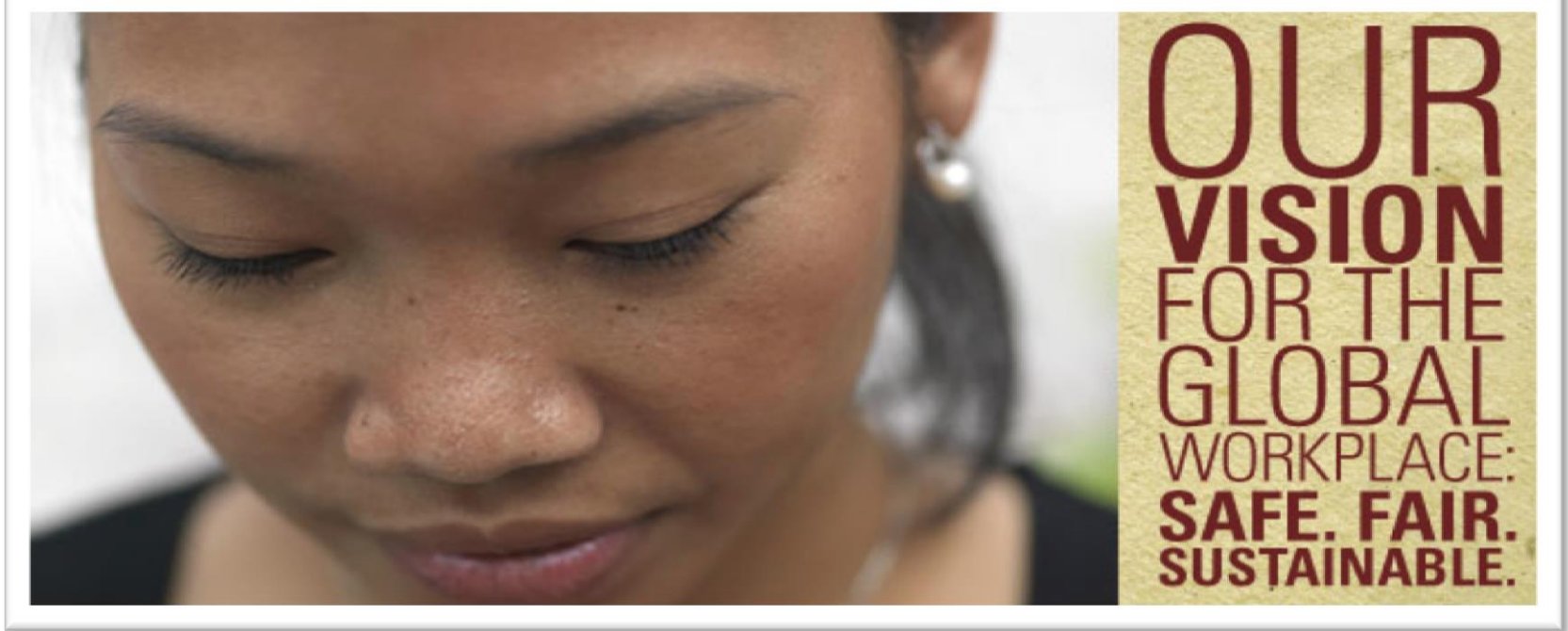


About Verité



Established in 1995

To ensure that people worldwide work under safe, fair and legal conditions

- Network of NGOs globally in 60+ countries
- Work with Fortune 500 brands, SMEs, local and international NGOs, industry associations, trade unions, multi-stakeholder groups, and governments

www.verite.org

Research, Training, Consulting, Auditing, Advocacy



- ❑ Assessment, Monitoring and Special Investigations
 - | Systems, Tools and Training for all supply chain actors ('boardroom to shop floor')
- ❑ Sustainable workforce through worker engagement
- ❑ Publicly funded research on various labor issues; on scope and mechanisms of forced labor risk
 - ❑ Electronics
 - ❑ Global Commodities
 - ❑ Agriculture/Aquaculture
 - ❑ Construction

NORDSTROM

Disney



PHILIP MORRIS



next



BURBERRY
LONDON



new balance



Verité Research on Forced Labor and other labor conditions

Bangladesh – Shrimp

**Bolivia – Brazil Nuts, Corn,
Peanuts, Cattle Ranching**

**Burma/Myanmar – Garments,
Services (upcoming)**

Cote d'Ivoire – Cocoa growing

Dominican Republic – Sugar

Ghana – Cocoa growing

Guatemala – Coffee, Palm Oil

Indonesia – Fishing, Palm Oil

Liberia – Rubber

Malawi – Tea, Tobacco

Malaysia –ICT, Palm oil, Service

Middle East – Construction,



**Philippines – Bananas, Fishing,
Palm Oil**

Taiwan – Fishing, ICT

**Thailand – Food manufacturing,
ICT, garments**

**US – Peanuts, Macadamia nuts,
Tomatoes, Cattle Ranching, Fruits**

Promoting Corporate Accountability for Forced Labor, Human Trafficking, and other Labor Issues in Palm Oil Production



VERITÉ
FAIR LABOR. WORLDWIDE.



