



Guideline for Indonesian Palm Oil Companies

Fair Employment of Casual and Temporary Workers in Oil Palm Plantations

2020

Earthworm

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Introduction

The palm oil industry in Indonesia plays a significant role in providing employment. According to 2018 data from the Indonesian Social Development and Planning Agency (BAPPENAS) the palm oil industry employs approximately 16.2 million people¹. The number represents 42% of total employment in agriculture, forestry and fisheries and 13% to total employment in Indonesia in 2018².

As is also widely known, palm oil is the leading agricultural export commodity from Indonesia. The industry occupies 14.33 million-hectares of land³ with a production of 42.88 million tonnes⁴ of Crude Palm Oil (CPO) in 2018. The industry as a whole has made many efforts in the area of sustainability to improve environmental and social outcomes. Given the large number of people who depend on the palm oil industry for their livelihoods, the industry also holds the responsibility to ensure that the rights of all workers are protected and respected.

At the international level, the UN Human Rights Council established the UN Guiding Principles on Business and Human Rights in 2011. This guideline provides direction for governments and private sector stakeholders to implement human rights principles of protection, respect and remedy for workers, communities or any individuals affected by businesses.

¹ Statement of Minister of Development and Planning Ministry at the 14th Indonesian Palm Oil Conference, 2 November 2018. Accessed from <https://www.bpdp.or.id/id/berita/industri-kelapa-sawit-indonesia-serap-162-juta-pekerja/>

² BPS. 2018. Working Population Ages Above 15 Years Old Based on Occupancy (2011 – 2018). <https://www.bps.go.id/statistictable/2009/04/16/970/penduduk-15-tahun-ke-atas-yang-bekerja-menurut-lapangan-pekerjaan-utama-1986---2018.html>

³ Indonesian Ministry of Agriculture. 2020. Total cultivated area of palm oil by province, 2016 - 2020*). <https://www.pertanian.go.id/home/index.php?show=repo&fileNum=229>

⁴ Indonesian Ministry of Agriculture. 2020. Palm oil production by province, 2016 - 2020*). <https://www.pertanian.go.id/home/index.php?show=repo&fileNum=214>

At the national level, Indonesia's Law No. 13 of 2003 regulates labour and manpower and has led to the development of several derivative regulations in this area. In addition, principles and certification criteria from bodies such as Indonesian Sustainable Palm Oil (ISPO) and the Roundtable for Sustainable Palm Oil (RSPO) also require palm oil companies to protect and respect workers involved in their operations. Specifically, these criteria cover Occupational Safety and Health (OHS), minimum or living wages, work contracts, access to social security, adequate provision of education, health and housing facilities, no discrimination, no child labour, no forced labour, freedom of association, no illegal labour, fair recruitment, and no abuse and harassment.^{5, 6}

Broadly speaking, workers in the Indonesian palm oil industry can be employed on the basis of a Fixed-Term Employment Contract (PKWT) - such employees are also known as "contract workers" - or with an Indefinite Employment Agreement (PKWTT) - these employees are also known as "permanent workers".

In oil palm estates, the PKWT contracts are widely used for plantation workers; mostly for maintenance roles (such as fertilizer application, pesticide spraying, manual weeding and picking up loose fruits) and sometimes for harvest workers too. In industry terminology these workers are referred to as "Buruh/Pekerja Harian Lepas" or "daily casual workers". According to Indonesian regulation, these workers can be hired for 21 days a month or less, for a maximum of 3 consecutive months and paid a daily minimum wage. If a person's work extends beyond these limits, the contract is then considered to be permanent by default.

Casual workers constitute a large part of the palm oil industry workforce. These workers make up some of the most vulnerable worker groups and are

⁵ Indonesian Regulation of the Minister of Agriculture number 11 year 2015 on Indonesian Sustainable Palm Oil Certification System /ISPO

⁶ Roundtable on Sustainable Palm Oil. 2018. *Principles and Criteria for the Production of Sustainable*. <https://rspo.org/resources/certification/rspo-principles-criteria-certification/rspo-principle-criteria-for-the-production-of-sustainable-palm-oil-2018>

predominantly women who work in risky conditions⁷. Often times, they are not provided with employment contracts or access to benefits such as social security, health insurance and adequate Personal Protective Equipment (PPE), even though this is mandated by law.

