



CHILDREN IN THE PLANTATIONS OF SABAH:

Stakeholder Consultation Workshop Report

*Challenges for Businesses & Recommendations
for Improved Sustainability Practices*

Table of Contents

GLOSSARY	ii
1. INTRODUCTION	1
1.1 Background	2
1.2 Stakeholder Consultation Workshop	3
2. SUMMARY OF POLICY RE-SOCIALISATION SESSION	5
3. SUMMARY OF CAPACITY BUILDING SESSION	9
4. SUMMARY OF FINDINGS FROM STAKEHOLDER CONSULTATION	19
4.1 Technical Notes on the Stakeholder Consultation	20
4.2 Presence of Children & Young Persons in Plantations	20
4.3 Mitigating Risk through Education	23
4.4 Challenges faced by Companies Concerning Children in Plantations	24
5. CONCLUSION & WAYS FORWARD	25
5.1 Conclusion	26
5.2 Ways Forward	26
REFERENCES	28
ANNEX 1: ABOUT THE ORGANISERS	30
ANNEX 2: PROGRAMME AGENDA	31
ANNEX 3: PRE-CONSULTATION SURVEY	32
ANNEX 4: CONSULTATION QUESTION	32

Glossary

Alternative Learning Centre (ALC)	"ALC" refers to alternative education facilities provided by NGO(s) in partnership with plantation companies for primary level (refer UNICEF 2015).
Child labour	"Child labour" refers to work that deprives children of their childhood, potential and dignity, and that is harmful to physical and mental development; work that is mentally, physically, socially or morally dangerous and harmful to children; and interferes with their schooling (refer to ILO Minimum Age Convention C138).
Children	"Children" refers to persons who have not completed their fifteenth year of age (Children & Young Persons [Employment] Act 1966).
Children in the plantation	"Children in the plantation" refers to the presence of children within a company's compound or within plantation area(s).
Community Learning Centre (CLC)	"CLC" refers to alternative education facilities provided by NGO(s) in partnership with plantation companies at the secondary level (refer UNICEF 2015)
Stakeholders	"Stakeholders" refer to the participants that attended this event, including: representatives of palm oil plantations and millers, brands (e.g., Nestlé), NGOs (e.g., TFT, Humana), certification council (e.g., MPOCC), the Government (Indonesian Consulate), industry associations (e.g., EMPA) and other international organisations (e.g., UNICEF, ILO).
Young person	"Young person" refers to any person who, not being a child, has not completed his/her eighteenth year of age" (Children & Young Persons [Employment] Act 1966).



1

Introduction



1.1 Background

Over the past decade, sustainability efforts among the palm oil business community have shifted towards a greater focus on addressing and remedying environmental issues. Although environmental issues remain important, there is still an increasing need to address significant outstanding issues, especially the treatment of people (workers, children, and communities) affected by palm oil operations, via the application of pragmatic efforts.

The International Labour Organization (ILO) categorised the agricultural sector as one of the three most hazardous economic sectors with mining and construction taking second and third place, respectively (ILO 2017a). In these sectors, workers generally face hazardous working conditions including long hours of work, which are physically demanding and arduous (Verite 2013: 3). In 2017, ILO (2017b) reported that a total of 152 million children aged 5 to 17 years old had been subject to child labour, with 70.9% working in the agricultural sector. Generally, in palm oil plantations, children as early as 12 or 13 years of age would allegedly be found on-site assisting their parents and/or working as full-time employees (Verite 2013: 4). Meanwhile, human rights campaigns against palm oil growers and consumer goods manufacturers are more aware of the opinion on the use of child labour¹, and are now

demanding for the formulation of proactive and sustainable solutions to prevent and remedy the actual and/or potential use of child labour.

Sabah (East Malaysia) produces a total of 5.7 million tonnes of crude palm oil per annum, and is the largest producing state in Malaysia. In 2015, the State Government of Sabah called for all palm oil players in Sabah to produce 100% certified sustainable palm oil (CSPO) by 2025. Notwithstanding the significant contribution of the palm oil industry to Sabah's economy, the labour shortage facing the industry poses a significant challenge for businesses. As of 2016, the plantation sector in Sabah faced a labour shortage of 20%, with an annual turnover of workers of about 20%, resulting from voluntary and involuntary termination of services (Borneo Post 2016).

In Peninsular Malaysia (West Malaysia), the children of foreign workers are less likely to be present in plantations due to many reasons, including stronger application of controls (e.g., regulations on the issuance and renewal of visit pass for temporary employment – VPTE) that prohibits foreign workers from bringing their family to the country.

Sabah was identified as the geographical location for this workshop due to the known presence of children of foreign

The International Labour Organization (ILO) considers the agricultural, mining and construction industry as the top three hazardous economic sectors.

152

million children aged five to 17 were subject to child labour in 2017.

70.9%

of these 152 million children were in the agricultural sector.

60,000

Indonesian children live around plantation areas in Sabah, according to the government of Indonesia.

¹ For example, Amnesty International campaign against Brands (e.g., Unilever, Nestlé, Procter & Gamble, etc.) and Producer (e.g., Wilmar) on the alleged use of child labour. Available at: <https://www.amnesty.org/en/latest/news/2016/11/palm-oil-global-brands-profit-from-child-and-forced-labour/> Another example was a media campaign led by Wall Street Journal (WSJ) against Felda Global Ventures (FGV) on the alleged human rights abuses against its foreign workers. Available at <https://www.wsj.com/articles/palm-oil-migrant-workers-tell-of-abuses-on-malaysian-plantations-1437933321>

workers in the State, and the potential for these children to involve in plantation work (Verite 2013; UNICEF 2015; Asia Foundation 2010). Unlike in Peninsular Malaysia, as of 2015, foreign workers in Sabah may be granted family visas, thus enabling them to bring their family members with them, on the condition that they earn RM2,500 (monthly) or above (UNICEF 2015: 54). Indonesian and Filipino children are often observed to migrate with their parents (legally and irregularly), while some children of foreign workers were born in Sabah.

The Government of Indonesia estimated that there are at least 60,000 Indonesian children living around plantation areas across Sabah (UNICEF 2015: 59), where some of them may be living in poverty with relatively little access to education. These factors, coupled with the remoteness of plantations, have contributed to children engaging in plantation work, either as workers or assisting their parents (UNICEF 2015: 54).

Industry players in Sabah, including the plantation sector, are regulated under the Sabah Labour Ordinance (CAP.67) especially on matters concerning labour. The Children and Young Persons (Employment) Act does not apply in Sabah, and hence any matters concerning employment of children and young persons are subject to Part XI of the Sabah Labour Ordinance.

With primary inputs gathered from the stakeholder consultation workshop (hereinafter referred to as the 'workshop'), this report captures the actual issues and participation of children in plantations and challenges facing companies in addressing it. This report is an attempt at forming a reference to further support industry-wide efforts to formulate sustainable and actionable solutions to better strengthen the protection of children and their well-being in the plantations of Sabah.

