounding villages, to work in the plantation.

Mr. Yusrizal (Head of SPSI) PT.Perkebunan Milano CDE

- Requested the management to provide clean water for toilet/bathroom (requested to add the numbers of water well)

Requested the management to provide 1 electricity unit (KWH PLN) for each house (currently, there is only 1 electricity unit (KWH PLN) for two houses)

Mr. Masiran (Head of KPP) PT.Perkebunan Milano PKS MPA

Requested the management to purchase school bus (the current school bus is rented)

#### **Responses from TOP Management :**

Low Kim Seng (LKS)

Responding the feedbacks from Heri (KWS) on sanction given by foreman to the worker (exist discrimination towards the workers), he requested the heads of the plantation of field staffs to investigate, follow up, and solve the case.

Mr. Jinggo Panjaitan (Head of Plantation) PT.DLI KWS

Responding feedbacks and complaints from labors union :

- Requested workers and labors union to express their feedbacks or complaints directly to the management or internal bodies within the company such as LKS Bipartit, so that the feedbacks and complaints will be solved by deliberation between the union and the management.
- Promised to provide clean water containers from company to substitute water containers bought by employees. And the company will take all water containers formerly used for chemical purpose from employee housing.
- Promised to provide permanent water installation that is modified from the existing water tank to distribute clean water to workers' houses.

Mr. Sulis Tiarto (Head of the Plantation) PT.DLI KSD

- Will check and clarify the complaints of the workers about sanctions and intimidation from the foreman to the workers who are unable to complete their tasks.
- Providing training to the foremen.

Mr. Michael Tiwon (AGM region 1 Sumut)

- APD and working tools are provided by the company based on the needs.
- APD and working tools inventory are available with estimation 20% from total number of employees. The purpose is for stock and for backup to replace broken tools or tools which are no longer meet the specified standard.

All responses, complaints and suggestions from representatives of labors union will be discussed further with the head of unit.

Mr. Low Kim Seng (LKS)

At last, Seng thanked all representatives of labors union, as well as their responses, feedbacks and suggestions. From all the responses gathered, the management hopes that all points of allegations raised by Amnesty International (about labor rights violations) can be cleared immediately to prove that the allegations was false.

After discussion ended, Low Kim seng (LKS) closed the meeting exactly at 17.30 pm.

Herein the meeting notes.

Sei Daun, 9 January 2017

Checked by,

A handwritten signature in black ink on a white background. The signature is stylized and appears to read 'Hadia Mufti'.

Hadia Mufti

Sr. HRR Manager

Distributed to:

1. Heri (Head of Serbundo DLI-KWS) ( ..... )

2. Tambunan (Secretary of Serbundo DLI - KWS) ( ..... )
3. Poltak Sirait (Head of Serbundo Milano - SDE) ( ..... )
4. Sodikin (Secretary of Serbundo Milano - SDE) ( ..... )
5. Makmur Harahap (Secretary of Serbundo Milano - MBE) ( ..... )
6. Yusrizal (Head of SPSI Milano - CDE ) ( ..... )
7. Masiran (Head of KPP Milano - Pinang Awan) ( ..... )
8. Riadi (Head of KBP) ( ..... )
9. Agus Muhibin (Head of Serbundo Milano - MBE) ( ..... )