



February 29, 2016

To Whom It May Concern:

The undersigned organizations are writing to express our concerns regarding modern day slavery in your company's palm oil supply chain or investment portfolio.

In July 2015 *The Wall Street Journal* released an article titled "[Palm-Oil Migrant Workers Tell of Labor Abuses on Malaysian Plantations](#)," which exposed human trafficking, forced labor, withholding of wages and other abuses of workers on the plantations of Felda Global Ventures (FGV).¹ Many of these workers were migrant laborers, particularly from Bangladesh, whose identification documents were confiscated and were recruited to work on FGV plantations via smugglers who trafficked workers through notorious camps that have been well-documented on Malaysia's borders.

The Roundtable on Sustainable Palm Oil (RSPO), to which FGV belongs, responded by commissioning Accreditation Services International (ASI) to perform a compliance audit in September 2015 and the resulting audit report was published on October 21, 2015.² The audit report details several International Labour Organization (ILO) indicators for forced labor on FGV plantations including: minimum wages not being paid; workers not understanding their terms of employment; workers' contracts being written in a language they did not understand; smallholders reporting "constant debt"; and passports and identity documents being retained by the company.

Unfortunately, ASI auditors failed to investigate two of the most critical indicators of forced labor highlighted in *The Wall Street Journal* article: the method of recruitment and legal work status of subcontracted workers. The auditors also did not use the international definition and

¹ Syed Zain Al-Mahmood. "Palm-Oil Migrant Workers Tell of Labor Abuses on Malaysian Plantations," *The Wall Street Journal* 26 July 2015. <http://tinyurl.com/q68g2cr>

² "Compliance Audit and Investigation Report," ASI. <http://tinyurl.com/zggsmy8>
ASI did find that FGV was not able to demonstrate how it controls implementation of particular RSPO requirements at the level of its contractors and smallholders, and in December 2015, SGS and Control Union, the two certification bodies who issued RSPO certificates to FGV, were suspended by ASI for major failures in their labor auditing procedures.

methodology for measuring forced labor and inaccurately concluded that they had found no evidence of forced or trafficked labor.³ Regardless of the shortcomings of the audit, the findings of forced labor indicators and lack of disciplinary action against FGV by the RSPO to date call into question the credibility of the RSPO and highlight significant risks for customers and investors.⁴

On FGV's part, rather than admit that problems exist and develop a plan to address them, the company has denied the accusations, accused the reporter of lying, and attempted cosmetic efforts to ride out the media storm without making any fundamental changes to its labor practices. Buyers and investors in FGV must take direct responsibility for their supply chains and investment portfolios, especially given the dangerous shortcomings of the RSPO commissioned audit. We call on your company to

1. Require Felda Global Ventures to publicly release a Policy on Employment of Migrant Labor and Corrective Action Plan within three months time that includes monthly performance milestones for addressing forced labor, human trafficking and other labor violations documented by *The Wall Street Journal*. Specifically FGV must adopt a Policy and Plan to:
 - a. Prohibit the charging of fees to workers by FGV, labor contractors or recruiters;
 - b. Prohibit the confiscation and holding of identity documents by FGV, labor contractors or recruiters;
 - c. Pay workers the statutory minimum monthly wage based on an eight-hour workday, which is documented through regular wage slips written in a language understood by the workers and which reflect any deductions; and
 - d. Establish a legitimate, accessible and transparent grievance mechanism, which aligns with the UN Guiding Principles on Business and Human Rights.
2. Within six months time, commission a skilled labor assessor with a consortium of buyers and investors to independently and transparently verify FGV's compliance with its Policy and Corrective Action Plan
 - a. If the FGV fails to meet its performance milestones, or make significant progress to address forced labor, human trafficking and labor violations by the time of the audit, your company should suspend financing and buying from FGV until adequate practices and procedures are in place to address labor violations and remedies are agreed.
3. Publicly call on the RSPO to align its Principles & Criteria with ILO standards, align its audit processes with best practices in labor assessments as outlined in the [Free and Fair Labor in Palm Oil Production: Principles and Implementation Guidance](#), and establish a Labor Task Force with clear responsibilities to ensure labor standards and

³ "Hard to See, Harder to Count: Survey Guidelines to Estimate Forced Labour of Adults and Children," International Labour Organization. http://www.ilo.org/global/docs/WCMS_182084/lang--en/index.htm

⁴ For more see this statement by the coalition of international labor rights and environmental groups whom are signatories to this letter: http://www.ran.org/faulty_rspo_audit_commissioned_for_evaluating_modern_day_slavery_on_palm_oil_giant_felda_plantations

requirements are applied properly by RSPO certification bodies and on RSPO members' plantations.⁵

4. Align your company's palm oil policy and supplier requirements with the [Free and Fair Labor in Palm Oil Production: Principles and Implementation Guidance](#).

We'd like to arrange a call with your company during the week of March 14th to understand what actions you are taking to address modern day slavery in your supply chain or investment portfolio with regard to Felda Global Ventures. Please contact Robin Averbeck at raverbeck@ran.org and Abby McGill at abby@ilrf.org to share updates and schedule a call.

Sincerely,



Robin Averbeck
Rainforest Action Network
(RAN)



Abby McGill
International Labor Rights Forum
(ILRF)



Glorene Das
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Walk Free



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⁵ Free and Fair Labor in Palm Oil Production: Principles and Implementation Guidance.
https://humanityunited.org/wp-content/uploads/2015/03/PalmOilPrinciples_031215.pdf