1.2 Stakeholder Consultation Workshop

Objectives

The workshop was convened by Nestlé, Archer Daniels Midland (ADM), and Wilmar, in partnership with TFT, on September 5th, 2017 in Sandakan, Sabah.

The objectives of the workshop are:

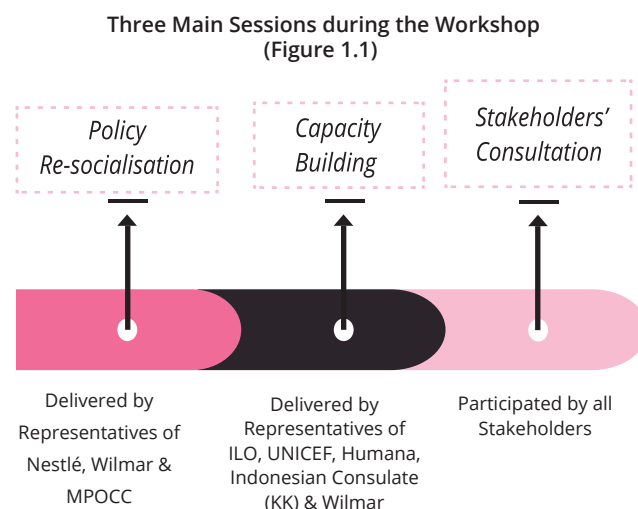
to seek inputs from participants in regard to the actual participation of children in plantation work, and the possible ways to address it;

to raise awareness and build capacity among the suppliers (participants) to address and prevent child labour on site; and

to re-socialise company policy commitments and national sustainability requirements concerning child labour.

Sessions during the Workshop

The workshop sessions were organised and designed during the event to achieve the objectives mentioned above. The three main sessions are shown in Figure 1.1 below:



The workshop began with a keynote address delivered by a representative of The East Malaysia Planters' Association (EMPA). During the Policy Re-Socialisation session, representatives of Wilmar, Nestlé and TFT reiterated their position, which prohibits child labour, and their collective endeavour to work together with their suppliers to address the challenges companies face. Subsequently, a representative of the Malaysian Palm Oil Certification Council (MPOCC) shared recent developments regarding the soon-to-be mandatory requirements of the Malaysian Sustainable Palm Oil (MSPO) certification.

During the Capacity Building session, subject matter experts such as representatives of the ILO, UNICEF, Humana Child Aid Society, Sabah (HCASS), Indonesian Consulate (Kota Kinabalu, Sabah) and Wilmar shared their technical knowledge, programmes, and good practices for addressing the issues of children in plantations.

Finally, a consultation session in two parts was organised, with the objective of gaining stakeholder inputs on issues concerning the presence of children in plantations, the likelihood of these children engaging in plantation work, and their access to alternative learning centres and/or other childcare facilities.

Participation from Suppliers & Pre-Consultation Survey

Approximately 50 participants attended the workshop. The participants consist of the directorship, managerial, and executive levels of staff from small, medium, and large enterprises (plantations and mills). These mills and plantations operate mainly on the east coast of Sabah.

All participants were asked to complete a pre-consultation survey (refer Annex III) before the event. However, due to time constraints and connectivity barriers (e.g. the lack of internet access in many plantation areas), participants were advised to complete and submit the pre-consultation survey during the event. A total of 49 completed pre-consultation survey forms were submitted at the end of the consultation. The findings generated from the survey are used to complement inputs gathered during the event (Section 4 in this report).

The workshop was attended by Nestlé, Wilmar International, UNICEF, International Labour Organization (ILO), Malaysian Palm Oil Certification Council (MPOCC), East Malaysia Planters' Association (EMPA), Humana Child Aid Society and the Indonesian Consulate in Sabah



Irene Leino, Corporate Responsibility Advisor, UNICEF



2

Summary of Policy Re-Socialisation Session

“Opening Remarks”, by Anthony John Wong, Deputy Chairman of The East Malaysia Planters’ Association (EMPA)

As one of the oldest plantation associations in Malaysia, EMPA is a key proponent for sustainability practices in the palm oil sector. In doing this, EMPA is committed to engaging with relevant stakeholders as well as contributing and playing an important role to support the implementation of MSPO standards and requirements in the industry.

As a plantation association, EMPA encourages its members to comply with sustainability requirements including those that are related to the protection of children. EMPA states that children should not work in plantations—in particular, at high-risk areas and hazardous works. Rather, children should be sent to crèches and learning facilities.

“Introduction to Sustainability Standards for Oil Palm Production”, by Perpetua George, General Manager of Group Sustainability, Wilmar International

Wilmar is the largest processor and merchandiser of palm oil worldwide. Since 2013, Wilmar has implemented an integrated sustainability policy called “No Deforestation, No Peat, & No Exploitation” (NDPE), which is aligned with customer expectations.

On the prohibition of the use of child labour, George stressed that most of Wilmar’s buyers and sustainability standards such as MSPO, RSPO, and International Sustainability and Carbon Certification (ISCC) have child protection requirements.

In her closing notes, George stressed that closer collaboration is required from all stakeholders to formulate practical solutions so as to address social issues including issues concerning children in plantations. Companies must also be exemplary, and should work together to strengthen the safety and protection of workers, including taking care of the children’s welfare.

Table
2.1

Wilmar’s Transformation Work on Labour

Wilmar partnered with NGOs such as Business for Social Responsibility (BSR) and Verité in order to formulate robust and practical approaches to address recurring and systematic labour issues in its business operations and supply chain.

Source: Perpetua George, Wilmar International

Table
2.2

Wilmar’s Schools Upgrading Programme in Indonesia

Wilmar has embarked on a school re-development programme to ensure that the children of their workers and members of the local community (where they operate) have access to quality education. Two pilot schools for the re-development programme have been completed, and this will be replicated across other 22 schools within Wilmar’s estates throughout Indonesia.



Source: Perpetua George, Wilmar International

**“Introduction to NDPE Policies within the Industry”,
by Renuka Balasubramaniam, Manager of Social &
Human Rights, The Forest Trust (TFT)**

TFT works with member Brands and Producers such as GAR, APICAL, Cargill, Nestlé and Wilmar (to mention a few), in order to implement their respective responsible sourcing policies. TFT’s role ranges from identifying and evaluating the gaps between policies and implementation, as well as providing practical solutions for companies to prevent and remedy unsustainable or irresponsible practices.

Effective implementation of NDPE policies requires a thorough understanding and appreciation of values and principles behind these policies. Such values and principles are also aligned with many global certification standards as well as international and national laws and regulations.

Balasubramaniam explained that the workshop aimed to share technical knowledge, gather input, and understand challenges facing industry players with a focus on the protection of children in plantations.

The desired outcome of this consultation workshop was to assist companies to review their practices, and to be able to identify the risks, challenges and potential solutions to better prevent and remedy child labour cases on site.

