October 11, 2016

To the RSPO Complaints Panel members:

SUBMISSION OF COMPLAINT

Rainforest Action Network (RAN), Organisasi Penguatan dan Pengembangan Usaha-usaha Kerakyatan (OPPUK) and International Labor Rights Forum (ILRF) are hereby lodging a complaint against Indofood’s PT. PP London Sumatra Indonesia Tbk. (Lonsum) and its parent company PT. Salim Ivomas Pratama Tbk. (Salim Ivomas), for labor violations on multiple Lonsum plantations in contravention of the RSPO Principles & Criteria and violations of the RSPO Code of Conduct.

This complaint is made on our own account and not in the name of any specific workers. It concerns non-compliances by PT. PP London Sumatra Indonesia Tbk. and its parent companies, PT. PP London Sumatra Indonesia Tbk. and Indofood Agri Resources Ltd (Indoagri), as well as the credibility of the RSPO system in detecting and responding to labor violations on RSPO member plantations.

The complainants’ contact details are as follows:

- Gemma Tillack, RAN Agribusiness Campaign Director, gemma@ran.org
- Fitri Arianti, RAN Indonesia Coordinator, fitri@ran.org
- Robin Averbeck, RAN Senior Campaigner, raverbeck@ran.org
- Herwin Nasution, OPPUK Executive Director, masdon25@yahoo.co.id and oppuk.indonesia@gmail.com
- Eric Gottwald, ILRF Legal & Policy Director, egottwald@ilrf.org

Please find below more detailed information regarding the complaint. We fully understand and agree that RSPO Secretariat will be looking into this complaint based on its standard Grievance & Dispute Settlement Handling Protocol. Thank you for attention to this matter.

Yours sincerely,

Gemma Tillack
RAN Agribusiness Campaign Director

Herwin Nasution
OPPUK Executive Director

Eric Gottwald
ILRF Legal & Policy Director
Complaint Overview

Indofood’s plantation businesses are members of the industry certification system, the Roundtable on Sustainable Palm Oil (RSPO). As RSPO members, Indofood’s PT. PP London Sumatra Indonesia Tbk. (Lonsum) and PT. Salim Ivomas Pratama Tbk. (Salim Ivomas) are required to follow the RSPO Code of Conduct and the RSPO Principles and Criteria, which include several Principles and Criterion addressing workers’ rights.

Field research was conducted in the second half of 2015 on two RSPO-certified Lonsum plantations in North Sumatra to determine if Indofood was complying with the RSPO Principles and Criteria, the procurement policies of its Joint Venture Partners and customers, and the Free and Fair Labor in Palm Oil Production: Principles and Implementation Guidance (Fair Labor Principles). The investigations found Lonsum violating numerous workers’ rights, including RSPO principles 2.1, 4.6., 4.7, 6.5, 6.6., 6.7, 6.8 and 6.13, and evidence was published by complainants Rainforest Action Network (RAN), Organisasi Penguatan dan Pengembangan Usaha-usaha Kerakyatan (OPPUK) and International Labor Rights Forum (ILRF) in June 2016 in a report titled The Human Cost of Conflict Palm Oil: Indofood, PepsiCo’s Hidden Link to Worker Exploitation in Indonesia.

In July 2016 Accreditation Services International (ASI) conducted a Compliance Assessment of Gunung Malayu, a third Indofood palm oil mill and supply base and RSPO certificate holder, to assess violations found by RAN, OPPUK and ILRF. Although the assessment was carried out on a different plantation than those of the original investigations, many similar violations were documented, including violations of RSPO principles 2.1, 4.6, 4.7, 5.3, 6.1, and 6.5. ASI also found that 7 major Non-Conformities from the certification body’s April 2016 surveillance audit had not been closed, and it noted in its observations that it appeared that “documents and records requested were prepared on the spot,” a violation of the RSPO Code of Conduct.1

This document outlines key facts, including a summary of findings from field investigations and detailed recommendations for the RSPO Complaint Panel.

Given the preponderance of evidence pointing to violations of the RSPO Principles and Criteria on multiple Lonsum plantations as well as violations of the RSPO Code of Conduct requirement that members commit to open and transparent engagement with interested parties and actively seek resolution of conflict, RAN, OPPUK and ILRF request that the RSPO membership status of Lonsum and its associated Salim Ivomas be suspended until transparent actions are taken to resolve the violations outlined herein.

Company Background

The palm oil arm of Indofood, Indofood Agri Resources Ltd (IndoAgri), owns plantations that cover a total area of 246,000 hectares in Sumatra and Kalimantan. IndoAgri’s palm oil business operations are conducted by its subsidiaries PT. PP London Sumatra Indonesia Tbk. (Lonsum) and PT. Salim Ivomas

1 2.3 Members will commit to open and transparent engagement with interested parties, and actively seek resolution of conflict from the RSPO Code of Conduct for Members 2015. http://www.rspo.org/key-documents/membership
Pratama Tbk. (Salim Ivomas), both of which are members of the RSPO. The ownership structure between the Lonsum, Salim Ivomas and its associated parent companies are as follows:

![Company Structure Diagram]

**Confidentiality of the sites of investigation:**
The complainants, both in our original report as well as in this complaint, have chosen not to disclose the specific plantation locations where the investigations took place in order to protect the identities of the workers interviewed and not risk reprisals against workers by Lonsum management.

Given ASI’s findings of similar labor violations and breaches of the RSPO Principles and Criteria on a third and different Lonsum plantation, the complainants recommend the RSPO Complaints Panel focus the complaint at the company-group level of IndoAgri, not on the specific locations of the three plantations investigated, as violations appear systemic in nature and not confined to particular plantations.

**Key Facts and Findings of Breaches of the RSPO Principles and Criteria by RAN, OPPUK, and ILRF**

Field research was conducted in September to October 2015 on two of Indofood subsidiary PT. PP London Sumatra Indonesia Tbk. (Lonsum)’s plantations in North Sumatra. In each of the plantations, the investigation was conducted through one-on-one interviews with workers; on-site examination of workers’ documents such as pay slips, letters and work agreements; and on-site observation of workers performing their work duties, workers’ living conditions and the plantations’ amenities.

A total of 41 laborers were individually interviewed for this investigation—23 workers from the first plantation and 18 workers from the second plantation. Workers interviewed included men and women...
working as harvesters, harvester helpers known as kernet, pesticide sprayers, fertilizer spreaders, mill operators, security guards, fruit loaders, water pump operators and field foremen. The following table shows a breakdown of the workers interviewed.

