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# Urge the Roundtable on Sustainable Palm Oil to Adopt Proposed Criteria on Labor, Human Rights and Ethics

Ethical sourcing of palm oil has come a long way, but we urgently need your help to ensure labor issues are properly addressed in the Roundtable on Sustainable Palm Oil (RSPO) Principles and Criteria Review, which ends on November 30, 2012. Palm oil is used in about 50 percent of all grocery products and increasingly as biofuel. Indonesia and Malaysia are leading producers, with 85% of the global market, and the industry is poised to grow in Africa, South Asia and Latin America. It is essential to influence how sustainability is defined and certified as this sector grows.

The production of palm oil has been linked to troubling social and environmental problems highlighted in media campaigns. Corporations and governments have recognized palm oil's environmental issues, but we need to put the spotlight on the labor issues and their social impacts as well. Exploitative working conditions in palm oil are well-documented, such as excessive working hours, occupational safety and health hazards and, more seriously, child labor, forced labor, and the trafficking of migrant workers.

## The RSPO Principles and Criteria Review

In response to the global call for sustainably produced palm oil, the Roundtable on Sustainable Palm Oil (RSPO) was formed in 2004. This not-for-profit association is the leading initiative on palm oil, uniting producers, processors, traders, consumer goods manufacturers, retailers, investors, and civil society to develop and implement global standards for sustainable palm oil. It has been the key vehicle to advance change in the palm oil sector.

The RSPO recently formed a Task Force to review its Principles and Criteria for Sustainable Palm Oil Production. Verité worked on the RSPO Standards Task Force alongside a group of concerned organizations, including Oxfam Novib, Sawit Watch, and World Wildlife Fund, with the aim of strengthening the social and human rights criteria of the code. Recognizing the need to better address critical human and labor rights issues in the palm oil industry, the Task Force has proposed to include new criteria on the (1) abolition of all forms of forced or trafficked labor, (2) respect for human rights, and (3) commitment to ethical conduct.

## What Can You Do?

Lend your voice in support of these new criteria to show that these issues are important to you and your stakeholders! During the public comment period, the Standards Task Force needs to hear that stakeholders like you care about this issue. Your comments can ensure that the [improved standards](#) are not removed or otherwise weakened.

Specifically, we encourage you to **request the RSPO to:**

- Formally adopt the proposed new criteria on the abolition of all forms of forced or trafficked labor, respect for human rights, and commitment to business ethics;
- Convene a labor and human rights working group to provide guidance and proper direction in the implementation of the new standards; and
- Adopt stronger measures and more meaningful indicators, as shown in the table below (see Sample Comments).

Demand for palm oil is expected to double by 2050. It is imperative to influence how sustainability with regard to labor exploitation is defined and certified now.

**Send your comments to Proforest, at [jenny@proforest.net](mailto:jenny@proforest.net), by November 30, 2012.**

**We can't lose this momentum for change.**

**Questions? Contact** Ms. Daryll Delgado (Asia, Africa) at [ddelgado@verite.org](mailto:ddelgado@verite.org), or Mr. Philip Hunter (Americas, Europe) at [phunter@verite.org](mailto:phunter@verite.org), to find out more about how to promote ethical labor practices in palm oil production.

## Sample Comments

In addition to providing general comments like the three listed above, organizations have the opportunity to comment more specifically upon individual [new draft Principles and Criteria](#) of the RSPO. Below Verité provides some key observations about these new draft criteria, taking each of the new standards in turn. You can use these comments to inform your own feedback to the RSPO.