**“Palm Oil Responsible Sourcing & Child Labour”, by
Emily Kunen, Representative of Nestlé**

Nestlé’s commitment to promote and respect human rights principles is derived from its strong support of the UN Guiding Principles on Business & Human Rights. Regarding the rights of children, Nestlé is committed to promote, respect, and uphold the rights of children anywhere they operate.

Nestlé does prohibit, in its strongest term, the use of child labour in its business operations and its supply chains. Nestlé is also committed to proactively tackling child labour by targeting high-risk commodities and countries.

**Table
2.3**

**Nestlé’s Definition
of Child Labour**

Nestlé defines child labour as the participation of children:

“... in any work that is mentally, physically, socially, morally dangerous or harmful to children or that improperly interferes with schooling needs”.

Nestlé’s definition of child labour is aligned with its Supplier Code as well as International Labour Organization (ILO) Convention No. 138 and No. 182.

Source: Emily Kunen, Nestlé.

**Table
2.4**

**Nestlé’s Approach to Address
Child Labour**

Nestlé’s approach for tackling child labour is as follows:

- Assess the risk and root causes of child labour in their supply chains;
- Develop Nestlé-specific activities in procurement and supplier development;
- Engage with the regulators and governments;
- Develop collaborative actions with others including industry associations and certification schemes; and
- Strengthen supplier engagement by supporting suppliers to comply with Nestlé’s sourcing documents; and undertaking strong actions against its suppliers including terminating their business contract / relationship.

Source: Emily Kunen, Nestlé.



Nestlé’s approach to preventing child labour is holistic in nature, involving the strengthening of workers’ engagement, enhancing health and safety practices as well as strengthening children’s access to school / education.

“Introduction to Mandatory Requirements (MSPO) and Commitments towards Child Labour”, by Chong Wei Kwang, Representative of Malaysian Palm Oil Certification Council (MPOCC)

The key role of MPOCC is to develop and operate MSPO. The MPOCC is also entrusted to engage with NGOs, institutions of higher learning and other related associations, as well as to establish a mechanism for the certification of entities complying with the requirements of auditable sustainability standards.

As of September 2017, a total of six certification bodies (CBs) had applied for accreditation with the Department of Standards Malaysia (STANDARDS Malaysia), of which five of them had already been accredited. The primary role of these CBs is to certify entities for palm oil management certification under the MSPO.

Under MSPO, entities that are already certified under RSPO standards need to be certified against MSPO standards by the 31st of December 2018. Entities without RSPO standards (with the exception of smallholders) will need to be certified against MSPO standards by the 30th of June 2019.

Of the seven MSPO Principles, two addresses labour practices specifically, namely Principle 3 (Compliance to Legal Requirements) and Principle 4 (Social Responsibility, Health, Safety and Employment Conditions). The MSPO standards also require entities to comply with, amongst others, the Children and Young Persons (Employment) Act 1966, Sabah Labour Ordinance (CAP 67), Sarawak Labour Ordinance (CAP 76), Employment Act 1955, Workers Minimum Housing Standards and Amenities Act 1990 (Act 446) and Occupational Safety and Health 1994. These laws and other applicable regulations, which are not specifically mentioned in the Malaysian Standards documents for MSPO, are important to guide good labour practices in the industry.

MSPO aims to be the sustainability standard for the local palm oil industry. In this context, MPOCC is entrusted to reach out to and assist industry players to meet these sustainability requirements.

**Table
2.5**

MSPO Standards on Children and Young Persons

MSPO’s standards define children and young persons as:

“... a child is defined as a person under the age of 15 years old, while a young person is a person who has attained the age of 15 years old and is under the age of 18 years old”.

Source: Chong Wei Kwang, MPOCC



3

Summary of Capacity Building Session



“Child Labour in Agriculture”, Jodelen Mitra, Technical Officer of the International Labour Organization (ILO), Malaysia

Generally, not all work is harmful for children. Children are permitted to engage in some types of work, depending on their age and the conditions under which they are engaged.

**Table
3.1**

ILO’s Definition of Child Labour

- Work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development;
- Work that is mentally, physically, socially or morally dangerous and harmful to children; and
- Interferes with their schooling by depriving them of the opportunity to attend school; obliging them to leave school prematurely; or requiring them to attempt to combine school attendance with excessively long and heavy work.

Source: Jodelen Mitra, ILO

Globally, about 60% of child labourers aged between five and 17 years old work in agriculture, in which the majority are unpaid family members. In the plantation sector, most of these children work informally.

Children do not have the physical capability to engage in heavy work that is common to the agricultural sector and are especially at risk from the hazards present there. For example, children may develop bone deformities, become susceptible to muscle fatigue and experience developmental disorders. Also, children have softer skin,

which is more vulnerable to the effects of physical, mechanical, chemical, and biological elements than adults (refer to Box 3.2 for more examples).

**Table
3.2**

Employment of Children and Negative Consequences to their Childhood Development & Health

- Children working in dangerous conditions may develop bone deformities, muscle fatigue & developmental disorders;
- Children have a higher heart rate than adults, and get tired quicker than adults;
- Working under pressure can cause headaches, insomnia, dizziness, problems with memory, tachycardia and may affect the nervous system more easily and severely in children;
- Children produce more heat than adults and when subjected to demanding tasks, may cause dehydration and fatigue;
- Children whose livers, spleens, kidneys, intestines & stomachs are still developing may be more easily and severely affected by contaminants and toxins;
- Child victims of labour accidents may sustain spinal injuries & other disabilities which can have a profound effect on their development.

Source: Jodelen Mitra, ILO

In Malaysia, the Children and Young Person (Employment) Act, Sabah Labour Ordinance (CAP 67) and Sarawak Labour Ordinance (CAP 76) prohibit the employment of children younger than the age of 15 years old. However, the act permits some exceptions such as children undertaking light work in a family enterprise, work performed for the government in a school or training institution, or work as an approved apprentice.

**Table
3.3**

ILO's Recommendations for Companies to Explore in Preventing Child Labour on Site

- To identify light duties that do not harm children;
- To develop apprenticeship programmes in compliance with labour standards;
- To formalise employment relationships with workers;
- To develop systems for child labour monitoring inside plantations;
- To conduct awareness raising for plantation workers at all levels;
- To apply good labour practices in plantations concerning children and young persons; and
- To develop child labour prevention and remediation measures

Source: Jodelen Mitra, ILO

“UNICEF's Work in the Palm Oil Sector”, Irene Leino, UNICEF's Corporate Responsibility Advisor, Jakarta, Indonesia

Business may impact the lives of children in three situations:

- As employers of children, youth and their parents;
- As those who produce, sell and market their products and services for children; and
- By impacting the communities where the children live.