<table>
<thead>
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<th>WORK STATUS</th>
<th>GENDER</th>
<th>CHILDREN</th>
<th>SUBTOTAL</th>
</tr>
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<tbody>
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<tr>
<td>Limited Duration Contract</td>
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<td>3</td>
</tr>
<tr>
<td>Total</td>
<td>29</td>
<td>9</td>
<td>3</td>
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</tbody>
</table>

The full findings of the investigation can be found in the report available at ran.org/indofood.

Below are a summary of the findings of violations of the RSPO Principles and Criteria:

**Principle 2.1** There is compliance with all applicable local, national, and ratified international laws and regulations.

- Two limited-duration contract workers worked in jobs that are permanent in nature as harvesters. Casual workers also carried out permanent plantation work as is evidenced by their ongoing and regular employment for up to decades. Additionally, seven kernet workers reported working regularly to assist harvesters in conducting core plantation work. These precariously employed workers performed tasks that are permanent in nature and in contravention with article 59 of Indonesia’s Manpower Law that stipulates non-permanent work “cannot be made for jobs that are permanent by nature.”
- Researchers found that basic wages for permanent harvesters at one plantation were below the district’s monthly minimum wage. Casual workers at the same plantation also reported receiving a daily wage rate that was similarly below the district’s daily minimum wage.
- Children were observed working on Indofood plantations. Researchers interviewed three child workers one aged 13, two aged 16, as well as one 19 years old who reported working on the plantation since he was 12 years old. Indonesian law states that “Children shall be assumed to be at work if they are found in a workplace unless there is evidence to prove otherwise.” Furthermore this violates article 68 of Indonesia’s Manpower Law that states “Employer shall not employ children.”
- Based on the complainants’ investigation and the violations outlined below, Indofood violated more than 20 Indonesian labor laws. Please see Appendix A for full summary of findings and related legal violations.
**Principle 4.6** Pesticides are used in ways that do not endanger health or the environment

- Three workers at one of the plantations reported having used the pesticide Gramoxone which contains Paraquat, a highly hazardous herbicide that is banned in the EU and several other countries.\(^2\) Indofood reported using 21,000 liters of Paraquat on its plantations in 2015.\(^3\)
- Pesticide spraying and fertilizer application were predominantly carried out by casual maintenance workers, many of whom are women. Most of these workers lacked adequate health and safety equipment and access to health care.
- The photos below demonstrate the lack of adequate personal protective gear and safe working equipment used by pesticide sprayers on Indofood plantations. Please see Appendix B for full size photos.

![Photos showing lack of adequate personal protective gear](image1)

![Photos showing lack of adequate personal protective gear](image2)

**Principle 4.7** An occupational health and safety plan is documented, effectively communicated and implemented.

- All but one casual worker reported only receiving some safety equipment from the company and purchasing other basic equipment such as shoes and gloves at their own expense. None of the kernet workers interviewed at one plantation received any equipment at all.
- All casual and kernet workers reported having no health insurance and limited access to the on-site company clinic. Two casual workers reported that they did not treat conditions arising from accidents on the job due to a lack of access to health care and insufficient funds to pay for treatment.
- The photos below show workers of various positions working without adequate personal protective equipment. Please see Appendix C for full size photos.


Principles 6.5 Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.

- Indofood paid permanent and casual workers at one of the plantations below the district’s minimum wage. This wage was set through a collective bargaining agreement, which workers reported that they had no role in negotiating and was never explained to them by union leadership.
- Casual daily and *kernet* workers, who were not provided with written contracts or wage slips, reported regularly making between 20% to 75% less than the district monthly minimum wage for permanent workers.
- Harvesters reported bringing help to meet their high quotas and to earn “premiums” — additional income earned from collecting extra fruit bunches and palm kernels beyond the basic quota. Harvesters reported that they needed to pursue premiums to earn enough to “get by.” Although harvesters earn more by bringing help and acquiring additional premiums, they ultimately have to pay for that help out of their wages or enlist family members as “free” labor. Nine harvesters reported hiring children or bringing their wives or family members as *kernet*. Harvesters enlisted wives or family members as *kernet* to retain income in the family unit or hired child workers because it cost them less.
- The wage slip below was obtained from one of the workers’ interviewed and show the worker’s basic wage is below one of the district’s minimum wage of Rp 2,015,000 at the time of the investigation.
**Principle 6.6** The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.

- Permanent workers at the Indofood plantations visited reported being denied freedom of association by being automatically enrolled in a company-backed “yellow” union and having fees deducted from their salary, without their consent or proper representation. “Yellow” unions are a worker organizations which are effectively controlled by the employer and are banned under international labor law.
- Workers who attempted to engage with an independent union reported fearing reprisal. One permanent worker reported that he was initially interested in joining an independent union but was questioned by the management and became fearful that he would be sanctioned for joining any other union than the company-backed union.

**Principle 6.7** Children are not employed or exploited.

- Children were observed working on Indofood plantations. Three workers aged 13, 16, and 16 years old were interviewed, as well as one 19 year old who reported working on the plantation since he was 12 years old. All were working indirectly for the company as kernet, or helpers to harvesters.
- Harvesters reported being required to bring kernet, who are often children or their wives, to meet their quota, and earn bonuses to supplement their low base salaries. Nine harvesters reported
choosing to hire children or bring their wives or family members as kernet because they could not afford to pay an adult outside of the family.

- Indofood director Franciscus Welirang corroborated that children work on Indofood plantations in an interview with the Jakarta Post where he said that the practice of hiring children to meet the high quotas was an acceptable part of Indonesian culture. He is quoted as saying “It’s standard for families to ask for help [from their children].”

- The photos below show children working on Indofood plantations. Please see Appendix D for full size photos.

**Principle 6.8** Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.

Of the female workers interviewed (nine), only one was employed as a permanent worker. Six were employed as daily casual workers and two worked without official employment status as kernet workers. These women working as casual and kernet workers lacked job security, earned as little as half or less the pay than permanent workers, usually paid for their own safety equipment and health care, and often faced increased health and safety risks. The six female casual workers worked spraying pesticides and spreading fertilizer, some of the most hazardous jobs on the plantation.

The photos below show women workers - fertilizer spreaders, pesticide sprayers, and kernet workers - working on Indofood plantations. Please see Appendix E for full size photos.

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As demonstrated above and in our report, several of the fundamental rights set out in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work have been violated for workers of all statuses. The rights of Kernet workers, who have no official employment status, and casual workers, in particular, were at particularly high risk of being violated.