The Manpower Act and Decree of the Minister of Manpower and Transmigration No. 100 of 2004 governs the use of the PKWT workers, including daily casual workers. However, in practice, different interpretations and implementations of the law are found at the estate level. Some of these practices in the field can contradict the regulations and mandated procedures of employing casual workers.

This guideline is developed to provide practical guidance for palm oil companies, especially oil palm plantations, in implementing responsible and fair processes with regards to the employment of casual workers. From a business perspective, the guideline is designed to help palm oil companies minimise their business, reputation and legal risks by implementing an improved system of recruiting and employing casual workers.



⁷ Sawit Watch estimates 70% of the total 10 million palm oil workers in 2016 are casual workers (World Rainforest Movement. 2018. Indonesia: Exploitation of Women and Violation of Their Rights in Oil Palm Plantations). Data of EF from 2017-20 shows around 19 percent of 13,774 observed palm oil workers are casual workers both directly hired by main companies and by subcontract companies. These percentages do not include 24 percent of permanent workers who are still on probation period or hired as fixed-term employees of which some of them do not receive benefits as mandated by the law such as minimum wage.

Understanding Casual Work and Employing Casual Workers

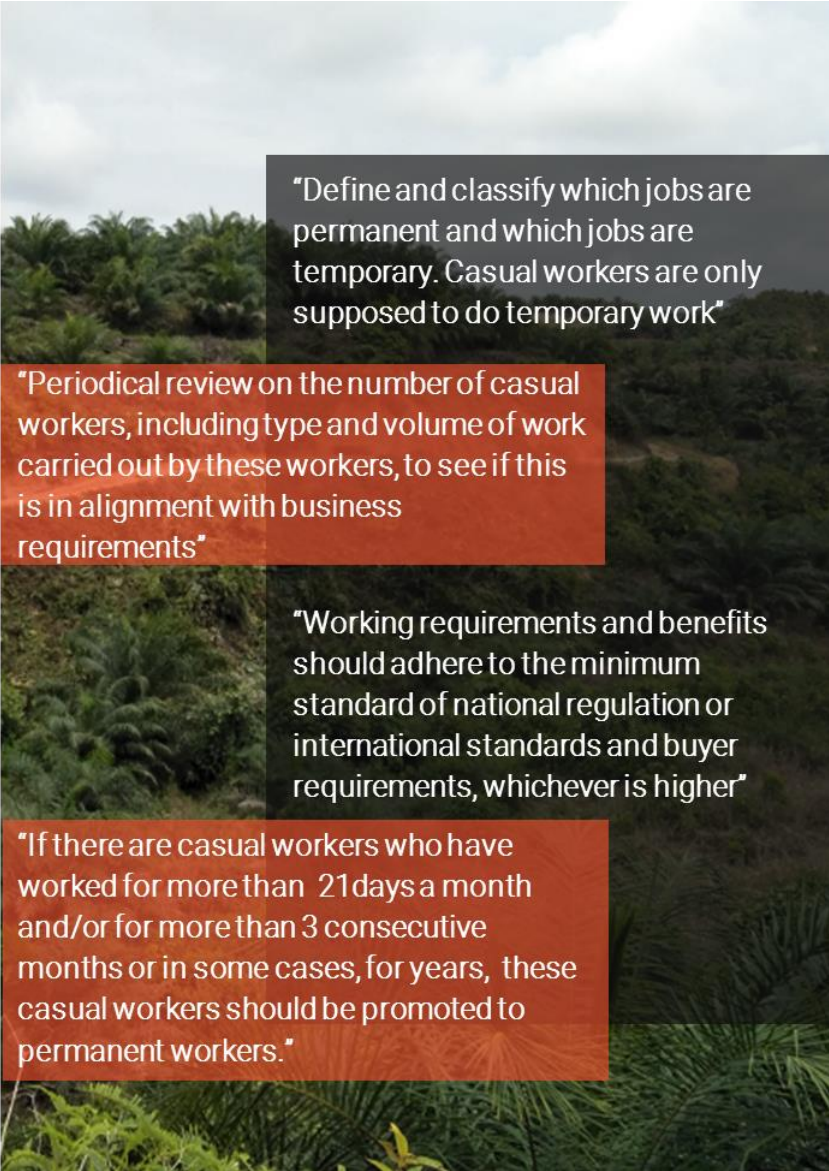


A casual worker is an individual who works on a casual or short-term work contract. This type of employment is regulated by Indonesian law as a Fixed-Term Employment Contract requiring the fulfillment of certain terms including employment benefits. However, in practice, companies may misinterpret the national regulations in the employment of these workers. This can carry certain legal, business, and reputational risks for companies as their practices may not be in accordance with national regulation and even international standards.