UNICEF works with the business community to achieve progress for children and communities. In so doing, UNICEF supports the business community to:

- Integrate child rights into their core business operations (policy and practice);
- Deliver good quality programmes for children and communities (e.g., health, nutrition, education and child protection); and
- Create an enabling environment by advocating for sustainable industry and policy change at the global and local levels.

**Table
3.4**

Factors (Root Causes) Contributing to Children's Participation in Plantation Work

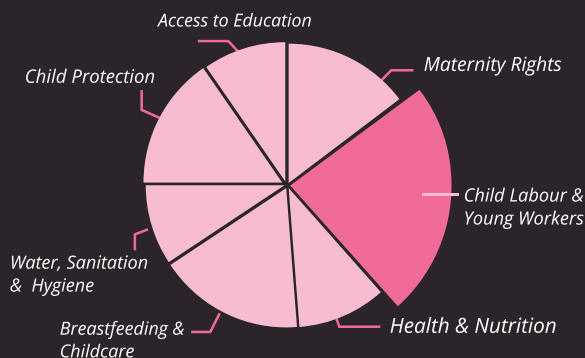
- Poverty, where minimum wages are not sufficient to take care of the workers' family;
- Remoteness of location;
- Gaps in national laws and policies, weak enforcement, monitoring and oversight;
- Informal workforce; and
- Lack of educational facilities.

Source: Irene Leino, UNICEF



Table
3.5

Seven Impact Areas Resulting from Palm Oil Businesses Towards Children in Indonesia (UNICEF 2016)



Existing reports show that child labour is prevalent in the palm oil sector particularly among smallholders. Typically, children are not hired directly in large plantations, but rather assist family members to increase productivity.

Source: Irene Leino, UNICEF

Table
3.6

UNICEF's Broader Engagement in the Palm Oil Sector

UNICEF divides its engagement strategy into four categories, as follows:

Research (in Indonesia)

- Exploratory research to map & better understand direct & indirect impacts on children

Collaboration with RSPO

- Raise Awareness;
- Develop & promote good practices;
- Mainstream women & child rights into RSPO standards;
- Advocate for better regulations

Engagement with Buyers & Producers

- Support buyers to integrate child rights in sourcing standards;
- Support growers to implement better business practices

Advocacy with Government

- Raise & promote better industry regulation, service provision & investment in communities

"Strengthening Child Protection in the Plantations of Sabah", Brian Lariche, Humana Child Aid Society, Sabah (HCASS), Malaysia

Article 26 of the Universal Declaration of Human Rights (UDHR) cites that "... everyone has the right to education. Education shall be free, at least in the elementary and fundamental stages". UNICEF stressed that access to education is a basic human right and is linked to poverty reduction, holding promises of stability, economic growth, and better lives for children, families and communities (UNICEF 2015: 11).

HCASS was founded on the basis of upholding, promoting, and protecting the rights of children to access education regardless of their background, as enshrined under Article 26 of the UDHR.

As an active member of RSPO, Humana focuses its operations in the palm oil sector, and is currently in partnership with a number of plantation companies to run alternative learning centres (ALCs) across the state.

As of July 2017, HCASS has a total of 140 learning centres that accommodate about 13,133 students including Malaysians (less than 1%), Indonesians (86%), Filipinos (12%) and stateless children (2%) across Sabah.

To further strengthen access to alternative education among the children of foreign workers in the plantations, HCASS is seeking further collaboration and financial contribution with/from plantation companies. HCASS is currently updating their educational fee structure and will ensure that every HCASS teacher will be permitted to assume a teaching role in his or her learning facility.

Table
3.7

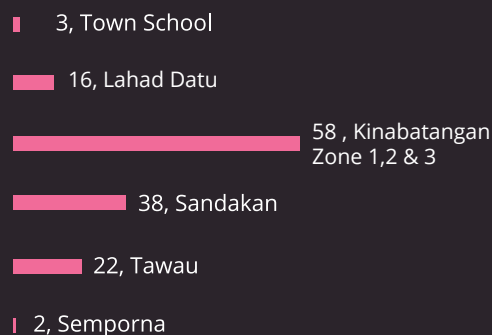
Benefits of Having Learning Centres in the Plantations

- To fulfil the right of children to elementary education;
- To prevent children from working in the plantations;
- To reduce the risk of children being forced into child marriage;
- To help realise children's full potential and to contribute meaningfully to the community; and
- To reduce worker turnover as the parents of the children and workers feel comfortable and to instill peace of mind when their children are sent to learning centres during work days.

Source: Brian Lariche, Humana Child Aid Society, Sabah

Table
3.8

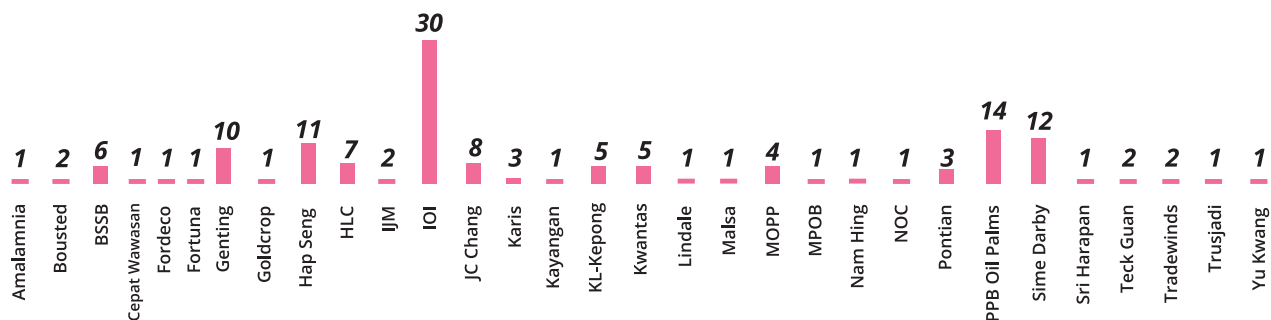
Number of Humana Learning Centres by District, Sabah



Source: Brian Lariche, Humana Child Aid Society, Sabah

Table
3.9

Humana Learning Centres by/with Plantation Companies, Sabah



Source: Brian Lariche, Humana Child Aid Society, Sabah



**Table
3.10**

Opening Learning Centres with Humana: General Information

To establish a new learning centre, both Humana & plantation companies would have their respective responsibilities, as follows:

Humana's Responsibilities

To allow trained teachers to independently run learning centres.

To pay teachers' salaries & other benefits and to provide monthly school materials.