Key Facts and Findings of other Violations not Currently Covered by the RSPO P&C

Precarious Employment Practices

- Indofood is utilizing several kinds of precarious or non-standard employment practices—including casual workers, limited duration contract workers, and even workers with no direct employment relationship to the company—to perform core plantation work like harvesting, gathering loose fruits, and applying pesticides and fertilizers. These workers have no job security, earn as little as half or less than permanent workers, usually pay for their own safety equipment and health care, and often face great health and safety risks.

- Nineteen of 41 workers interviewed (46%) were precariously employed as casual workers, contract workers, or kernet workers – informal workers who help harvesters meet their quotas, but have no employment relationship with the company.
According to Indofood’s own reporting, it employs 50% of its workers on a casual basis and 2% on limited duration contracts; it does not report on the presence or number of Kernet workers working on its plantations. According to Indofood’s own reporting, it employs 50% of its workers on a casual basis and 2% on limited duration contracts; it does not report on the presence or number of Kernet workers working on its plantations.5

Leading standards are beginning to address precarious employment in the palm oil sector. The Palm Oil Innovation Group limits precarious employment to no more than 20% of the workforce.6

History of Engagement Between the Complainants and Lonsum to Resolve Grievances and Breach of the RSPO Code of Conduct

Below is a summary of engagement by the Complainants with the Company and evidence of violation of the RSPO Code of Conduct:

RSPO Code of Conduct 2.3 Members will commit to open and transparent engagement with interested parties, and actively seek resolution of conflict

On behalf of the complainants, RAN provided PT Indofood Sukses Makmur Tbk (Indofood) and Indofood Agri Resources Ltd. (IndoAgri) with a summary of the findings in “The Human Cost of Conflict Palm: Indofood, PepsiCo’s Hidden Link to Worker Exploitation in Indonesia” in April 2016 with due opportunity to comment prior to the report being finalized and published. Specifically:

- The report’s key findings were provided to Indofood and IndoAgri for review and comment by RAN on April 10th 2016;
- RAN extended the opportunity to review the findings until the April 22nd 2016 to allow more time for Indofood and IndoAgri to provide feedback; and
- RAN incorporated information from the company’s annual and sustainability reports into the final report and ensured that the information included in the final publication was factually correct and where possible, referenced.

During this time Indofood was unwilling to engage with RAN in dialogue. In a letter sent on April 15, 2016, Indoagri denied the allegations stating that it "complied with all Indonesian laws and regulations" and threatened legal action.

Following the report’s release, IndoAgri wrote to RAN on June 28, 2016 requesting that RAN provide all supporting facts and evidence to support our claims. Specifically, IndoAgri requested GPS coordinates for photos and other supporting documents, which would include workers' contracts, payslips, and worker interview transcripts, all of which could be used to identify the workers interviewed. RAN, OPPUK and ILRF are not willing to share any information that compromises the identities of workers or puts the workers interviewed at undue risk of reprisal. Additionally, given ongoing threats from Indoagri to take legal action against our organizations, further precautions for the workers' safety as well as our organizations' protection have been taken.

Despite the aforementioned correspondence from Indoagri, our organizations have repeatedly offered to sit down in dialogue with Indoagri and Indofood management to discuss the violations documented in our investigations. Our latest letter requesting dialogue was sent from RAN Executive Director on July 22, 2016. To date, IndoAgri and Indofood have refused to engage in formal dialogue with the complainants.

**Key Facts and Findings of Breaches of the RSPO Principles and Criteria by ASI**

In July 2016, Accreditation Services International (ASI) carried out an assessment of Gunung Malayu, an Indofood palm oil mill and supply base and RSPO certificate holder in order to assess findings in the complainants’ report, *The Human Cost of Conflict Palm Oil: Indofood, PepsiCo’s Hidden Link to Worker Exploitation in Indonesia.*


Below are a summary of ASI’s findings of violations of the RSPO Principles and Criteria and the RSPO Code of Conduct:

**Principle 2.1** There is compliance with all applicable local, national, and ratified international laws and regulations.
- ASI found an Internal Memorandum (No. 005/HRD/CIR/V/2016) dated 16 May 2016 stating that company is only responsible for harvesters’ accidents, insurance, medical coverage and salary, and when the harvester asks for help from other parties such as family members, then it is the harvester’s responsibility, not the company’s. This shows that Indofood does not prohibit harvesters from bringing their family members to help them in the field.
- Another Internal Memorandum on Insentif Panen Kepala Sawit 004/HRD/c/11/2016 dated 12/2/2016, stated that extra bonus (premi) is also given to the helpers., clearly showing that Indofood was aware that harvesters were using undocumented kernet to reach their quotas.

**Principle 4.6** Pesticides are used in ways that do not endanger health or the environment.
- ASI observed the following non-compliances with 4.6.5 (Appropriate safety and application equipment shall be provided and used (for pesticides)): inconsistent chemical mixing, inconsistent implementation of keeping a clean cloth for sprayers, and inconsistent implementation of washing and storing of PPE
- ASI observed the following non-compliances with 4.6.6 (Storage of all pesticides shall be according to best practices): the chemical storage had no proper ventilation, there was no proper setup for washing PPEs, and there was no proper emergency shower and eyewash
- ASI observed the following non-compliances with 4.6.11 (Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated): medical records from 2015 showed no final result, a few workers were found to be above the average range of Cholinesterase but there was no further action taken by the company, and there was non-compliance with a medical letter recommending a particular sprayer be rotated from spraying
**Principle 4.7** An occupational health and safety plan is documented, effectively communicated and implemented.

- Lonsum was not able to demonstrate that monitoring the use of PPE’s was in place, and inventory records of PPEs were not always consistent with the records of PPE issuance.
- Lonsum’s hazardous identification and risk assessment (HIRA) did not cover some of the supporting activities where health and safety might be an issue - for example fire fighting, and there was no monitoring of the implementation of the HIRA.

**Principle 5.3** Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.

- ASI documented the following non-compliances with 5.3.2 (All chemicals and their containers shall be disposed of responsibly): there were oil drums outside the storage with the spillage on the ground, a chemical container was found to be re-used to fill the oil/diesel at the linesite, and there was no chemical waste in the scheduled waste storage while the spraying activities were in operation for the month of July (according to the record, the last scheduled collection of waste was on 15 July 2015).
- ASI documented inappropriate domestic waste handling was observed (5.3.3) through the following non-compliances: inappropriate waste disposal (burning) at the linesite, no open & close date signage at the landfill, and evidence of oil and paint containers.