Verité's Palm Oil Program

Goal

A decrease in the vulnerability of migrant and other workers to human trafficking and forced labor, and other labor rights issues, in the palm oil supply chain.

Objectives

1. Increased awareness across palm oil supply chain, and among key stakeholders, of the:
 - risks of forced labor and human trafficking in the sector; and
 - labor conditions in oil palm plantations
 - key strategies to combat these abuses.
2. Increased integration in corporate accountability initiatives of improved mechanisms to combat forced labor and human trafficking.



Verité's Palm Oil Program: Main Activities

- Outreach
- Research
- Awareness Raising & Capacity Building
- Engagement of:
 - ✓ **RSPO and its stakeholders**
 - ✓ **Grower and Retailer Companies**
 - ✓ **Auditors and certifiers**
 - ✓ **NGOs, labor groups**
 - ✓ **Governments**



Research



- Various research activities were conducted in 2012 -2014
 - ❑ Sandakan, Tawau, Sarawak, in Malaysia
 - ❑ West Kalimantan and Medan in Indonesia
 - ❑ Agusan in the Philippines
- 2014 research and assessment of the RSPO certification and auditing system; special focus on labor, land, and women's rights
- Review of regulatory frameworks
- Risk-mapping, impact-assessment



Interviews with:

- ❑ Plantation workers, their wives, children, community groups, IP groups and leaders; grassroots NGOs, academics, journalists
- ❑ Plantation managers, agents and brokers, sustainability and CSR officers
- ❑ Key RSPO personnel – complaints, dispute-settlement, certification, etc.
- ❑ Government representatives – environment, labor, trade and industry



Factors contributing to vulnerability

- Plantations are dense, vast, remote, not easily accessible; workers cannot leave employment easily because of location and size of plantations
- There is poor government regulation and monitoring of working conditions on plantations, especially on smallholdings
- Immigration laws have primacy over labor laws when it comes to foreign workers
- Workers are not able to exercise right to Freedom of Association; are not organized, not represented, and in other cases, even in formally structured private estates, they are not given access to existing grievance mechanisms
- IP rights are not respected
- **Women's rights are not considered – in framing issues, addressing solutions; certification framework – methodology, results**



Some key findings

- **Women workers are largely undocumented, unpaid, unprotected, unrepresented (Malaysia, Indonesia)**
- Evidence of child labor
- Evidence of unrestricted, unprotected juvenile labor
- Workers are not able to exercise right to Freedom of Association; are not organized, not represented
- Workers do not have access to existing grievance mechanisms
- Isolation and fear/limited mobility are ubiquitous features of the sector
- IP rights are violated (Malaysia, Indonesia, Philippines)



Some key findings

- ❑ Where brokers are used, deceptive recruitment practices are a problem
 - Fees are excessive
 - Contract substitution, false promises
 - Illegal, irregular, backdoor routes
- ❑ No contracts are signed; where there are contracts, contract-substitution was common
- ❑ Passport retention was widespread
- ❑ The threat of denunciation was used to manipulate workers



Some key findings

- ❑ Conditions were only a little better on the larger estate than in smallholder operations
- ❑ Poor living conditions
- ❑ Access to food is a problem
- ❑ Some evidence found of withholding of pay, with no recourse for workers
- ❑ 12-14 hour days common on smallholding plantations
- ❑ Some workers paid by check/voucher; with unwarranted or unexplained deductions



Common Risks in Palm Oil

- Nature of the industry presents inherent risks & promotes widespread exploitative practices
 - **labor-intensive** operations - **dependence on migrant labor**
 - Use of vast areas - **Forced displacement of local peoples and communities**
 - Use of vast areas - exacerbate **isolation, lack of access** to aid., heightened exposure to **health and safety risks**, such as falling palm fruits, cuts, venomous snake bites, and **pesticide exposure**.
 - In many cases migrant workers are even more **isolated** , are rarely able to leave the plantations
 - In Malaysia, widespread, massive **operations against undocumented workers** restrict workers' movements systematically
- Poor implementation of regulatory mechanisms
 - Primacy of immigration v. labor laws
 - No monitoring for prohibition of **child labor** and protective restrictions for **juvenile labor**
 - **Poor consideration for women workers – they remain a hidden, vulnerable population**
 - Challenges to inspectors and auditors to access workers on or around palm plantations because of their **remoteness, and the presence of armed guards, paramilitary and other armed forces**.