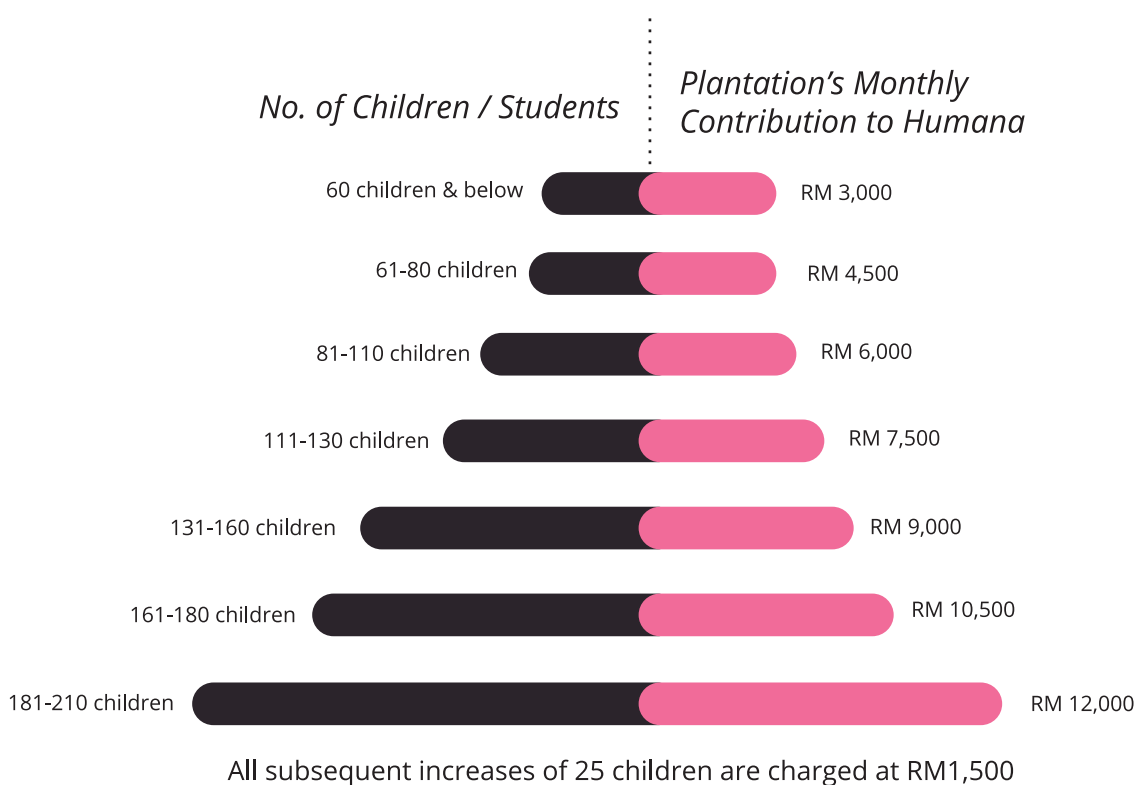
To arrange for application of learning centre's permit from the Department of Education, Sabah.

Plantation Company's Responsibilities

To provide a building infrastructure for the school & living quarters for teachers.

To provide/arrange for children's transportation.

To provide a monthly contribution to Humana (Jan-Dec 2017) – refer below.



Source: Brian Lariche, Humana Child Aid Society, Sabah

“Concept & Implementation of Community Learning Centres (CLCs) in Sabah”, Cahyono Rustam, Consul for Social & Cultural Affairs, Indonesian Consulate, Kota Kinabalu, Sabah

As of September 2017, an estimated 53,000 Indonesian children resided in Sabah, of which about 47% have access to three forms of alternative education namely: (i) Private Indonesian school in Kota Kinabalu (also known as Sekolah Indonesia Kota Kinabalu - SIKK); (ii) Community Learning Centres (CLCs); and (iii) Humana’s Alternative Learning Centres (ALCs). Another 53% of children did not have access to any form of education.

From 2006 to 2017, the Government of Indonesia deployed a total of 728 Indonesian teachers to support the provision of alternative education in Sabah. The Government of Indonesia also assisted with providing an alternative education in Sabah through operational aid, incentives to local teachers and other technical assistance.

**Table
3.11**

**Number of Indonesian Private Schools (SIKK),
Community Learning Centres and Students in Sabah**

Type of Alternative Learning Centres	No. of Centres	No. of Students
Indonesian Private School (SIKK)	1	837
CLCs for Sekolah Dasar (or Primary)	69	8,936
CLCs for Sekolah Menengah Pertama (or Secondary)	140	3,332
TOTAL	210	13,105

Source: Cahyono Rustam, Consul for Social & Cultural Affairs, Indonesian Consulate, Kota Kinabalu



“Mitigating the Risk of Child Labour Through Education”, Yeap Su Jeen, Wilmar International

Wilmar’s NDPE policy strictly prohibits any form of child labour in all of its operations, contractors and suppliers. The risk of child labour exists regardless of the plantation size in Sabah, and covers all categories of workers. Nevertheless, the risk of exploitation (including child labour) is lower for local workers, and highest for undocumented foreign workers.

The root causes of child labour in plantations may be attributed to many factors, such as:-

- The fact that there are children in the plantation areas
- Plantations are located in rural areas;
- Many plantation companies face labour shortages;
- Children are used as a source of cheap labour;
- Children may be used to help increase the work productivity of their parents; and

- There are no other alternatives for children (e.g., no learning centres or crèche facilities available).

The strong prohibition on the use of child labour is premised on a number of practical reasons and universal norms:

- Children are not physically capable of doing most of the heavy plantation work;
- Children need to be protected from coming to or working at hazardous workplaces;
- Working at a young age does not provide many options for a child’s future;
- Working may interfere or stop children from attending school and other forms of child development programmes; and
- It is illegal, and a violation of local and international laws.

Table
3.12

Benefits & Challenges in Providing Education for Children in Plantations (Wilmar’s Experience)

Benefits

- Provides a better future for workers’ children.
- Encourages harmony in the plantation.
- Encourages workers to stay longer in the same plantation - reduces worker turnover.
- Prevents children working or assisting their parents on sites.

Challenges

- Some children are not interested in attending school.
- ALC capacity exceeded due to receiving children from nearby plantations.
- Learning centres closed during the weekends and school holidays.
- Infrastructure and other recurring costs to operate schools.

Source: Yeap Su Jeen, Wilmar International

Table
3.13

“Education for All Children”: Wilmar Partnership with Humana Providing Alternative Education for Children

Driven by a strong belief that every child should have an education, Wilmar has decided that every plantation that Wilmar operates must have a learning centre. As of September 2017, a total of 15 ALCs were opened by Wilmar in Sabah, in collaboration with Humana, where education is completely free for a total of 1,195 pupils.

Source: Yeap Su Jeen, Wilmar International





A person's hands are shown holding a cross-section of a tree trunk, revealing the internal growth rings. The image is dark and moody, with a semi-transparent overlay. The number '4' is prominently displayed in the center, indicating the chapter or section number.

4

Summary of Findings from Stakeholder Consultation

4.1 Technical Notes on the Stakeholder Consultation

- Participants of the stakeholder consultation were from small, medium and large-sized plantation and mill companies (Sabah).

- Participants were divided into nine groups, according to their size and type of business operations.