**Principle 6.1** Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented, and monitored, to demonstrate continual improvement.

- The company had a Social Impact Assessment (2015), but there was no management and monitoring plan available. It is also found that the SIA was inadequate to cover all types of workers and activities such as replanting.

**Principle 6.5** Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.

- Contracts for casual workers (PHL) just started early this year, 2016.
- For one third of company employed workers, their contract does not allow them to work more than 19 days every month. The salary for casual workers (PHL) has been divided to 25 days of working days instead of 19 days (number of working days as allowed by the contract). With this condition, workers will not receive the basic minimum wage even if they work full 19 days.
- Not all casual workers were registered for social benefit. Also the registration just started on 15 July 2016.
- Not all workers interviewed were aware of the contract. Some said they didn’t have a copy of contract and some said they don’t remember if they have a copy of the contract.
- In a Letter of Appointment for SKU (permanent) workers, there were 2 clauses found that could be considered as discrimination: (i) Clause 2.3 – Medical expenses will be paid for the employee and dependent (for male employee) that consist of 1 legal wife and maximum 3 children and should be legalized with Married and Birth Certificate or the legal document from the Court for foster child and (ii) Clause 2.4 – Employee members may be transferred to any location within the Company or its associated companies according to the requirement of the company. If employee does not to be transferred, employee willing to be resigned by own request. Clause 2.3 appears to discriminate against female employees and clause 2.4 against the business code of ethics.
RSPO Code of Conduct 2.3 Members will commit to open and transparent engagement with interested parties, and actively seek resolution of conflict

- In its observations, ASI alleges that “it looks like the documents and records requested were prepared on the spot” citing several examples including that two pages in an official document to be submitted to government (DINASKER) regarding number of employees appear to have been changed; workers' agreements look freshly printed; and a memo to workers who did not pass the medical checkup was not available but suddenly appeared on the table later. Falsification of documents violates the RSPO Code of Conduct commitment to open and transparent engagement.

Recommended Actions for the RSPO Complaints Panel

Given the preponderance of evidence pointing to violations of the RSPO Principles and Criteria on multiple Lonsum plantations, including evidence of violation of the requirements for partial certification (P&C 2.1), as well as violations of the RSPO Code of Conduct, the complainants recommend that the RSPO suspend the membership of Lonsum and its parent company Salim Ivomas.

RSPO Membership of Lonsum and Salim Ivomas should not be reinstated until:

1. Transparent actions to resolve all violations outlined herein and come into full compliance with the RSPO P&C are taken;
2. Such actions are verified by a credible labor assessor and the assessment is made public; and
3. A public time-bound action plan, agreed by the complainants, is made public to ensure compliance with the RSPO P&C and partial certification requirements across Lonsum and Salim Ivomas’ certified and non-certified operations, respectively.

Transparent and verified actions to address each criterion where non-compliance was found - namely Principles & Criteria 2.1, 4.6, 4.7, 5.3, 6.1, 6.5, 6.6, 6.7, 6.13 - must be required, and a credible labor assessor must be appointed to verify compliance. The assessment should be conducted in accordance with the following best practices outlined in the Fair Labor Principles:

- Be carried out by a competent labor assessor who is objective and does not have any conflict of interest;
- Be unannounced or done on short notice, so as to limit the preparation time for the company;
- Ensure a policy of non-reprisal, meaning that workers will not be asked what happened during the interview process and that the conversation will remain confidential between auditors and interviewees;
- Ensure full, unhindered access to the plantation and related facilities, including mills, living quarters, etc, as well as all documents;
- Prioritize confidential worker interviews with a representative cross-section of the workforce whom are chosen by the assessor, not company management;
- Ensure interviews are conducted without the presence of the company’s managerial staff and in a language spoken by the workers;
- Ensure together with employers that worker representatives have access to all relevant documentation and are invited to provide recommendations as well as challenge and note their disagreement on the assessor’s findings in writing; and
- Ensure the findings and corrective action plans are publicly reported and the privacy and confidentiality of any affected parties is protected.
A time-bound action plan to bring all Lonsum and Salim Ivomas plantations in line with the RSPO Principles & Criteria (for certified plantations) and partial certification requirements (for non-certified plantations) should consider both corrective actions for immediate impact and preventative actions for a longer-term, sustainable change in practices. As systemic changes may be required for some areas, the plan should include an analysis of the root causes of non-compliance and incorporate measures to address gaps in capacity. In order to ensure accountability, the plan should be agreed by the complainants and RSPO Complaints Panel; have time-bound actions, including procedures for monitoring and expectations for reporting; and a mechanism for credible verification of actions.

Conclusions

Citing the

- Evidence of violations of the RSPO Principles and Criteria 2.1, 4.6, 4.7, 6.5, 6.6, 6.7, 6.8 and 6.13 presented by RAN, OPPUK, and ILRF on two RSPO-certified Lonsum plantations in North Sumatra;
- Evidence of violations of RSPO Principles and Criteria 2.1, 4.6, 4.7, 5.3, 6.1, and 6.5 found in ASI’s compliance assessment on a third RSPO-certified Lonsum plantation in North Sumatra;
- Evidence of violation of the requirements for partial certification (P&C 2.1) by both the complainants and ASI; and
- Evidence of violations of the RSPO Code of Conduct by both the complainants and ASI,

the complainants recommend that the RSPO suspend the membership of Lonsum and its parent company Salim Ivomas.

Should further evidence, responses, or requests for dialogue be made by the RSPO Complaints Panel, please contact the full list of complainants below. Where possible, we request correspondence be provided in both English and Bahasa Indonesia. Should correspondence only be provided in one language, please allow one week additional time for translation of materials so all complainants can review and respond accordingly.

Lead Contact Person for Complaint: Gemma Tillack, RAN Agribusiness Campaign Director

List of all contact persons and contact information:

RAN:
- Gemma Tillack - gemma@ran.org
- Fitri Arianti - fitri@ran.org
- Robin Averbeck - raverbeck@ran.org

OPPUK:
- Herwin Nasution - masdon25@yahoo.co.id and oppuk.indonesia@gmail.com

ILRF:
- Eric Gottwald egottwald@ilrf.org
### FINDINGS

<table>
<thead>
<tr>
<th>RELEVANT INDONESIAN LAWS</th>
<th>EXPLANATION</th>
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| § 59 of Manpower Law No. 13/2003 | Three casual workers interviewed worked as casual workers.
| § 56 of Manpower Law No. 13/2003 | Casual status of those workers.
| § 55 of Manpower Law No. 13/2003 | They would be sent home without pay, demoted to six harvesters reported that they would not be able to continue working at those plantations, losing at least two weeks of wages.

