Alleged Union Busting through Transfers between Legal Entities Targeting Union Officials at PT Sumatera Jaya Agro Lestari (SJAL), Gunas Group, Sanggau Regency, West Kalimantan



This document is an investigative report prepared by Teraju Indonesia in April 2026 on

alleged union-busting practices by the management of PT Sumatera Jaya Agro Lestari (SJAL), part of Gunas Group, in Sanggau Regency, West Kalimantan. It focuses on the unilateral transfer of two senior plantation union officials: Yublina Yuliana Oematan, Chair of the West Kalimantan Federation of Oil Palm Plantation Workers' Unions, and Irjan Bahrudin Dode, Head of Advocacy. They have worked for approximately 20 years and 15 years respectively.

The Core Issue

The report finds that both workers were unilaterally transferred to other companies within the group—across separate legal entities—namely PT Agrindo Prima Niaga (APN) and PT Sumatera Makmur Lestari (SML) in Sekadau Regency. Several aspects of these transfers are problematic:

- They were imposed without the workers' consent or a clear operational rationale, and involved neither promotion nor demotion.
- They targeted senior union officials actively raising labour issues.
- They could result in the loss of accrued service and statutory employment rights.
- The destinations are remote, difficult to access and inadequately equipped.
- Further pressure was applied during the dispute-resolution process.

The transfers followed an increase in union advocacy over wages, employment status and occupational safety and health, strengthening indications of a connection between the company's actions and union activity.

Brief Chronology

The chronology on pages 4–6 describes several stages:

1. Union activity: both workers were active in union organising and advocacy during 2022–2026.
2. Unilateral transfers: transfer letters were issued in January 2026 without consultation.
3. Rejection: the workers declined the transfers on reasonable grounds, including family circumstances, job security and the continuity of union functions.
4. Bipartite negotiations: talks failed to reach agreement and included threats to treat the workers as absent without leave.
5. Continued pressure: the company issued summonses and warnings while the dispute was ongoing.

Legal Analysis and Key Findings

The report identifies several breaches of labour law and principles:

- Transfers between legal entities without consent are considered legally defective and potentially void by operation of law.
- Accrued service may be lost because there has been no valid transfer of rights

between the companies.
- The protections for union officials under Law No. 21 of 2000 have been breached, with strong indications of union busting.
- Selective treatment, the absence of operational necessity and continued pressure indicate retaliation for union activity.
- The workers' refusal is considered lawful and therefore cannot be classified as unauthorised absence or a disciplinary offence.
- Company regulations are not binding because they were never communicated to workers.
- Pressure during bipartite negotiations demonstrates a breach of good faith.

Breaches of International Standards

Alongside domestic law, the report identifies breaches of international standards, including:

- ILO Conventions Nos. 87, 98, 111 and 135 concerning freedom of association and non-discrimination.
- The Human Rights Due Diligence (HRDD) principles in the UN Guiding Principles on Business and Human Rights (UNGPs), which were not implemented: there was no risk identification, consultation, mitigation or remedy mechanism.

The Global Supply-Chain Dimension

The implications extend beyond the immediate case because PT SJAL forms part of global supply chains and is linked to international buyers such as Nestlé, Wilmar and others. This means:

- Buyers have a responsibility to ensure compliance with human rights standards.
- They face reputational risks if violations are not addressed.
- Global grievance mechanisms, including the RSPO mechanism, can be activated.

Impacts

The report identifies the following effects:

- On workers: psychological pressure, the risk of losing economic rights and significant consequences for their families.
- On the union: organisational weakening, a chilling effect on other members and disruption to advocacy.
- On the company: legal and reputational risks, lower productivity and protracted industrial conflict.
- On buyers: reputational risks and an obligation to intervene.

Conclusion

Overall, the report finds strong grounds to suspect systematic union busting through transfers between separate legal entities. Such actions not only violate national law but also conflict with international standards and the principles of responsibility within global supply chains.

Main Recommendations

- The company should stop applying pressure, rescind the transfers and sanctions, restore workers' rights and conduct a freedom-of-association audit.
- The government, through the Labour Office, should carry out inspections, facilitate mediation and pursue legal action if the allegations are substantiated.
- International buyers and the RSPO should conduct audits, seek clarification and use their leverage to secure improvements through a Corrective Action Plan.

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