- The consultation was divided into two sessions addressing two separate issues concerning children in plantations, as follows:

Session 1 :

Presence of Children and Young Persons in Plantations

Session 2 :

Mitigating Risks through Education

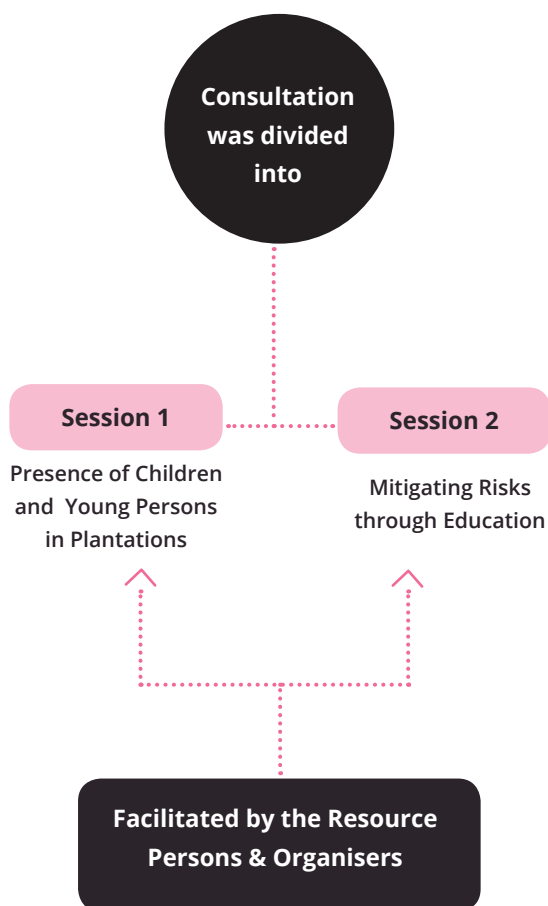
- The consultation was facilitated by the resource persons (e.g., representatives of ILO, UNICEF, etc.) and by representatives of the organisers (e.g., TFT, Nestlé and Wilmar). Inputs presented in this section are derived from (i) stakeholder consultation; and (ii) key findings from the pre-consultation survey.

4.2 Presence of Children & Young Persons in Plantations

Participants acknowledged the presence of children and young persons within and nearby plantation operations.

The survey indicated that all 49 (100%) respondent companies provided accommodation within and/or near plantation operations. As such, the presence of children and young persons in or near plantations is explained by their parents' employment in the company and their living on-site. The majority of respondents (39 out of 49, or 80%) noted that they have children living at the workers' accommodation provided by companies.

During the group consultation, some participants shared that children may enter the plantation for a variety of reasons such as: (i) passing through the plantation; (ii) to deliver packed meals to their parents who are working in the plantation; and (iii) to play around the plantation areas, including fishing.



100%

of companies provided accommodation within and/or near plantation operations

80%

noted that they have children living at workers' accommodation provided by companies.

The Involvement of Children & Young Persons in Plantation Work

In addition to the presence of children and young persons in or around plantations, the children may sometimes be involved in plantation work. Some participants state that children and young persons have limited or no options for education, mainly after their primary schooling at alternative learning centres. As these young persons have already left school, they often seek employment in the same plantation where their family members work.

Some participants also suggested these young workers were contributing to the income of their families through their involvement in plantation work, earning up to two or three times the set minimum wage. It was not clear from participants whether these young people were involved in plantation work as independent workers or if their wages were included as part of their parents wages.

Moreover, some participants explained that children and young persons helped their parents with certain tasks during school holidays or after school, such as, but not limited to:

- Collecting loose fruits (children & young persons);
- Filling poly bags & weeding at nursery (children & young persons);
- Harvesting & Manuring (young persons);
- Spraying (young persons);
- Stacking palm fronds (ages: undetermined);
- FFB loading (young persons); and
- Slashing (ages: undetermined)



Factors Contributing to Children's Presence in Plantation Areas or Their Participation in Plantation Work



Measures to Prevent Children from Working/Assisting Parents in Plantations (Good Practices)

To circumvent the factors contributing to children and young persons entering employment in plantations, some companies have adopted measures to prevent the early entrance of children and young persons into employment - especially involving hazardous activities, and harmful to their health and education.

Table 4.1

Measures to Prevent Children Working/Assisting Parents in Plantations (Good Practices)

Participants shared some practical and replicable practices to prevent children from working and/or assisting parents in plantations:

- Strengthen the monitoring mechanism such as frequent physical observation & **systematic reporting systems**
- Prepare and distribute a list of **hazardous activities** in which children should not engage in
- **Strict enforcement** on the prohibition of child labour. For instance, some companies advise workers/parents to immediately send their children back home
- **Organise awareness-raising** activities including conducting dialogue sessions with workers/parents
- **Provide crèche & learning facilities** for children & young persons
- **Frequent reminders** (through directives) to workers to not bring any children on site

Source: Compiled from Stakeholders' Consultation, 5 September 2017

4.3 Mitigating Risk through Education

Generally, participants expressed positive perspectives towards the importance of providing access to education for the children of plantation workers. According to the participants, education would:

- Enable companies to comply with certification standards;
- Enable companies to fulfil its social responsibility;
- Encourage workers to work longer with the companies (also to prevent workers absconding);
- Prevent children from working or assisting parents on site; and
- Build the potential and future of the children, as they may be a source of skilled workers for companies in the future.

Some participants nevertheless pointed out that there are also challenges in providing education for the children of plantation workers such as:

- It is an additional cost that companies have to bear;
- Some learning centres are located far from worker accommodation;
- Parents (workers) themselves are reluctant to send their children to learning centres;
- Some children prefer to work instead of learn;
- Undocumented children face the risk of being arrested by enforcement agencies;
- High dropout rates for various reasons.



Table
4.2

Ways Forward: Strengthening Access to Education Among the Children of Plantation Workers

Participants generally agreed that education is an important mitigating measure to deter children and young persons from working or assisting their parents, especially in hazardous activities/workplaces. Participants shared some measures or actions that companies should consider:

Work collaboratively with other nearby companies and service providers by

- sending the children of the workers to a learning centre established by a nearby company (if space is available);

- set up new learning centres in collaboration with other nearby companies (if needed);

- obtain advisory assistance from service providers such as Humana or the Indonesian Consulate (Kota Kinabalu).

- Provide an **annual budget** to support the establishment and implementation of children's facilities & initiatives

- **Legalise undocumented workers** and their families, where regulation permits

- **Provide other facilities** such as a mini library & playground

- **Engage relevant Government agencies** (e.g., Ministry of Education) and associations

- **Engage parents** (workers), and raise awareness about the importance of education

- **Provide incentives for children** to attend learning centres (e.g., scholarship)

4.4 Challenges faced by Companies Concerning Children in Plantations

While some companies have made great strides in managing and addressing the issues associated with children in plantations, there are still key issues and challenges that companies face.