### APPENDIX A: Summary of Findings and Related Legal Violations

#### Invisible and "Temporary" Work

- **Kernet Workers**
  - Seven workers, referred to as *kernet*, reported working regularly to assist harvesters but had no direct employment relationship with the company.
  - Kernet workers help harvesters with tasks such as collecting loose palm kernels, loading fresh fruit bunches onto wheelbarrows, hauling the wheelbarrows to the road for pick up, organizing and stripping fruit bunch stems, and cutting and organizing palm branches.
  - Despite these tasks being core plantation work, these workers are not considered official employees and their employment is not regulated by law.

- **Casual Workers**
  - Three casual workers interviewed worked as casual workers.
  - They were instructed to bring kernet workers, indicating some knowledge of this practice.
  - Casual workers worked on unspecified periods of time, which may range from a day to several months.

#### Direct Employment Relationships

- **Kernet Workers**
  - Kernet workers are needed to help harvesters fulfill their quotas and conduct core plantation tasks.

- **Casual Workers**
  - Casual workers work for unspecified periods of time, which may range from a day to several months, in exchange for premiums.

All findings in this summary are based on the investigation conducted by RAN, OPPUK, and ILRF in September to October 2015 in two of Indofood subsidiaries' plantations in Indonesia.
The absence of written contracts should amend their employment into unspecified-period work agreements.Permanent employees, who are permanently employed and fulfilled the requirements of law, they should be employed under unspecified-period work agreements, as opposed to fixed-term contracts. By law, casual and temporary employees perform different tasks and have different work conditions. The two categories are not equivalent.

### Limited-Duration Contract Workers (PKWT)

Limited-duration contract workers are temporary employees who are employed for a specific period of time. They are not considered permanent employees and do not have the same rights and protections as permanent employees. The duration of their employment is determined by the employment contract and is typically shorter than the term of employment for permanent employees.

### Relevant Indonesian Laws

- **§57 of Manpower Law No. 13/2003:**
  - A work agreement for a specified period of time cannot be made for work agreements for unspecified periods of time.
  - A work agreement for a specified period of time shall be made in writing and in Indonesian language using Latin alphabets.
  - Any work agreement for a specified period of time that does not fulfill the requirements of this section shall be deemed to be a work agreement for an unspecified period of time.

#### Findings

None of the casual workers interviewed reported having written contracts.

- **EXPLANATION**
  - Casual workers interviewed on Indofood plantations performed permanent tasks and have been incorrectly classified as "short term." By law, they should be employed under unspecified-period work agreements.
  - The absence of written contracts should amend their employment into unspecified-period work agreements.

- **RELevANT INDONESIAN LAWS**
  - §57 of Manpower Law No. 13/2003:
    - A work agreement for a specified period of time cannot be made for work agreements for unspecified periods of time.
    - A work agreement for a specified period of time shall be made in writing and in Indonesian language using Latin alphabets.
    - Any work agreement for a specified period of time that does not fulfill the requirements of this section shall be deemed to be a work agreement for an unspecified period of time.

- **FINDINGS**
  - None of the casual workers interviewed reported having written contracts.
<table>
<thead>
<tr>
<th>FINDINGS</th>
<th>RELEVANT INDONESIAN LAWS</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. One of the two limited-duration contract workers had not received a copy of their contract despite being promised one.</td>
<td>$540 of Manpower Law No. 13/2003: A work agreement shall be made based on: a. The agreement of both sides; b. The capability or competence to take legally-sanctioned actions; c. The availability/existence of the job which both sides have agreed upon; d. The notion that the job which both sides have agreed upon does not run against public order, morality and what is prescribed in the valid legislation.</td>
</tr>
<tr>
<td>4. Wage slips of permanent harvesters interviewed at one of the plantations visited revealed base wages that were below the district’s minimum wage. At the time of the investigation, the monthly minimum wage was Rp 2.015.000, around $150.</td>
<td>§88 of Manpower Law No. 13/2003: Every worker/employee has the right to earn a living through work that is decent for humans for the provision of minimum needs. §54: I shall be made in (two) equally legally-binding copies, 1 (one) copy of which shall be kept by the entrepreneur and the other by the worker.</td>
</tr>
<tr>
<td>5. According to the district government, the district-wide minimum wage is based on a survey of 60 basic-needs items.</td>
<td>§542.1.c of the applicable law as provided under §52.1.c and d of the law shall be legally null and void under §52.1.c and d if the agreed shall be legally null and void according to the applicable law as provided under §52.1.c and d.</td>
</tr>
</tbody>
</table>

**Explanation**

Having the contract worker work outside of the initially agreed terms of employment breaches the agreement and should be considered void. Additionally, harvesting is a permanent task that should only be carried out by permanent employees with corresponding compensation. Therefore, the agreement and should be considered void. Having the contract worker work outside of the initially agreed terms of employment breaches the agreement and should be considered void. Additionally, harvesting is a permanent task that should only be carried out by permanent employees with corresponding compensation.
The collective bargaining agreement that was made by the plantation and the iodfood refers to its wage standard should be considered void as the wage set in the contract was even lower than the legal minimum wage and contravenes minimum wage law.

Indofood's sub-minimum wages are set by a collective bargaining agreement that was negotiated between an association of Sumatran plantation companies called Badan Kerja Sama Perusahaan Perkebunan Sumatra (BKSPPS) — to which Indofood's London Sumatra belongs — and an Indonesian union that claims to represent all the plantation companies called Badan Kerja Sama.

Although casual workers interviewed did not receive documented pay slips, all the casual workers at the same plantation reported receiving a maximum daily wage of Rp 78,000 (around $6 USD) — less than the daily minimum of Rp 80,480 ($6.70 USD) — which fails below the statutory daily rate for a casual worker. The other kernet worker interviewed reported working without pay in order to help her husband reach his harvesting quota.

Out of the seven interviewed workers, six of seven reported working for pay and earning between Rp 20,000 to Rp 35,000 per day, around $1.50 to $2.50 USD — which falls far below the statutory daily rate for a casual worker. The other kernet worker interviewed reported working without pay in order to help her husband reach his harvesting quota.

