

AMNESTY INTERNATIONAL PUBLIC STATEMENT

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Amnesty International rebukes Wilmar's tactics and calls on Indonesian Government to Investigate Abuses by Palm Oil Sector

In November last year, Amnesty International published the report, *The Great Palm Oil Scandal: Labour Abuses Behind Big Brand Names*.¹ The report investigates labour exploitation on plantations in Indonesia that provide palm oil to Wilmar International (Wilmar), the world's largest palm oil trader (43%). The report also traces the palm oil produced in Indonesia for Wilmar to nine global firms: AFAMSA, ADM, Colgate-Palmolive, Elevance, Kellogg's, Nestlé, Procter & Gamble, Reckitt Benckiser and Unilever.

Indonesia produces 35 million tonnes of palm oil per year, making it the largest producer of palm oil in the world. The palm oil sector is a significant source of revenue for the government of Indonesia, particularly through taxes on exports and an important source of employment for Indonesian workers.

Systematic abuses in supply chain of major firms

Amnesty International spoke to 120 workers who work on palm plantations owned by two Wilmar subsidiaries and three Wilmar suppliers in Kalimantan and Sumatra in Indonesia. The investigation exposed a wide range of abuses including:

- Women forced to work long hours under the threat of having their pay cut, paid below minimum wage - earning as little as US\$2.50 a day in extreme cases - and kept in insecure employment without pensions or health insurance,
- Children as young as eight doing hazardous, hard physical work, sometimes dropping out of school to help their parents on the plantation,
- Workers suffering severe injuries from paraquat, an acutely toxic chemical still used in the plantations despite being banned in the EU and by Wilmar itself,
- Workers being made to work outdoors without adequate safety equipment despite the risks of respiratory damage from hazardous levels of pollution caused by forest fires during August to October 2015,
- Workers having to work long hours to meet ridiculously high targets, some of which involve highly physically demanding tasks such as operating heavy manual equipment to cut fruit from trees 20 meters tall. Attempting to meet targets can leave workers in significant physical pain, and they also face a range of penalties for things like not picking up palm fruits on the ground and picking unripe fruit.

¹ Report "Great Palm Oil Scandal: Labour Abuses Behind Big Brand Names" accessible at: <https://www.amnesty.org/en/documents/asa21/5243/2016/en/>

Companies failing to respect human rights

In 2012, Wilmar publicly committed to ending exploitation in its supply chain. Despite all its promises, workers continue to suffer severe labour rights abuses. Wilmar, and most of the global firms who purchase Wilmar's palm oil, are also members of the Roundtable on Sustainable Palm Oil (RSPO), a body set up in 2004 to clean up the palm oil sector after environmental scandals. These companies publicly claim to use "sustainable palm oil". However, evidence gathered by Amnesty International, tells a different story. Wilmar and the other suppliers have been exploiting gaps in Indonesian labour law and weak legal enforcement, using these to their advantage, but to the detriment of their workers.

The report concludes that Wilmar and its suppliers are committing a number of offences under the Manpower Act and other Indonesian laws, some of which amount to criminal offences. Wilmar, and those companies that buy from it, do not have adequate due diligence processes in place to identify, prevent, mitigate and account for adverse human rights impacts linked to their business operations. Amnesty International found that all the companies investigated are benefiting from, and contributing to, severe labour abuses in their palm oil supply chain.²

Wilmar's attempted cover up

Amnesty International continues to monitor developments to see what, if any, steps Wilmar is taking to address the serious concerns raised in our report.

In response to our report, Wilmar told us that it had hired a consultancy and would investigate our findings. Instead of addressing the alleged abuses, we are deeply concerned that Wilmar, through its subsidiaries (as named in our report), is seeking to discredit their existence by using under-handed tactics.

On its website, Wilmar says that it "*...has been made aware of labour rights issues in our operations in North Sumatra*".³ Given that these abuses are also happening on its own plantations, Wilmar should have known (if it did not) of these long before Amnesty International brought them to its attention. These abuses – which are illegal according to Indonesian law – are systemic, long-standing, and the result of working policies and practices in place on their own plantations.