(i) Issues on undocumented workers

The hiring of undocumented workers is not uncommon in plantations. The undocumented workers are not just deprived of their labour rights, but risk arrest, fines, corporal punishment and deportation from the authorities.

(ii) Confusion over technical definition of child labour

Such confusion includes the inability to determine the category of age in which children can assist their parents, and in which young persons can work; the type of activities they can engage in and the formalisation of employment among young persons.

(iii) Insufficient guidance for legal compliance

Most companies refer to the Children & Young Persons (Employment) Act (for Peninsular Malaysia) or Sabah Labour Ordinance (Part XI) (for Sabah) - as the main source to guide their compliance strategy. Even though this may seem necessary, other legal and technical guidance are needed to aid companies and to further strengthen any child protection initiatives.

(iv) Issues of safety and health at workers' accommodation and plantation sites.

These issues include: (i) lack of access to electricity (or inconsistency); (ii) poor quality of water (for cleaning) and drinking water; (iii) poor sanitation at workers' accommodation; (iv) lack of awareness among workers on the importance of wearing PPEs and their potential health implications; and (v) lack of monitoring and strong enforcement by companies



5

Conclusion & Ways Forward



5.1 Conclusion

Children live in the plantations of Sabah due to several factors. In many commercial plantations, the provision of workers' accommodation within and/or nearby plantation areas has forced the children of workers to live, or be present, on site. The close proximity between commercial plantations and local community villages increases the likelihood of children from the local community, including the children of smallholders, to become present on-site for many reasons including: delivering packed meals for their working parents, playing, fishing or simply trespassing plantation areas as a shortcut to their walking trail from one place to another.

The presence of children in plantations does not necessarily mean that they are involved in "child labour". However, the risk of child labour is widely acknowledged, regardless of the size of the plantation. Nonetheless, the level of risk and potential consequences can vary depending on the availability and implementation of preventive mechanisms such as a "no child labour policy", child labour prevention and remediation plan, and the provision of crèches and other educational facilities.

Several key issues were raised during the stakeholder consultation that require serious attention:

(i) The hiring of undocumented workers and implications for their children. Fear of arrest due to their undocumented status resulting in the

workers being reluctant or unable to send their children to alternative learning centres. This subsequently increases the likelihood of children engaging in plantation work;

(ii) The lack of awareness among businesses on what constitutes child labour. Equally important is the lack of awareness among the workers regarding the potential health implications towards their children and whether or not the children should be involved in plantation work, and hazardous work in particular; and

(iii) The lack of collaboration and innovation among businesses to strengthen access to alternative learning centres for children of foreign workers. This may also be attributed to the absence of a common platform to share information, resources, and good practices, so as to facilitate potential collaboration among businesses.

While some key issues concerning children in the plantations of Sabah would require regulatory and policy changes (e.g., Government policies and procedures relating to the legalisation of undocumented workers), industry players may still address some issues. For example, businesses may develop their respective policies to prevent child labour within their operations and supply chain. Businesses can also collaborate with their nearby peers to strengthen access to education amongst the children of workers.

The stakeholder consultation workshop is an initial step to pave the way for further collaborative

opportunities between different stakeholders (refer to Section 5.2 on Ways Forward), and to strengthen awareness on the topic of children in plantations. It also signals the beginning of a long transformational journey, ensuring that the commitment and practices of industry players will be aligned with the emerging global market requirements and norms. The recommendations put forward in this report serve as a source of reference to support the ways forward.

5.2 Ways Forward

It is acknowledged that some issues concerning children in the plantations of Sabah have been found to be structural in nature, requiring regulatory and policy changes. Continuous engagement with regulators is critical to allow industry players to advocate for business-friendly regulations and policies in the long term. In the short-to medium-term, industry players may address some issues together with other stakeholders.

The recommendations put forward in this section incorporate suggestions from participants during the stakeholder consultation and considerations that are aligned with the market requirements and industry norms at the national and global levels.

(i) Establishing a child-safe framework for plantations

It is important for businesses along with other stakeholders to explore and establish a child-safe framework in the plantation sector, so as to better prevent child labour. The development of child-safe framework may be overwhelming. Hence, the formulation of this framework requires a series of wider and more open consultation processes, in order to achieve a solid, actionable, and mutually accepted set of principles and criterions that can best be applied across the industry. This initiative also requires inputs from child expert institutions and NGOs at the national and international levels, ensuring that this framework is aligned with market requirements and regulatory frameworks.

(ii) Formalisation of work and empowerment to young persons

In many cases, it has been reported that young persons aged 16 and over were engaged in plantation work as workers themselves (not assisting their parents). In cases where their employment is inevitable for justifiable reasons or as part of a company's apprenticeship programme, the businesses should clearly identify: a list of non-hazardous works that young persons can engage in; the limitations of their hours of work; and the provision of Personal Protective Equipment (PPE), etc.

Businesses should also consider the future development of these

young persons including to provide necessary training and skill enhancement to boost their abilities and productivity; and, most importantly, to ensure the fulfilment of their rights, which should be equal to other workers.

(iii) Strengthening raising of awareness and community engagement initiatives

Businesses have the responsibility to inform their workers and third party suppliers about their company's policies concerning child labour. Apart from communicating about such policy commitments, companies should also develop activities targeted towards raising awareness about this issue including regular community engagement programmes and dialogues with the plantation workers and their children.

(iv) Strengthening access to education

It is important for businesses to provide access to alternative learning centres for children of foreign workers. For children of local workers, businesses have a role to play in facilitating their access to formal schools (e.g., the company may provide a school bus for the children).

Given the financial constraints facing small and medium-sized plantation companies, it is recommended that these companies explore and initiate

collaboration among businesses to strengthen the provision of alternative education for the children of foreign workers.

(v) Strengthening multi-stakeholder collaboration

Many of the above-mentioned ways forward require collaboration and partnership within the industry and beyond. Hence, a multi-stakeholder platform is needed to facilitate collaboration and partnership on such a scale. Strengthening multi-stakeholder collaboration does require: (i) inclusive participation from various stakeholders including regulators and NGOs; and (ii) open and transparent sharing throughout the process of collaboration.

A multi-stakeholder platform that upholds values such as inclusive participation, openness, and transparency would potentially be able to raise, discuss, and address pertinent issues that require policy attention and industry-wide solutions.



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A dark, monochromatic photograph of an industrial facility. In the background, there is a large, multi-story industrial building with various pipes, ladders, and structural elements. To the right of the building is a large, cylindrical storage tank. In the middle ground, a large, horizontal cylindrical tank is being transported on a multi-axle trailer. The tank has the letters "U.O.C." printed on its side. In the foreground, there is a concrete wall or barrier with several triangular-shaped structures. The overall scene is industrial and somewhat somber due to the dark lighting.