<table>
<thead>
<tr>
<th>RELevANT INDONESIAN LAWS</th>
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</thead>
<tbody>
<tr>
<td>§90 of Manpower Law No. 13/2003:</td>
</tr>
<tr>
<td>Entrepreneurs are prohibited from paying wages lower than the minimum wages as referred to by the Government.</td>
</tr>
<tr>
<td>§91 of Manpower Law No. 13/2003:</td>
</tr>
<tr>
<td>The amount of wage set based on an agreement between the entrepreneur and the worker/laborer or trade/labor union must not be lower than the amount of wage set under valid statutory legislation.</td>
</tr>
<tr>
<td>§91 of Manpower Law No. 13/2003:</td>
</tr>
<tr>
<td>The amount of wage set based on an agreement between the entrepreneur and the worker/laborer or trade/labor union must not be lower than the amount of wage set under valid statutory legislation.</td>
</tr>
<tr>
<td>18</td>
</tr>
<tr>
<td>6. §91 of Manpower Law No. 13/2003:</td>
</tr>
<tr>
<td>The amount of wage set based on an agreement between the entrepreneur and the worker/laborer or trade/labor union must not be lower than the amount of wage set under valid statutory legislation.</td>
</tr>
<tr>
<td>6. §90 of Manpower Law No. 13/2003:</td>
</tr>
<tr>
<td>Entrepreneurs are prohibited from paying wages lower than the minimum wages as referred to by the Government.</td>
</tr>
</tbody>
</table>

In the process of interviewing, the complainants claimed to represent all the plantation companies called Badan Kerja Sama.
<table>
<thead>
<tr>
<th>EXPLANATION</th>
<th>RELEVANT INDONESIAN LAWS</th>
<th>FINDINGS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Represent the workers.</td>
<td>§124 of Manpower Law No. 13/2003: (2) Stipulations of a collective work agreement must not run against what is stipulated in valid statutory legislation.</td>
<td>many of the workers interviewed stated that they had no role in negotiating the collective bargaining agreement and the union leadership has never explained it to them.</td>
</tr>
<tr>
<td>Likely that the union representative did not truly represent the workers.</td>
<td>§116 of Manpower Law No. 13/2003: (2) The CBA as provided under §116.1 heretofore shall be drafted by means of consensus.</td>
<td></td>
</tr>
<tr>
<td>Likely that the collective bargaining agreement, as it is highly contingent on the consensus that initially funded the procedure, such process questions the legitimacy of the agreement.</td>
<td>§115 of Manpower Law No. 13/2003: The entrepreneur and the trade/labour union are under an obligation to inform the contents of the collective work agreement to the company-backed union was mandatory for permanent workers and happened without proper registration.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>§126 of Manpower Law No. 13/2003: (2) The entrepreneur and the trade/labour union are under an obligation to inform all the enterprise's workers/labourers.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>and argued that any changes made to it to all the enterprises workers/labourers.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>collective work agreement that they have made under an obligation to inform the contents of the collective work agreement are null and void by law.</td>
<td></td>
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</tbody>
</table>

RAN, OPPUK & ILRF's Complaint to the RSPO
<table>
<thead>
<tr>
<th><strong>Explanation</strong></th>
<th><strong>Relevant Indonesian Laws</strong></th>
<th><strong>Findings</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Occupational safety and health hazards, including workers on palm oil plantations face many injuries, fatalities, and health hazards.</td>
<td>§69 of Manpower Law No. 13/2003: (1) Exemption from what is stipulated under Article 68 may be made for the employment of children aged between 13 (thirteen) years old and 15 (fifteen) years old for light work as long as the job does not stunt or disrupt their physical, mental and social development. (2) Entrepreneurs who employ children for light work must meet the following requirements: (a) The entrepreneurs must have written permission from the parents or guardians of the children; (b) There must be a work agreement between the entrepreneur and the parents or guardians of the children; (c) The entrepreneur must not require the children to work longer than 3 (three) hours a day.</td>
<td>Workers on palm oil plantations face many injuries, fatalities, and health hazards. In the investigation that found these child laborers working, photos with GPS coordinates as well as video and audio recordings were collected during the investigation. Workers were observed working on Indofood plantations where workers were reported to be working from dawn to dusk.</td>
</tr>
<tr>
<td>Child workers: How unattainable quotas drive child labor</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Children were observed working on Indofood plantations. Researchers interviewed three child workers—one aged 13, two aged 16, as well as one 19 years old who reported working on the plantation since he was 12 years old.</td>
<td>§6 of Manpower Law No. 13/2003: Employer shall not employ the children to work.</td>
<td>Children were observed working on Indofood plantations. Workers reported that they needed to meet very high quotas every day. Two harvesters stated that their daily quota was 2 tons of fresh fruit bunches per day.</td>
</tr>
<tr>
<td>§73 of Manpower Law No. 13/2003: Employer shall not employ children.</td>
<td></td>
<td>Workers on palm oil plantations do not meet the legal requirements for the official plantation workforce, have no legal work status, and are not eligible for health care or social protections. All the children worked indirectly as kernet workers, who were not recognized as part of the official plantation workforce and have no legal protections and are not eligible for health care, social protections, or minimum wage. Because kernet workers have no direct employment relationship with the company, they are not recognized as part of the official plantation workforce. They do not have a legal work status, and are not eligible for health care, social protections, or minimum wage.</td>
</tr>
<tr>
<td>§8 of Manpower Law No. 13/2003: Employer shall not employ children.</td>
<td></td>
<td>Although there is an exception for the employment of children aged between 13 (thirteen) years old and 15 (fifteen) years old for light work, work on palm oil plantation does not meet its requirements. All the children worked indirectly as kernet workers who were not recognized as part of the official plantation workforce, have no legal work status, and are not eligible for health care, social protections, or minimum wage.</td>
</tr>
<tr>
<td>FINDINGS</td>
<td>RELEVANT INDONESIAN LAWS</td>
<td>EXPLANATION</td>
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</tbody>
</table>
| Beyond the four teenage boys interviewed, two harvesters reported hiring children as harvesters. | §74 of Manpower Law No. 13/2003: Every child, insofar as he/she is under the care of his/her parents, shall be entitled to protection against the following harmful treatment:  
- All kinds of job harmful to the health, safety and moral of the child. | Children in plantations, especially oil palm plantations, have been categorized as one of seven priority areas in eliminating child labor. According to Indonesia’s National Action Plan for the Elimination of the Worst Forms of Child Labor, “children in plantations, especially oil palm plantations” has been categorized as one of seven priority areas in eliminating child labor. Long working hours; high levels of sun exposure which can result in skin cancer and heat exhaustion; long working hours, high levels of sun exposure which can result in skin cancer and heat exhaustion; long working hours, high levels of sun exposure which can result in skin cancer and heat exhaustion; long working hours, high levels of sun exposure which can result in skin cancer and heat exhaustion; long working hours, high levels of sun exposure which can result in skin cancer and heat exhaustion; long working hours, high levels of sun exposure which can result in skin cancer and heat exhaustion; long working hours, high levels of sun exposure which can result in skin.  
- £. The child is exposed to falling fruit branches, and long term health effects from pesticide use or but not limited to poisoning. |
<table>
<thead>
<tr>
<th>EXPLANATION</th>
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<th>FINDINGS</th>
</tr>
</thead>
<tbody>
<tr>
<td>The official plantation workforce have no legal</td>
<td>§99 of Manpower Law No. 13/2003:</td>
<td>Kermit workers who are not recognized as part of</td>
</tr>
<tr>
<td>contractual relationship with the company, Indofood</td>
<td>(1) workers and their families shall each be entitled to</td>
<td>health insurance and limited access to the on-site</td>
</tr>
<tr>
<td>did not</td>
<td></td>
<td>company clinic.</td>
</tr>
<tr>
<td>provide health and safety equipment for these</td>
<td>§86 of Work Safety Law No. 1 of 1970:</td>
<td>All casual and kermit workers reported having no</td>
</tr>
<tr>
<td>workers.</td>
<td>(c) provide, for free of charge, all required PPE to the</td>
<td>health insurance and limited access to the on-site</td>
</tr>
<tr>
<td>Kermit workers, who are indirectly employed by the</td>
<td>§99 of Manpower Law No. 13/2003:</td>
<td>company clinic.</td>
</tr>
<tr>
<td>company, have no legal</td>
<td>(1) in order to improve the prosperity of labors and</td>
<td>Kermit workers who are not recognized as part of</td>
</tr>
<tr>
<td></td>
<td>§100 of Manpower Law No. 13/2003:</td>
<td></td>
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<tr>
<td>employers who are responsible as well as others</td>
<td></td>
<td></td>
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<td>who enter the work area, complete with necessary</td>
<td>§14 of Work Safety Law No. 1 of 1970:</td>
<td></td>
</tr>
<tr>
<td>equipment, for which it is responsible, shall:</td>
<td>Management Administrator shall:</td>
<td>Due to Kermit workers, indirect employment</td>
</tr>
<tr>
<td></td>
<td></td>
<td>with which contains the highly toxic pesticide Paraquat:</td>
</tr>
<tr>
<td>Every worker/ labourer has the right to receive:</td>
<td>§14 of Work Safety Law No. 1 of 1970:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Every worker/labourer has the right to receive:</td>
<td></td>
</tr>
<tr>
<td>a. Occupational safety and health protection;</td>
<td>§100 of Manpower Law No. 13/2003:</td>
<td>No further explanation.</td>
</tr>
<tr>
<td>b. Social security;</td>
<td>§86 of Work Safety Law No. 1 of 1970:</td>
<td></td>
</tr>
<tr>
<td>c. Provide, for free of charge, all required PPE to the</td>
<td>§86 of Work Safety Law No. 1 of 1970:</td>
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<td></td>
<td>(1) Every worker/labourer has the right to receive:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>§86 of Manpower Law No. 13/2003:</td>
</tr>
</tbody>
</table>

