

Executive Summary Report on Site Visit to PT Tandan Sawit Papua

A. BACKGROUND

In September 2016 Greenpeace published its report entitled: "A Deadly Trade-off, IOI's Palm Oil Supply and its Human and Environmental Cost¹". The report alleges that IOI is sourcing palm products from groups that Greenpeace claims are in violation of IOI's policies either directly or via other trading companies such as Wilmar, Asian Agri, Musim Mas and GAR. GAR is a supplier to IOI Loders, the refining and procession arm of IOI and GAR has a procurement relationship with Eagle High Plantations Group (EHP) which was mentioned in the report and in particular with PT Tandan Sawit Papua (PT TSP), a company within the group.

As part of GAR's grievance handling process in the GAR Social and Environmental Policy (GSEP)², GAR carried out a field verification visit to PT TSP concession in Arso Timur District, Keerom, Papua Province on 17-21 April 2017. This visit was supported by GAR's implementation partner The Forest Trust (TFT). The purpose of the visit was to assist PT TSP in developing action plans for future improvement with regards to the allegations by Greenpeace as follows:

1. Deforestation

Some 18,300 hectares of forest was cleared up till the end of 2014; concession was almost entirely covered with a mixture of primary and secondary forest, eight rare or protected mammal species were present including two species of critically endangered cuscus, as well as 39 rare or protected birds and 3 reptile species.

2. Child labour

Children as young as six work in plantation to support their parents.

3. Exploitation/Mistreatment of workers

- a) September 2013 - sacked four casual labours after they went on strike.
- b) April 2014 - two employees were imprisoned after demanding better working conditions.

4. Excessive use of force and use of state security forces

- a) Reported incidents that suggest repressive treatment of company workers since it started operating.
- b) A fatal shooting on 21st December 2015 of a 22-year old company employee, Marvel Doga, by state security forces as he was demanding his unpaid holiday allowance.

5. FPIC

- a) There was no engagement with the indigenous community as a whole, in an inclusive FPIC process, merely negotiation on land rights with clan leaders.
- b) Compensation paid was low – Rp 384,000 per hectare.

B. SITE VISIT RESULT

1. Deforestation

Development in PT TSP began before the GAR Social and Environmental Policy (GSEP) was launched in October 2015 with the most recent planting taking place in 2014. Information obtained from the visit could not verify the previous condition of the areas cleared and we could not make any judgement on the quality of the HCV study undertaken. GAR's policy (GSEP) is forward looking and does not specify any cut-off date. GAR recognizes that a HCV study was done before development commenced and PT TSP's parent company EHP's actions with regards to another of its assets in Papua namely PT VMA, shows its commitment in complying with the GSEP principles of shifting development away from HCV, HCS and peatlands. EHP also announced a moratorium in 2016. In addition, as an RSPO member it is obligated to protect the HCV areas within its concessions. The team did observe recent land clearing within PT TSP's HGU, but was told that this had been carried out by the local community to plant rice. While the company was not involved, we noted that PT TSP needs to tackle the issue and engage the parties involved as it is being carried out within its concession boundaries.

Action plan:

PT TSP to conduct a land tenure study with the local communities to have clarity on who is opening the land and to ensure it does not go against PT TSP’s moratorium and RSPO requirements. PT TSP is expected to commence this process no later than end November 2018.

2. Child Labour

During the verification visit there were no children found helping their parents at work. The company has “No Child Labour” policy. But there is a lack of socialisation regarding “No Child Labour” and a lack of effective mechanisms to prevent children from entering the work environment. As such, implementation needs to be strengthened.



Picture 1. Child Care Center at Estate 4 (Tulip)



Picture 2. Primary School at Estate 4 (Tulip)

Action plan:

- a) PT TSP to conduct a socialisation to all workers and local communities about “No Child Labour” and install highly visible signage at the entrance the plantation prohibiting children from entering work areas. These actions are expected to be completed no later than end August 2018.
- b) PT TSP to include the responsibility to monitor and ensure no children are found in the workplace in the estate foreman’s job description and key performance indicators (KPIs). The job description and KPIs are expected to be updated and shared with estate foremen no later than August 2018.

3. Exploitation/Mistreatment of Workers

PT TSP has changed from a “target-based” system to “seven-hours per day or 40 hours per week” system. The wages under the new system complies with the Decree of Papua Governor No 560/382/2016 re. Provisionsal Sectoral Minimum Wage (UMSP).

The demonstration by workers when the company transitioned to this system is an indication that both management and workers need to set up processes to ensure dialogue takes place such as through establishing an LKS Bipartite body which is in line with Act no. 13/2003 which is mandatory for every company which employs more than 50 employees. Two workers were detained by the police namely Alex and Matem Matari both of whom who were known as labour activists. However, management stated that their detention was due to theft of money and a laptop and also for being violent to a staff member during a strike. This information from PT TSP management could not be verified with the respective workers as they had returned to their home town in Nusa Tenggara Timur.

Action plan:

PT TSP to establish a dialogue process with its workers by forming an LKS Bipartite Body and scheduling regular meetings. This dialogue process is expected to lead to the establishment of a Collective Work Agreement (Perjanjian Kerja Bersama) between the company and the Labour Union. These meetings will serve as a mechanism to discuss corporate policies, understand employee aspirations etc. The establishment of the LKS Bipartite Body is expected to be completed by end December 2018.

4. Excessive Use of Force and Use of State Security Forces

- a) The company has a grievance handling policy including addressing incidents of violence.
- b) Involvement of army personnel equipped with firearms resulted in the death of a worker.

Action plan:

- a) PT TSP to prioritise dialogue with employees when handling grievances from employees.
- b) PT TSP to use civil security forces (police or private security guards) trained in civilian law enforcement instead of professional military personnel for security within its operations by end December 2018.

5. FPIC

The company has conducted a process of obtaining consent for the land use from the representatives of the eight clans including agreeing to give "uang tali asih". There were a number of people from one of the eight clans who were dissatisfied with the process due to the lack of discussion in a customary meeting. However this issue has largely dissipated and is considered resolved by the community and the individuals have now joined the plasma cooperative in partnership with PT TSP.

Action plan:

- a) PT TSP to document the process of PM (Participatory Mapping) and LTS (Land Tenure Study). The documents of PM and LTS are expected to be ready for GAR review no later than end September 2018.
- b) PT TSP to strengthen the implementation of community development and CSR programmes as recommended in the SIA (Social Impact Assessment). The draft plan of programmes is expected to be completed no later than end February 2019.

C. REFERENCES

1. <http://www.greenpeace.org/international/en/publications/Campaign-reports/Forests-Reports/A-Deadly-Trade-off/>
2. https://goldenagri.com.sg/wp-content/uploads/2016/09/GAR_Social_and_Environmental_Policy-2.pdf
3. https://goldenagri.com.sg/wp-content/uploads/2016/02/Case-Study-Supplier-in-Papua_Final-2.pdf
4. http://www.greenomics.org/docs/IPOP_Implementation_Report-05_Greenomics.pdf
5. <http://www.downtoearth-indonesia.org/story/women-and-oil-palm-investment-region>
6. Indonesian Labour Law No.13/2003
7. Spatial analysis from GAR internal team
8. Other references