Common issues observed with casual workers in Indonesian oil palm plantations can include:

- Workers are employed without contracts or any agreements on the basic terms and conditions of their work. This leaves workers vulnerable and without protection in cases of exploitation. From a business' perspective, contracts can also serve as an important tool to clarify to workers their rights and responsibilities.
- "Casual workers" working longer than 21 days a month for more than 3 months consecutively. This is not in accordance with the provisions of the Indonesian Decree of the Minister of Manpower Number 100 of 2004. In some cases, this is avoided by compelling workers to take breaks between contracts which can be considered a serious form of exploitation.
- Workers not earning daily minimum wage. This can be either due to lack of awareness on the part of the company management of the required standards, or in some cases a deduction may be applied if workers do not work a full 7 or 8-hour day.
- Pregnant workers' employment being forcibly terminated as soon as management is aware of their pregnancy. This is not in line with ILO Recommendation 95 on the Protection of Pregnant Women which states the legal grounds for termination of employment include violations, reaching the end of the contract period or termination of activities. Pregnancy is not included as one of the legal conditions for dismissal and dismissal on grounds of pregnancy can be seen as discrimination.
- Workers not being provided with access to mandated social security benefits and to health and employment insurance (*BPJS Kesehatan* and *BPJS Ketenagakerjaan*) as well as festival bonuses for religious holidays as regulated under Indonesian law.
- Workers not being provided with PPE and work tools even though other workers in the plantation on permanent employment contracts receive this equipment. This may also be seen as discrimination.

To mitigate the risks, there are 4 key steps to be followed:



"Define and classify which jobs are permanent and which jobs are temporary. Casual workers are only supposed to do temporary work"

"Periodical review on the number of casual workers, including type and volume of work carried out by these workers, to see if this is in alignment with business requirements"

"Working requirements and benefits should adhere to the minimum standard of national regulation or international standards and buyer requirements, whichever is higher"

"If there are casual workers who have worked for more than 21 days a month and/or for more than 3 consecutive months or in some cases, for years, these casual workers should be promoted to permanent workers."

Employing Casual Workers in a Fair Way for the Right Purpose: What Can Companies Do?

Identify the Company's Need for Casual Workers

1

- a. **Identify all types of tasks in your company related to production**
For example, harvesting, fertilizer application, pesticide spraying, pruning, etc.
- b. **For each type of task, identify whether the work is required year-long or if it is occasional/seasonal**
For work that is required continuously all year-long, use permanent workers.

For work that is required occasionally and not always available throughout the year (for example fertilizer and pesticide application or additional harvesting during peak season), identify the total volume of work and the workforce needed.

- c. **Develop a Manpower Plan**

Volume of work (in hectares, kilograms, or other units), frequency of work (per month or every six months), and average work capacity* are determinant factors in developing a realistic manpower plan.

Average work capacity can be calculated by using adapted methodologies of a time and motion study **OR by calculating the average output per worker within standard working hours (7-8 hours), using 1 year data and taking into account factors that may influence worker's productivity such as plant productivity, topography, etc. More details can be found in EF's Guideline to Palm Oil Companies on Target-setting and Payment Policies.*

d. Determine the number of casual workers that you need

As mentioned above, casual workers should only be hired for work that is not to be carried out throughout the entire year i.e. temporary work. The number of casual workers hired should be calculated based on the type of temporary work and volume of the temporary work that is required in a year.

In principle, if work is available throughout the year, permanent workers must be used. Work available throughout the year can mean:

- In the system of 25 working days a month (for 7 hours of work per day / 6 days per week), the total work volume reaches 300 working days per worker per year, and multiples thereof for the total number of workers
- In the system of 21 working days a month (for 8 working hours per day / 5 working days per week), the total work volume reaches 252 working days per worker, per year and multiples thereof for the total number of permanent workers.

For all other work where the total man days required is less than the maximum workdays, casual workers can be employed.