Hazards and Unsafe: How pesticides and work practices jeopardize workers’ health and safety.
Workers who perform work in an employment relation are people who work in any form of business (company) or individuals who receive a wage. Including casual, piece rate and contract workers.

Indonesian Law

<table>
<thead>
<tr>
<th>Explanation</th>
<th>Relevant Indonesian Laws</th>
<th>Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Welfare facilities refer to, for instance, family planning service, babysitting facilities, housing facilities, housing facilities for laborers, special rooms for prayer or other religious activities, sports facilities, canteens, and other medical facilities.</td>
<td>§4 of Employee’s Social Security (Jamsostek) Law No. 3/1992: The scope of the Jamsostek Program in this Law.</td>
<td>No</td>
</tr>
<tr>
<td>Health insurance</td>
<td>§2 of Employee’s Social Security (Jamsostek) Law No. 3/1992: The Jamsostek Program as stated in Article 3 must be done by every company for workers who perform work in an employment relation.</td>
<td>No</td>
</tr>
<tr>
<td>Retirement benefit</td>
<td>§3 of Employee’s Social Security (Jamsostek) Law No. 3/1992: Every employee has the right to employee’s social security.</td>
<td>No</td>
</tr>
<tr>
<td>Death benefit</td>
<td>§6 of Employee’s Social Security (Jamsostek) Law No. 3/1992: The scope of the Jamsostek program in this Law include: a. Accident insurance b. Death benefit c. Retirement benefit d. Health insurance</td>
<td>No</td>
</tr>
</tbody>
</table>

Two casual workers reported that they did not treat conditions arising from accidents on the job due to a lack of access to health care and insufficient funds to pay for treatment.

Workers’ insurance were not covered by both contract workers interviewed also reported free medical services.

Indonesia’s 2015 Sustainability Report states worker-related injury compensation, and other social protections, and are not eligible for health care.

IndoAgri’s 2015 Sustainability Report states “employees and their dependents enjoy the medical service of free of charge.” However, workers including those who perform work in an employment relation are people who work in any form of business (company) or individuals who receive a wage, including casual, piece rate and contract workers.

Indofood then goes on to define employees only as permanent workers and limited duration contract workers, indicating that casual workers, which comprise 50% of its workforce, are not entitled to welfare facilities. Their wives and children were not covered by free medical services.

The provision of this law: a. must be done by every company for workers who perform work in an employment relation in accordance with the law. b. be done by every company. c. enact the Jamsostek Program only as stated in Article 3 of this law. | §4 of Employee’s Social Security (Jamsostek) Law No. 3/1992: The Jamsostek Program as stated in Article 3 must be done by every company for workers who perform work in an employment relation. | No |

Two casual workers reported that they did not treat conditions arising from accidents on the job due to a lack of access to health care and insufficient funds to pay for treatment.
### Yellow Unions and Intimidation: How Company-Backed Unions Undermine Freedom of Association

