



Introduction

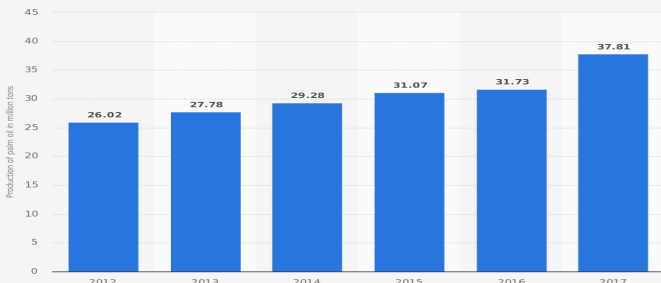
Take any product off the shelf in a local supermarket, and it is likely to contain palm oil, the most widely consumed vegetable oil on the planet. A desirable aspect of palm oil is that it increases products' shelf life. Indonesia is the world's largest producer of palm oil, making it an industry that is vital to their economy. Indonesia plans to increase its production to 42 million tons in 2020, a goal that increases pressure on its laborers to take extreme and often dangerous measures to meet production targets.

The small price a consumer may pay for a product containing palm oil is deceiving. The true cost of palm oil puts human dignity and life in jeopardy. The journey of palm oil from plantation to product is a dark one, riddled with child labor, hazardous work, and severe injuries.

Indonesian Labor Statistics

- Population: 267.7 million
- Labor force participation rate: 67.6%
- Youth labor force participation rate: 47.6%
- Ratified 20/190 ILO conventions
- 8.4 million Indonesians work in palm oil industry

Production of palm oil in Indonesia from 2012 to 2017 (in million tons)



Palm Oil Quick Facts

- Palm oil is in nearly 50% of all products found in a supermarket
- It is resistant to oxidation, giving products a longer shelf life
- 85% of palm oil is produced in Indonesia and Malaysia
- Palm oil production violently exploits workers



Worker Exploitation

- Workers are forced to work extremely long hours under the threat of their pay being cut
- Workers earn under \$2.50 a day
- There are no pensions or health insurance
- Children as young as eight perform hazardous physical labor
- Children drop out of school to help their parents on plantations
- Workers suffer severe injuries from paraquat, a toxic chemical used on plantations
- Workers work outdoors without safety equipment despite being exposed to pollution caused by forest fires
- Workers work long hours to meet ridiculously high targets and undergo physically demanding tasks to meet targets which often result in physical pain
- Workers face severe penalties for things like not picking up palms from ground and picking unripe fruit

Big Companies' Role

- Palm oil from Indonesian plantations are traced to nine global firms: AFAMSA, ADM, Colgate, Elevance, Kellogg's, Nestle, Proctor & Gamble, Reckitt Benckiser, and Unilever
- Companies claim their products use 'sustainable palm oil', but evidence shows the palm oil is far from sustainable
- Companies turn a blind eye to worker exploitation in their supply chain
- They profit from the abuses
- The nine companies had a combined revenue of \$325 billion in 2015, but don't take action against the terrible treatment of palm oil workers

Recommendations

- Companies must be transparent about the supply chain so consumers can choose what kind of products they want to support
- The Indonesian government has to enforce legislation against worker exploitation on plantations
- Companies who knowingly allow exploitation of workers in their supply chain must be punished/fined enough to incentivize efforts to clean their supply chain
- The price of palm oil needs to be higher so workers can get higher wages and not have to rely on their children to help
- All children should be able to go to school and get education so they can change the tide of working conditions in Indonesia

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