EXAMPLE : Calculating Casual Labour Requirements

- A palm oil supplier has a 500-hectares matured plantation which is harvested once in a week. The area to be harvested daily is distributed evenly throughout each week or 83.3 ha a day must be harvested
- It can then be calculated that the total volume of work in a year in hectares is 26.000 hectares or 500 hectares x 52 weeks.
- If the average work capacity in this plantation shows that a harvest worker can cover 2.5 hectares per day within standard working hours of 7 hours/day, we can determine the required man-days as $26000/2.5 = 10400$ man days per year
- With an average of 25 working days per month, the workforce need can be calculated by dividing the total man-days by 25 days* and 12 months. $10400/12$ gives us the total number of man days in a month which is 866.6. If you divide this by 25, or the total working days in a month, we can derive the number of workers required in this plantation which is 34.6 workers
- This workforce need can be rounded down to determine the permanent workers required. Meanwhile, the decimal can be used to determine the casual workers required. For instance, in the case above the workforce need is 34.6 workers. In this case the company can hire 34 permanent workers. The remaining 0.6 worker which is equal to 180 mandays per year (0.6×300) indicates the number of days that casual workers can be hired for additional harvest work if required. If the company hires 6 casual workers, they will each work for a maximum of 30 days in the whole year.
- In case there are 2 or more types of work that can be performed by the same worker, the workforce needs of these 2 or more types of work can be aggregated. For instance, 5.6 workers are needed for fertilizer application and 2.7 workers are needed for spraying pesticides in a year. Both types of work can be carried out by the same maintenance workers. So, the aggregate workforce need is 8.3 workers, meaning 8 permanent workers and 0.3 casual or equal to 90 days (0.3×300) for casual workers

* Figures do not take into account the number of days off and workers' annual leave

Types of work	Total area	Frequency of work in a year	Volume of work in a year	Work Capacity (volume of work per man-day)*	Mand-days	Workforce needs
Harvesting	500 Ha	52 times	26.000 Ha	2,5 Ha/man-day	10.400 man-day	34,6 workers
Pruning						
Picking up loose fruits						
Fertilizer Application	500 Ha	6 times	3.000 Ha	1.8 Ha/man-day	1.666,7 man-day	5,6 workers
Partial spraying	500 Ha	4 times	2.000 Ha	2,5 Ha/man-day	800 man-day	2,7 workers
Total spraying						
Manual weeding						
Etc.						

**this number is indicative for illustration purposes. Companies are best advised to undertake your own time and motion study or average working output calculations to derive the most suitable work capacity norms for your operations.*

Casual Worker Recruitment and Fulfillment of Their Basic Minimum Rights

2

Once it is determined how many casual workers are required in your company, the next step is to recruit and employ these workers fairly and in line with national and international standards.

As mentioned in the previous section, recruitment of casual workers must be based on manpower needs resulting from an analysis of workloads within a certain period of time (manpower plan). This process is crucial in ensuring that your company hires a well-estimated number of casual workers, not less or more than the actual work requirements.

Casual workers are indeed recruited for a short period of time, but this does not diminish the responsibility of a company to fulfill workers' rights. As stated in the Decree of the Minister of Manpower regarding short-term contract or PKWT workers, the terms of work cannot be lower than the provisions in the applicable laws and regulations.

If your company recruits through third parties, it is your company's obligation to ensure that these third parties comply with applicable regulations. The following are the minimum requirements that your company must meet when recruiting freelance workers.

- a. **Make sure that you only hire casual workers that are above minimum age (above 18 years old for hazardous and worst forms of child labour)^{5,6,8}**

A person under the age of 18 is biologically a child. A situation where a person under the age of 18 yet is married does not eliminate the fact that that person is biologically and legally still a child. Therefore, if your company wants to

⁸ Indonesian Law 13 year 2003 on Manpower Article 68

employ a prospective employee who is under 18 years old yet is married, make sure he/she is not employed in hazardous work or the worst forms of child labour. More details on this can be found in the EF guideline for palm oil companies on *Mitigating the Risk of Child Labour in Oil Palm Oil Plantations*.

b. There is a formal written agreement between your company and the casual worker(s) ^{6,9}

- The agreement is made in a language that the worker understands and is signed by both the company and the worker after the worker reads and agrees to the contents of the contract.
- Contracts are made in 2 copies, 1 for companies and 1 for workers.
- The agreement contains detailed information regarding job description, working conditions, remuneration, benefits and other details in accordance with applicable regulations.¹⁰

Written employment agreements contain at least:

- ☐ company name, address, and type of business
- ☐ name, sex, age and worker's address
- ☐ position or type of job
- ☐ place of work
- ☐ the amount of wages and the method of payment
- ☐ terms of employment that contain the rights and obligations of employers and workers
- ☐ the start and duration of the work agreement
- ☐ place and date the employment agreement was made
- ☐ the signatures of the parties to the work agreement