<table>
<thead>
<tr>
<th>Finding</th>
<th>Relevant Indonesian Laws</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. 24</td>
<td>§16 of Employee’s Social Security (Jamsostek) Law No. 3/1992</td>
<td>Workers have the right to attain Health Insurance. (1) Workers’ husband or wife, and children, have the right to achieve Health Insurance.</td>
</tr>
<tr>
<td>No. 28</td>
<td>§72 of Trade Union Law No. 2/2004</td>
<td>Workers were enlisted into the union without their consent or proper registration procedure.</td>
</tr>
<tr>
<td>No. 5</td>
<td>§5 of Minister of Manpower Decree No. 187/2004</td>
<td>Employer may only levy from labor union members based on power of attorney giving authority from the concerned labor.</td>
</tr>
<tr>
<td>No. 104</td>
<td>§104 of Manpower Law No. 13/2003</td>
<td>Every labor shall have rights to forming and becoming member of labor union.</td>
</tr>
<tr>
<td>No. 3</td>
<td>§3 of Employee’s Social Security (Jamsostek) Law No. 3/1992</td>
<td>Workers have the right to attain Health Insurance. (1) Workers, husband or wife, and children, have the right to achieve Health Insurance.</td>
</tr>
<tr>
<td>No. 13</td>
<td>§28 of Trade Union Law No. 2/2004</td>
<td>No. 187/2004: Anyone shall not prevent labors from establishing or not establishing, joining or not joining management of, becoming or not becoming members of, and/or running or not running activities of labor union, or otherwise force them to do or not to do so by: a. performing dismissal, temporary dismissal, reprimand, or transfer to other work; b. failing to pay, or reducing payment of, labors; c. intimidating labors in any way whatsoever; d. campaigning against labor union establishment.</td>
</tr>
<tr>
<td>No. 14</td>
<td>§5 of Min. of Manpower Decree No. 187/2004</td>
<td>No. 187/2004: Anyone shall not prevent labors from establishing or not establishing, joining or not joining management of, becoming or not becoming members of, and/or running or not running activities of labor union, or otherwise force them to do or not to do so by: a. performing dismissal, temporary dismissal, reprimand, or transfer to other work; b. failing to pay, or reducing payment of, labors; c. intimidating labors in any way whatsoever; d. campaigning against labor union establishment.</td>
</tr>
<tr>
<td>No. 15</td>
<td>§14 of Employee’s Social Security (Jamsostek) Law No. 3/1992</td>
<td>Workers have the right to attain Health Insurance. (1) Every labor shall have rights to forming and becoming member of labor union.</td>
</tr>
<tr>
<td>No. 27</td>
<td>§27 of Trade Union Law No. 2/2004</td>
<td>No. 187/2004: Anyone shall not prevent labors from establishing or not establishing, joining or not joining management of, becoming or not becoming members of, and/or running or not running activities of labor union, or otherwise force them to do or not to do so by: a. performing dismissal, temporary dismissal, reprimand, or transfer to other work; b. failing to pay, or reducing payment of, labors; c. intimidating labors in any way whatsoever; d. campaigning against labor union establishment.</td>
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<tr>
<td>No. 12</td>
<td>§12 of Trade Union Law No. 2/2004</td>
<td>No. 187/2004: Anyone shall not prevent labors from establishing or not establishing, joining or not joining management of, becoming or not becoming members of, and/or running or not running activities of labor union, or otherwise force them to do or not to do so by: a. performing dismissal, temporary dismissal, reprimand, or transfer to other work; b. failing to pay, or reducing payment of, labors; c. intimidating labors in any way whatsoever; d. campaigning against labor union establishment.</td>
</tr>
</tbody>
</table>

#### Yellow Unions and Intimidation

- The company-backed union to organize workers.
- Workers reported that their membership to a union was mandatory as they entered permanent status employment. The workers reported that they were enlisted in the union without their consent or proper registration procedure.
- Workers were required to pay membership dues automatically deducted from their wages.
- At least one worker reported experiencing intimidation for showing interests in joining an independent union, which violates their right to organize without the threat of losing their job.
- At least one worker reported experiencing intimidation for showing interests in joining an independent union.
- One worker explained, “We are not free to establish other unions. The plantation only allows union in the form of a [company-backed union].”

#### Relevant Indonesian Laws

- §16 of Employee’s Social Security (Jamsostek) Law No. 3/1992: Workers, husband or wife, and children, have the right to obtain Health Insurance.
- §28 of Trade Union Law No. 2/2004: No. 187/2004: Anyone shall not prevent labors from establishing or not establishing, joining or not joining management of, becoming or not becoming members of, and/or running or not running activities of labor union, or otherwise force them to do or not to do so by: a. performing dismissal, temporary dismissal, reprimand, or transfer to other work; b. failing to pay, or reducing payment of, labors; c. intimidating labors in any way whatsoever; d. campaigning against labor union establishment.
- §5 of Min. of Manpower Decree No. 187/2004: Employer may only levy from labor union members based on power of attorney giving authority from the concerned labor to the employer to deduct membership dues for the union.
- §12 of Trade Union Law No. 2/2004: No. 187/2004: Anyone shall not prevent labors from establishing or not establishing, joining or not joining management of, becoming or not becoming members of, and/or running or not running activities of labor union, or otherwise force them to do or not to do so by: a. performing dismissal, temporary dismissal, reprimand, or transfer to other work; b. failing to pay, or reducing payment of, labors; c. intimidating labors in any way whatsoever; d. campaigning against labor union establishment.
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One permanent worker reported that he was initially interested in joining an independent union but was questioned by the management and became fearful that he would be sanctioned for joining any other union than the company-backed union. He also reported that others, including friends of his, refrained from joining due to fear of repercussions from the company. Others are not allowed...

<table>
<thead>
<tr>
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<th>FINDINGS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freedom of association.</td>
<td></td>
<td>NO</td>
</tr>
</tbody>
</table>

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APPENDIX B: Photos of Unsafe Pesticide Sprayers and Inadequate Personal Protective Equipment used by Indofood Workers
APPENDIX C: Photos of Indofood Workers of Various Positions Working without Adequate Personal Protective Equipment
A young kernel worker pushes a heavy load of fresh fruit bunches on Indofood’s plantation.

A kernel worker carries a heavy load of palm oil fruitlets to the collection point.
APPENDIX D: Photos of Children Working on Indofood Plantations
APPENDIX E: Photos of Women Workers on Indofood Plantations

ANOTHER WORKER HELPS A FEMALE MAINTENANCE WORKER REFILL HER FERTILIZER SACK.

A WIFE HELPS HER HARVESTER HUSBAND MEET HIS QUOTA BY COLLECTING LOOSE FRUITS. SHE WORKS AS A KERNEL WORKER WITHOUT PAY.
A FEMALE MAINTENANCE WORKER SPRAYS PESTICIDES ON INDOFOOD’S PLANTATION.