Annexes

ANNEX 1: ABOUT THE ORGANISERS

Archer Daniels Midland (ADM)

Archer Daniels Midland Company (ADM) is one of the world's largest agricultural processors and food ingredient providers. ADM's Respect for Human Rights Policy¹ sets out certain standards concerning protection of children such as; (i) prohibiting the use child labour; (ii) having appropriate measures in place to ensure eligibility for employment; (iii) maintaining systems and procedures designed to keep workers safe and protect them from occupational hazards, harassment, and abuse; (iv) respecting the right to safe and clean drinking water and sanitation in their operations and supply chain; and (v) compensating workers in accordance with all applicable local laws and regulations including those pertaining to minimum age, minimum wage, and hours worked.

Nestlé

Nestlé is the world's largest food and beverage manufacturer that is currently present in about 191 countries globally. Its sustainability commitments are derived from the UN Guiding Principles on Business & Human Rights and articulated in its key responsible sourcing documents such as; (i) Nestlé Corporate Business Principles; (ii) Nestlé Supplier Code; (iii) Nestlé Responsible Sourcing Guideline; and (iv) Nestlé Commitment on Child Labour in Agricultural Supply Chains.

Nestlé strongly envisions the eradication of child labour from its agricultural supply chain, and therefore is committed to the following actions (non-exhaustive list²): (i) undertake continuous oversight; (ii) carry out assessment of the risk to child labour; (iii) organise

a series of awareness-raising activities; (iv) undertake strong actions including the termination of suppliers, who are unwilling or unable to comply with its sustainability commitment; and (v) engage expert individuals or organisations to provide recommendations for action.

Wilmar

Since 2013, Wilmar has put in place an integrated policy called "No Deforestation, No Peat, and No Exploitation" (NDPE Policy), which covers key sustainability issues relating to the environment, local communities, and workers. Wilmar's NDPE Policy has clearly articulated the company's commitment to prohibit and prevent the use of child labour in its business operation and suppliers/contractors. Wilmar is also committed to employing remedial actions in the case that any child labour is uncovered⁴.

The Forest Trust (TFT)

The Forest Trust (TFT) is an international non-profit organisation registered as a charity in the UK. TFT aims to restore and enhance the balance and harmony between nature, people and businesses, by leveraging on the power of companies to innovate and determine practical solutions that would help people and nature to thrive. TFT supports companies in setting their own values-based approach and rolls it out with their supply base for the sourcing of raw materials.⁵

² Other aspects of ADM's Respect for Human Rights Policy can be accessed at <https://s3-us-west-2.amazonaws.com/adms3/Sustainability/HumanRights.pdf>

³ Detailed Nestlé commitment to prevent child labour in agricultural supply chain may be retrieved from https://www.Nestlé.com/asset-library/documents/library/documents/corporate_social_responsibility/Nestlé-commitment-child-labour.pdf

⁴ Further refer to Wilmar's NDPE Policy, available at <http://www.wilmar-international.com/wp-content/uploads/2012/11/No-Deforestation-No-Peat-No-Exploitation-Policy.pdf>

⁵ More about TFT may be retrieved at <http://www.tft-earth.org/>

ANNEX 2: PROGRAMME AGENDA

Programme Agenda: "Children in Plantations" Sabah Hotel, Sandakan (Sabah) 5 September 2017

Time	Agenda	Facilitator & Resource Person
8.00 - 8.30	Participant Registration	Facilitated by; Wilmar & TFT
8.30 - 9.30	Opening Remarks and introductions <ul style="list-style-type: none"> • Opening Remarks by EMPA Deputy Chairman • TFT in Malaysia and the Children in Plantations • Introductions to Sustainability Standards for Oil Palm Production • The Role of Global Brands in Driving the Global Sustainability of Palm Oil 	Mr. Anthony John Wong (EMPA) Ms. Renuka Balasubramaniam (TFT) Ms. Perpetua George (Wilmar) Ms. Emily Kunen (Nestlé)
9.30 - 10.00	Session 1 <i>Introduction to Mandatory Requirements (MSPO) & Commitments towards Child Protection</i>	Mr. Chong Wei Kwang (MPOCC)
10.00 - 10.15	Coffee Break	Jodelen Mitra, Technical Officer of the ILO (Malaysia)
10.15 - 11.30	Session 2 <i>Let's Understand the Subject</i>	Irene Leino, UNICEF's Corporate Responsibility Advisor (Indonesia)
11.30 - 12.00	Session 3 <i>Mitigating Risk through Education</i>	Mr. Brian Lariche, Humana Child Aid Society
12.00 - 1.00	Lunch Time	
1.00 - 2.15	Session 3 (continued) <i>Mitigating Risk through Education</i>	Cahyono Rustam, Indonesian Consulate (KK) Mr. Yeap Su Jeen, Wilmar International
2.15 - 3.15	Consultation (1) <i>Understanding Challenges from Participants point of view</i>	Facilitated by: TFT
3.15 - 3.30	Coffee Break	
3.30 - 4.30	Consultation (2) <i>Gathering ideas on Potential Solutions</i>	Facilitated by: TFT
4.30 - 4.45	Closing Session	Facilitated by: TFT



ANNEX 3: PRE-CONSULTATION SURVEY

Participant Surname: []	Participant Other Names []
Mobile No: []	Company/Organisation Name []
Email Address: []	Location Address []
Do you have any dietary requirements? []	
Do you require accommodation? a) Yes b) No	

Preliminary Information

<p>1. What is the size of your plantation workforce (including seasonal workers and contract workers)?</p> <p>(a) Less than 20 workers (b) 20-50 workers (c) More than 50 workers (d) I do not know</p> <p>3. Are the workers accommodated in company/plantation-owned premises?</p> <p>(a) Yes (b) No (c) Others: [] []</p> <p>5. What is the primary activity of the children present?</p> <p>(a) In school everyday for half a day (b) Staying at home (c) Others: [] [] []</p>	<p>2. What is the average length of their services?</p> <p>(a) Less than 1 year (b) 1 to 5 years (c) More than 5 years (d) I do not know</p> <p>4. How many children (aged below 18) are present in the company/plantation premises?</p> <p>(a) Less than 20 children (b) 20 - 50 children (c) More than 50 children (d) I do not know</p>
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ANNEX 4: PRE-CONSULTATION QUESTION

Consultation (1): Children in Plantations

1. Do you have children (anyone under 18) on-site? Why are they there?
2. What kind of plantation work does the children engage/assist with?
3. How do you ensure that children will not engage in hazardous work/activities?
4. How do you ensure the safety and health of children or other informal workers?
5. How do you keep the records of people entering your operations-workers, contractors and the informal workers assisting with plantation work?
6. Are there any persons with your organisation that is in charge of keeping track of, or is responsible for children issues?

Consultation (2): Mitigating Risk through Education

7. How does your company support the care and education of your workers' children?
8. What benefits do you see from providing support for education (for the children, for the workers, and company?)
9. What are the challenges that children face in plantations relating to education?
10. What are the other challenges that children face when working in plantations?
11. What are the measures to address these challenges?



For those interested in collaborating on or supporting this initiative,
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