⁹ Indonesian Law 13 year 2003 on Manpower Article 57

¹⁰ Indonesian Law 13 year 2003 on Manpower Article 54

- If there is more than one casual worker hired at the same time, these workers can be collectively contracted under Indonesian law by making a generic contract applicable to all the workers. In addition to this contract, the company must submit a list of workers covered by the contract to the local Manpower Agency within 7 days after their recruitment¹¹. The list of workers should also include the duration of their employment. For any updates to the list or change in number of workers hired, the company should submit an annual report on its workforce to the local Manpower Agency.
- It is highly recommended that the company makes the effort to explain the contract's terms and conditions to workers.
- After this the company should collect consenting workers' signatures indicating their acceptance of the contract terms. This is fair to both employee and employer.

The list of workers must at least contain:

- name / address of the company or employer
- worker's name / address
- type of work
- the amount of wages and / or other benefits

Companies are strongly dissuaded from using repetitive short-term contracts, both with or without breaks between contracts as this is a risky practice and can be considered a serious form of exploitation. The contract period can be adjusted to your needs, but it should be noted that if casual workers work more than 21 days a month and/or for more than 3 months in a row, then the contract should change to a permanent contract/PKWTT.

¹¹ Indonesian Decree of Minister of of Manpower and Transmigration 100 year 2004 articles 12 & 14

c. Casual workers get at least daily minimum wages after working standard working hours

Businesses are not allowed to pay workers less than the daily minimum wage standard^{5, 6, 12}. The standard varies depending on the sector, district and/or provincial minimum wage standard applied in the region.

- ☐ Clearly determine whether workers are paid using a time-based system or piece rate system¹³
- ☐ If using a time-based system (based on working hours), the daily wages of casual workers should not be lower than the provincial or district or sectoral daily minimum wage after completing the normal working hours in a day
- ☐ If using a piece-rate system (based on working outputs), it is necessary to ensure that this rate enables daily earnings to be at least equal to daily minimum wage. The rate should be communicated to workers. This is established by RSPO criteria 6.2.6 which says every worker must receive a decent living wage, including workers who are paid by the piece-rate system.
- ☐ There is no discrimination (workers in the same job receive equal pay)⁶
- ☐ If workers are working less than 7 or 8 hours a day, they must still receive a full daily minimum wage. Workers wages cannot be calculated on an hourly basis as this is not regulated in Indonesia as stated in Indonesian Government Regulation 78/2015 on Remuneration, article 13.

d. Casual workers get social security and health insurance

Every worker and their family has the right to obtain employment insurance (*BPJS*)^{5, 6, 14}. Further Government Regulations and Presidential Regulations mandate

¹² Indonesian Law 13 year 2003 on Manpower Article 90

¹³ Indonesian Government Regulation 78 year 2015 Article 12-16

¹⁴ Indonesian Law 13 year 2003 on Manpower Article 90

companies to register and pay BPJS Employment and Health for all workers, including casual daily labourers¹⁵.

- ❑ Make a list of workers and their dependents who are eligible for registration under BPJS Kesehatan and BPJS Ketenagakerjaan
- ❑ Separate or sort out workers and their dependents who have been already registered for BPJS Kesehatan by verifying the proof of registration/membership
- ❑ For those workers who are yet to be registered, prepare identity documents containing the national identity number (KTP / KK). For BPJS Kesehatan, also prepare identity documents of the worker's dependents
- ❑ If there are workers who do not have an identity document containing an identity number, facilitate the communication of workers with the local government or Citizenship and Civil Registration Office to start the process of registration or find another solution
- ❑ Communicate with the local **BPJS Kesehatan** and **BPJS Ketenagakerjaan** regarding membership registration and monthly contribution of casual workers towards the scheme
- ❑ Collect worker's contribution-share through automatic payroll systems as this will simplify the process of deductions and maintaining workers' lists if there are changes in the workforce
- ❑ Pay total contributions to BPJS

e. Personal Protective Equipments (PPE) and worktools are provided by company free of charge for all workers, including casual workers¹⁶

- ❑ Conduct OHS risk analysis, for example by using the HIRARC method (Hazard Identification, Risk Assessment and Risk Control). Please see example on the next page.