Stakeholder Engagement: The RSPO

- Member in Task Force that reviewed and revised the P&C, resulting in
 - ❑ Elevating and strengthening the normative language on forced labor, human trafficking, and migrant workers
 - ❑ Consolidating treatment of labor & employment issues, particularly women workers' issues
 - ❑ Integration of criteria for workers hired through labor contractors
- In 2013: Membership in Human Rights Working Group, Lead of the Labor Task Force; Membership in the Dispute Settlement Facility Advisory Board; Membership in the Complaints Panel
- In 2013 to present: Resource on Labor Rights, Gender Rights, Land Rights, Social Auditing

Risk Sources

- How social issues – women’s rights, land rights, labor rights - are framed by the standards used by CBs to audit units seeking certification
- The qualifications of CBs and the parameters or criteria, and standards against which CBs and auditors are evaluated
- The methods and procedures for data and evidence gathering and analysis, documents review and stakeholder consultation
- The method of grading and determination of a conformance or nonconformance
- The reporting process and opportunities for stakeholder feedback and involvement

Stakeholder Engagement: Growers and Millers

In 2013: **New Britain Palm Oil, Ltd.**, a major grower member of the RSPO, partnered with Verité Southeast Asia (VSEA) to conduct **initial stakeholder consultations and due diligence** over government-led procedures, and to acquire an overview of the Free Prior and Informed Consent (FPIC) of communities within the area being considered for new development

- ✓ Gap-analysis (validation) of the government-led process and written review of regulatory, legal, RSPO framework
- ✓ Preliminary assessment of impacts of the proposed project
- ✓ Overview of “free and prior informed consent”, leading to phase 1 of the FPIC process
- ✓ Social and institutional mapping
- ✓ Stakeholder mapping





http://www.rspo.org/en/podcast_video_audio

http://www.rspo.org/en/file/multimedia/2012-08-23_Podcast-BG_Simon_Lord_RSPO.mp3

The Quest to Make Sustainability a Way of Life

Sustainability for New Britain Palm Oil Ltd (NBPOL) Group Director,
Dr.Simon Lord.

Date : 23 August 2012

Location : BFM, Malaysia

Stakeholder Engagement: Growers and Millers

The following key assessment activities were conducted:

- ✓ Consultations with government agencies and non-government organizations (NGOs)
- ✓ In-depth interviews with local stakeholders – oil palm growers, tribal chieftains, barangay leaders, farmers' cooperatives
- ✓ Review of relevant written policies, government records, customary laws
- ✓ Survey of existing basic social services, institutional support present in the various districts, and identification of basic needs
- ✓ Identification of stakeholder groups and their interests relevant to oil palm development
- ✓ Identification of potential issues, risks to the company's ability to comply with RSPO standards, opportunities for social intervention; and gaps that could undermine the project's objectives or reduce its benefits to clients/beneficiaries and other stakeholders
- ✓ Identification of social safeguard issues and risks to indigenous peoples (IPs) and ethnic minorities, local farmers, settlers



Stakeholder Engagement: Growers and Millers

In 2013-2014: Another major grower member of the RSPO engaged Verité Southeast Asia (VSEA) to conduct assessment of the plantations' readiness to comply with new P&C and higher standards; and to provide capacity-building for key management staff.

- ✓ Internal audit against social standards
- ✓ Standards awareness training – particularly on labor, gender, land rights
- ✓ Skills training for internal auditors and plantation managers on standards implementation

Stakeholder Engagement: International and Grassroots NGOs; Social Auditors and Certification Bodies

- **“Improving Labour Conditions in the Palm Oil Supply Chain: A Verité Multi-stakeholder Initiative”** - in partnership with the NGO **Solidaridad**, the **RSPO**, and the **Farmer Support Program (FSP)**
 - ✓ Series of training courses and skills-building for certification bodies, auditors, growers, NGOs, and smallholders
- **“Improving Social Auditing within the RSPO: A preliminary assessment of the Procedures, Gaps, and Best Practices of the Social Auditing Aspect of the RSPO Certification System”** – in partnership with **Oxfam Novib**
- **“Introduction to Social Auditing”** – a training course conducted in partnership with **RSPO**

Awareness Raising



Based on the results of research and stakeholder consultation, Verité developed:

- **White paper** on forced labor and trafficking risks in the palm oil supply chain, and the role of the RSPO and businesses in addressing them; and
- **Guidance materials** for RSPO members on the new forced labor criteria.
- **E-learning modules, training modules**



Thank you.



Verité a global advocate for workers