Wilmar says that it is looking into the allegations raised by Amnesty International. As part of the evidence gathering process, Wilmar says that it met with union representatives on 9 January 2017 to "*... clarify labour issues in PT Milano and PT DLI*" and to "*obtain feedback*"

² All responses from companies named in our report can be found in the report accessible at:

<https://www.amnesty.org/en/documents/asa21/5243/2016/en/> and at:

<https://amnesty.box.com/s/4xqiqvxji7tjtk6pnp3lszgx91im6q9> .

³ http://www.wilmar-international.com/sustainability/wp-content/uploads/2017/03/170301_Grievance-update.pdf

and suggestions".⁴ To seek clarification, it showed the Amnesty International video *Fruits of their Labour*⁵ to union representatives and asked them to confirm if the abuses, as shown in the video, exist on the plantations. In the closing statement a representative of Wilmar states:

*"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."*⁶

At this meeting, trade union workers were asked to sign a statement asserting that the human rights abuses documented by Amnesty International and presented in the organisation's video are not happening on their plantations.

This document referred to by Wilmar as "Minutes of Meeting (*Notulensi Meeting*)"⁷ cannot be taken at face value. In parts, it looks like a copy and paste exercise.

Wilmar says that signatures provided by trade union representatives were done so voluntarily. Amnesty International has heard a very different account of events, which amounts to intimidation. We call on Wilmar to immediately stop this practice. We consider that any statements obtained from workers under duress, including the fear of being fired, are not legally valid. Wilmar should take steps to ensure that there are no reprisals against workers and to end intimidation tactics.

Wilmar has the power and control to stop the abuses and to improve the working conditions on its plantations and those of its suppliers. This can be done by eradicating or substantially modifying the use of piece rates, targets, penalties, casual work arrangements and use of hazardous chemicals which create risks to workers' safety".

Wilmar's Singapore office stated that the issues raised by Amnesty International are being actively discussed by Wilmar Plantation Operations Management and that their investigation continues. The company said it remains committed to continue with this process until it is able to address all the issues highlighted and will publish its full findings.

Urgent need for a credible investigation

Amnesty International welcomes positive meetings it recently had with key officials from the President's office (Kantor Staff Kepresidenan or KSP), as well as from the National Commission on Human Rights (Komnas HAM) and the National Commission on Violence against Women (Komisi Nasional Anti Kekerasan Terhadap Perempuan). While the organisation attempted to meet with the Ministry of Manpower, this has not yet materialised

⁴ Email from Wilmar to Amnesty International, 16 January 2017

⁵ *Fruits of their Labour*, available at <https://www.youtube.com/watch?v=R17es73vC4s>

⁶ Minutes translated by Amnesty International and available at <https://www.amnesty.org/en/documents/asa21/5823/2017/en/>

⁷ *Notulensi Meeting*, available at <http://www.wilmar-international.com/sustainability/wp-content/uploads/2017/01/Notulensi-Pertemuan-Dengan-Serikat-Pekerja.pdf>.

despite repeated requests. We would welcome the opportunity to meet. We call on this ministry to act immediately to investigate our findings and ensure that workers, whose rights have been abused, have access to redress.

The serious human rights abuses uncovered demonstrate that RSPO certification is insufficient. Amnesty international calls for a credible investigation into these serious issues.

In December, Indonesian media reported that the Ministry of Manpower had announced that it would set up a **Task Force** to look into these issues. The establishment of a Task Force would symbolise a significant and welcome shift by the Indonesian government to hold palm oil companies to account.

Amnesty International calls for this Task Force to be multi-partied, transparent and have adequate sanctioning power.

Given the importance of the palm oil sector to Indonesia and the millions of workers, who depend on it for survival, it is vital that palm oil companies be forced to comply with Indonesian law. When they don't, companies must be legally held to account.

Measures must also be taken by the government to ensure that trade union members or workers do not face reprisals from the companies named in our report, for speaking about labour abuses on the plantations.

For more information see: <https://www.amnesty.org/en/latest/news/2016/11/Palm-Oil-Global-brands-profitting-from-child-and-forced-labour/>
Full report available here: <https://www.amnesty.org/en/documents/asa21/5184/2016/en/>

Company responses are available here:
<https://www.amnesty.org/en/documents/asa21/5230/2016/en/>
Press Release issued on November 30