¹⁵ Indonesian Law 40, year 2004, on National Social Security System; Indonesian Government Regulation 44-46 year 2015 ; Presidential Regulation 82 year 2018

¹⁶ Indonesian Regulation of Minister of Manpower 8, year 2010, Indonesian Government Regulation 78 year 2015 Article 9

- ❑ Record all workers' needs, including casual workers, for PPE and work tools based on the OHS analysis
- ❑ Make sure all workers, including casual workers, receive the PPE and tools free of charge (on a lending basis)
- ❑ Ensure that the provided PPE and tools provided are of good quality and comply with applicable standards
- ❑ Provide training/dissemination for workers regarding proper and safe use of PPE and tools
- ❑ Remind workers to always wear PPE when working
- ❑ Ensure there is a system in place to replace damaged PPE and tools. If PPE or tools are no longer usable or appropriate after being used over a period of time, make sure workers are provided with new PPE and tools free of charge
- ❑ Establish procedures/SOP for procurement/provision and the supervision of the use of PPE and tools. These procedures should be jointly implemented by employees and employer. These procedures can also be used to ensure that such equipment is provided free of charge and that there is a mechanism for replacing damaged and used equipment.

To prevent loss of tools or PPEs, companies can provide storage areas or deposit boxes for such equipment. Workers can be required to pick-up and drop-off all PPE and tools back in the assigned storage areas at the start and end of the work day, minimising the risk of loss, theft or damage.

Example – Hazard Identification, Risk Assessment & Risk Control (HIRARC)

Risk Likelihood (Rating 1-5)

Most likely (5): The hazard will most likely occur

Possible (4): There is a good chance of the hazard occurring

Conceivable (3): The hazard might occur sometime in the future

Remote (2): The hazard has not occurred in many years

Inconceivable (1): The hazard is practically impossible and has never occurred

Risk Severity (Rating 1-5)

Catastrophic (5): Numerous fatalities, irrecoverable property damage

Fatal (4): Approximately single fatality, major property damage if hazard occurs

Serious (3): Permanent disability to worker

Minor (2): Injury to worker but no permanent disability

Negligible (1): Minor abrasions, bruises/cuts, first aid type of injury to worker

Type of Work	What are the dangers that you experienced	Physical Safety At Risk?	Any incidents that have happened before?	Can you put a stop to this?		What Can Be Done?
		Severity (1-5)	Likelihood (1-5)	Y	N	
Chemical Preparation	Slips & Falls					
	Chemical Spillage					
	Chemical Intoxication					
Transport Fertiliser & Chemicals	Excessive Load					
	Chemical Spillage					
	Bending Work, Uneven Ground, Slips & Falls					
	Manual Handling					
Spraying	Chemical Spillage					
	Slips & Falls					
	Heat Stress					
	Snake, hornet & bees					
Manuring	Slips & Falls					

Type of Work	What are the dangers that you experienced	Physical Safety At Risk?	Any incidents that have happened before?	Can you put a stop to this?		What Can Be Done?
		Severity (1-5)	Likelihood (1-5)	Y	N	
	Chemical Spillage					
	Heat Stress					
	Snake bites, Hornets, Bees					
Harvesting	Slips & Falls					
	Falling Fronds & Debris					
	Sharp Thorns					
	Snake bites, Hornets, Bees					
Tree Trunk Pest Control	Toxic Chemical Spillage					
	Slips & Falls					
	Sharp Objects					
Change Tractor Tyre	Heavy Loads					
	Excessive Pressure in Tyre					
	Unstable Tractor Position					
	Bending work/postural impacts					

f. Religious Holiday or Festival Allowances for casual workers¹⁷

- ☐ Every worker that has worked for more than a month is entitled to an annual religious holiday allowance, under Indonesian law.
- ☐ If the length of service is less than 12 months', the bonus amount must be proportional to his/her length of service. If the length of service is more than 12 months, the bonus amount must be equal to a one-month salary.
- ☐ If a worker resigns or is terminated from their position, they are still eligible for the allowance. If they are still registered as an employee by the day of the religious holiday or in a range of one to thirty days before the religious holiday they receive an amount proportional to their length of service for that year.

g. Respecting casual workers' rights to Freedom of Association

"Every employee has the right to form and become a member of a trade union/labour union"¹⁸, under Indonesian law. This means that casual workers also have the right and freedom to join or not join trade unions and to be involved or not involved in drafting Collective Bargaining Agreements (CBA). In this aspect, a company should:

- ☐ Not prohibit or force casual workers to join a trade union.
- ☐ Inform all trade unions in its area of business of its policy of acceptance of casual workers' representation in trade unions, if they choose to do so.
- ☐ Inform all casual workers about their right to join or not join trade unions and their freedom to be involved or not involved in drafting collective labour agreements.
- ☐ Facilitate the payment of membership fees through an automatic payroll on behalf of casual workers who are members of a trade union through an automatic payroll system. This is common practice in many palm oil companies in Indonesia.