New Criteria	Verité Observations and Suggestions for Additional Indicators to Strengthen the New Criteria
<p><b>Business Ethics – Under Principle 1</b></p>	<ul style="list-style-type: none"> <li>• It is appropriate and necessary for the RSPO to have a specific standard on ethical conduct. This incentivizes good conduct, and differentiates RSPO certified growers from all the others.</li> <li>• The inclusion of this standard strengthens the entire P&amp;C.</li> <li>• The current indicator, requiring a written policy, is a very good start. There should be another indicator requiring proof of implementation and proof of communication to all levels.</li> <li>• An indicator should be added that requires that the company’s financial records demonstrate no fraudulent use of funds.</li> <li>• An indicator should be added that requires that mechanisms be put in place to monitor and ensure compliance with policy provisions.</li> <li>• There should be zero tolerance for all forms of corrupt practice.</li> </ul>
<p><b>Business and Human Rights – Under Principle 6</b></p>	<ul style="list-style-type: none"> <li>• The inclusion of this new standard strengthens the entire P&amp;C, and communicates to stakeholders that the RSPO certified growers and millers are sincere in their commitment to promote a truly sustainable commodity.</li> <li>• This is a good first step towards understanding and addressing the human rights-related impacts of a company’s activities and services, business operations, and business relationships. There should be additional indicators requiring growers and millers to reference this standard in their SEIA and FPIC processes; and processes and procedures to identify, prevent, mitigate, and address the human rights-related impacts of their activities and services, business operations, and business relationships.</li> <li>• There should be another indicator requiring companies to exercise adequate due diligence and oversight to ensure the protection of human rights in their dealings and contracts with business enterprises and service providers, including private security teams/armed forces.</li> </ul> <p>Additional guidance based on the UN OHCHR’s Guiding Principles for Business and Human Rights:</p> <ul style="list-style-type: none"> <li>• "In order to prevent and mitigate adverse human rights impacts, business enterprises should integrate the findings from their impact assessments across relevant internal functions and processes, and take appropriate action."</li> <li>• "In order to verify whether adverse human rights impacts are being addressed, business enterprises should track the effectiveness of their response. Tracking should:               <ul style="list-style-type: none"> <li>(a) Be based on appropriate qualitative and quantitative indicators;</li> <li>(b) Draw on feedback from both internal and external sources, including affected stakeholders."</li> </ul>               (From "The corporate responsibility to respect human rights" in Guiding Principles on Business and Human Rights, <a href="http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf">http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf</a>)             </li> </ul>
<p><b>Prohibition of Forced and Trafficked Labor – Under Principle 6</b></p>	<ul style="list-style-type: none"> <li>• It is good to see a standard in the P&amp;C that addresses a very critical issue that affects the industry deeply: the trafficking of workers for forced labor. This new standard is a means to communicate to the public that the RSPO condemns the practice of modern-day slavery.</li> <li>• Paying special focus on temporary and migrant workers is a good approach to ensure compliance with the criterion prohibiting forced labor. Migrant workers, especially when they are undocumented or fall out of status, and/or who are illegally/irregularly recruited, are the most vulnerable to ending up in situations of forced labor or trafficking.</li> <li>• The guidance text for the policy content is more appropriate as indicators.</li> <li>• The first indicator should be revised for more clarity, and ease of implementation. Instead of requiring growers to show "no evidence of forced, bonded, or trafficked labor", this first indicator should require positive proof that workers enter into employment voluntarily and freely, without the threat of a penalty, and have the freedom to terminate employment at any time without</li> </ul>



penalty, given notice of reasonable length.

- Forced and trafficked labor can be very difficult to detect, and all actors in the supply chain can be at risk of complicity. It is very important that the indicators also help growers and millers screen against FL and trafficking, and assist the certification bodies or auditors in monitoring for strict compliance.

The following should be included as measurable and concrete indicators:

- Workers shall not be physically confined to the workplace or related premises such as dormitories, and their freedom of movement shall not be unreasonably restricted.
- Workers shall not be charged any fees or costs for recruitment, directly or indirectly, in whole or in part.
- There shall be no lodging of deposits, charging of security payments, withholding of employee documentation or other valuable personal items; and threats or use of violence.
- Written contracts of employment shall be provided to migrant workers in language they understand and indicating their rights and responsibilities, and the terms and conditions of employment.
- Wages shall be paid regularly, on time and directly to the worker. Payment in the form of vouchers or promissory notes is prohibited, and "in-kind" payments shall not be used to create a state of dependency on the employer.
- Deception in wage payment does not occur.
- Advances and loans provided to workers shall not exceed national limits, and no illegal deductions are made from workers' wages.
- Irregular migrant workers shall not be threatened with denunciation to authorities.
- A working group focused on this and other labor standards should be formed to guide growers and millers, as well as auditors, on the proper implementation and appreciation of these standards.