¹⁷ Indonesian Regulation of Minister of Manpower 6, year 2016

¹⁸ Indonesian Law 13 year 2003 on Manpower Article 104

Companies and trade unions are encouraged to allow and include casual workers in trade union membership and CBA development. This will not only ensure that their voices are heard and represented, but also to reduce the risk of being seen as restraining freedom of association for certain groups of workers. Inclusion of casual workers may also benefit the workers to increase awareness and knowledge on their rights.

h. Casual workers who are pregnant and breastfeeding^{6,19}

Under Indonesian law, female workers are entitled to maternity leave for 1.5 months before and 1.5 months after giving birth. However, because casual workers are paid on a daily basis, they are not paid if they do not work and have no legal guarantees to be able to resume work if they leave - especially for longer periods of time such as for pregnancy. As mentioned above, a large portion of casual workforces in Indonesian palm oil are made up of women. In this case, the issue of maternity rights and benefits is a common issue faced by companies and workers alike.

In case of pregnant casual workers, a company should make sure:

- ❑ Not to terminate employment solely on the basis of pregnancy, but remove workers from any hazardous work immediately (such as spraying pesticides) and to consider employing these workers for other non-hazardous roles in the company during pregnancy (if available). These can include roles in accommodation sites, light cleaning and gardening work.
- ❑ If no alternative employment is available, give pregnant workers preferential opportunities to return to work after giving birth. In the case than women do return to work after giving birth, hazardous employment should not be assigned to breastfeeding mothers. In addition, ensure that work locations are close to or contain breastfeeding facilities.
- ❑ Do not employ casual workers who have just given birth or are less than 1.5 month postpartum. This will ensure that both mother's and child's health is not adversely affected.

¹⁹ Indonesian Law 13 year 2003 on Manpower Article 82

- ❑ Casual workers who return to work after giving birth shall have access to healthcare, breastfeeding and child care facilities if required. RSPO criterion 6.5.2 relates to workers' reproductive rights, especially female workers. One of the requirements under this criterion is the provision of child care facilities and breastfeeding facilities provision for women.
- ❑ Facilitate regular medical check ups for all workers, including female workers, for an early detection of pregnancy so that pregnant workers can be assigned to do tasks that do not endanger the mother or the baby's health.

i. Access to Accommodation

As recommended by the ILO (R115) and required by the RSPO, the provision of housing and other facilities for workers is highly recommended if the workplace is located in a remote place, far from residential areas.

It is important to ensure that casual workers have the same opportunity to gain access to housing facilities provided by the company.

Housing facilities for all workers should be provided appropriately and adequately with affordable rent / purchase costs for workers. For single female and male employees, separate accommodation must be provided.

Promotion of Casual Workers to Permanent Workers

3

According to Indonesian regulations, if casual workers work for 21 days or more or for 3 consecutive months or more, then casual work agreements must change to permanent or PKWTT. However, in practice, regulations are interpreted differently and so reality in oil palm plantations can be very different.

Experience in Indonesia shows that there are many casual workers who have worked for many years in the same company. In some cases, casual workers work within the limits of 21 days a month or for three consecutive months. However, in many of these cases casual workers have worked with companies for more than 21 days a month or for months or even years consecutively. In these cases, it shows that certain jobs are always available throughout the year, as casual workers seem to be employed throughout the year i.e. casual workers are performing work that seems to be long-term or permanent in its nature.

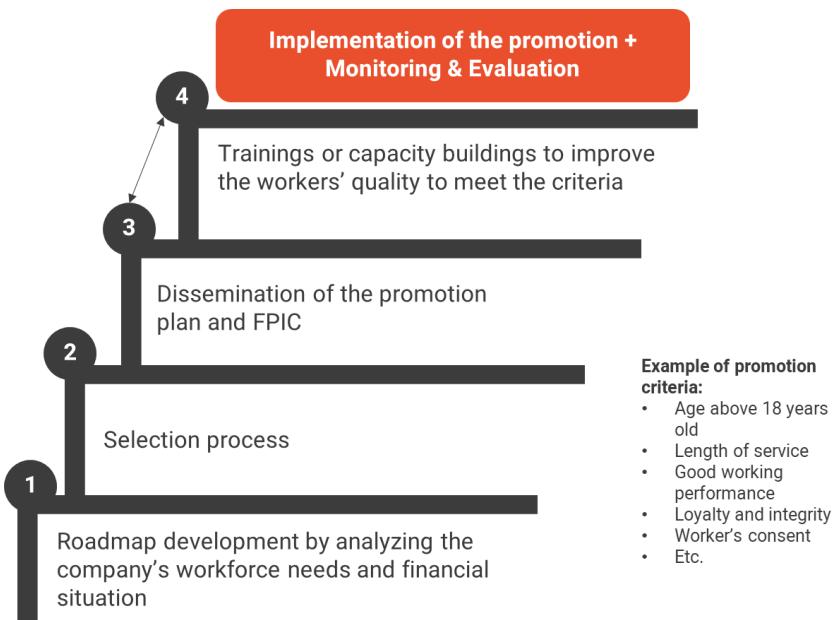
Due to the permanent nature of the work it justifies the recruitment or promotion of casual workers to longer term contracts or permanent employment. In the Indonesian palm oil context these permanent positions can be referred to as Permanent Daily Employee/Permanent Monthly Employee (KHT/KBT). Long-term contracts and permanent employment provide more job security to workers regarding their work, often with better wages and more benefits. For businesses too, this can be beneficial as employee retention is high and workers can be expected to be more productive and loyal to the company.

What should I do if there are a number of casual workers in my company who have worked for months or even years consecutively?

In such cases it is important to note that it is highly likely that your casual workers are actually performing tasks that are permanent jobs in your operations and therefore need to be promoted to permanent status. A few things to note when promoting casual workers:

- a. Identify your casual workforce, including information on the number, length of service, as well as types and volume of work they do.
- b. If it is confirmed that there are casual workers who have worked for more than 3 consecutive months and perform work that is permanent in nature, then your company should develop a promotion plan.
- c. A promotion plan should detail which workers are eligible for promotion, how many workers in total you need to promote and over what length of time this will be done.
- d. Some considerations for the promotion plan should be giving preference to workers who work in hazardous roles such as pesticide application, workers who have served for long periods of time and workers who are high performers.
- e. The promotion plan should be carefully developed after analysing the company's workforce needs and financial situation. Keep in mind that your plan should be time-bound. Top management's buy-in and approval must be secured in the development and approval of this plan as there may be financial implications. If this is the case, budgets must be secured at this point.
- f. To begin the process, develop selection criteria such as those mentioned above in point d. Based on this, make a selection of workers who become eligible for promotion.
- g. If the number of workers available is lower than the workforce needed, trainings or capacity building can be carried out separately to improve the workers' capacity to meet the criteria.
- h. Once the plan is ready, conduct a dissemination event to inform all casual workers who are eligible for promotion, about the plan and what it means for them.
- i. Have a discussion with workers who are not eligible for promotion regarding their employment at the company.
- j. Conduct FPIC (Free, Prior and Informed Consent) for all eligible casual workers to get their consent on the change in status. It is important to explain to them about the difference in rights and responsibilities as they get promoted, the steps in the promotion process and how their situation may change if they choose to not be promoted

- k. Implement the gradual process of promoting casual workers to permanent workers, keeping in mind all the administrative and financial aspects.
- l. Monitor and evaluate the plan on a regular basis to ensure it is implemented properly and to find alternative solutions if there is a change in the plan or if there are obstacles to implementation.
- m. Make sure that the whole process is transparent and non-discriminatory. This means all eligible workers are provided with the same information, and the same opportunity in being promoted (not based on certain race, ethnicity, gender, religion, medical condition, sexual orientation, or political views)
- n. All these steps and procedures can also be documented as an SOP, for reference if such a case occurs in the future of the company's operations.



Example of Promotion Plan for Casual Workers

No	Activity	2019				2020				May 2020 – Dec 2021
		Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	
1	Roadmap development by analyzing the company's workforce needs and financial situation									
2	Selection process									
3	Dissemination of the promotion plan and FPIC									
4	Trainings or capacity buildings to improve the workers' quality to meet the criteria									
5	Implementation of the promotion									
6	Monitoring & Evaluation									

**This example is indicative for illustration purposes. The activities and timeline are heavily dependent on the company's discretion and situation. This roadmap should be approved by the company's board member*