

KnowTheChain Food & Beverage Benchmark - Additional Disclosure 2020

Company Name: **Wilmar International Ltd.**

Guidance:

- We welcome examples of leading practices.
- Unless you are sharing leading practices, please limit the information to indicators for which KnowTheChain could not yet identify sufficient information on your website. Please see the 'comment text' and 'source' cells in the Excel document for the information we have already reviewed.
- Note KnowTheChain has already undertaken a review of your website. Should you wish to include links to existing disclosure, please specify the page number / section you are referring to (extensive additional disclosure documents that include a comprehensive list of links already reviewed will not be considered).

THEME 1: COMMITMENT AND GOVERNANCE

1.1 Commitment

The company:

- (1) publicly demonstrates its commitment to addressing forced labor and human trafficking.

1.2 Supplier Code of Conduct

The company's supplier code of conduct:

- (1) requires suppliers to respect the ILO core labor standards, which include the elimination of forced labor;

There is a mention within the Comment Text that our Human Rights Policy does not mention the right to collective bargaining. This is erroneous as our Human Rights Framework explicitly mentions the right to freedom of association and collective bargaining on page 3 (under No Exploitation – Freedom of Association) while our Human Rights Policy explicitly mentions “Freedom of association” in page 1 under 2.2.1 (a).

Sources:

1. Human Rights Policy pg 1 (https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/policies/human-rights-policyed16f04afc7043738e7579b103a3a15e.pdf?sfvrsn=9378b7f5_2)
2. Human Rights Framework pg 3 (<https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/policies/human-rights-framework.pdf>)

- (2) is easily accessible from the company's website;
- (3) is updated regularly, following internal review and input from external stakeholders;
- (4) is communicated to the company's suppliers; and

Wilmar has been focused on communicating our NDPE commitments, which was updated in 2019, to our suppliers and as of end 2019, over 90% of our suppliers have either provided written confirmation to Wilmar's NDPE policy, published their own NDPE policies, reported NDPE compliance via our SRT platform or are a member of the RSPO.

Sources:

1. Page 42 of Wilmar’s Sustainability Report 2019 (<https://bit.ly/2TYOtDV>)
2. For more info on our supplier monitoring approach, please refer to our Sustainability Brief (<https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/resource/sustainability-brief-wilmars-supplier-monitoring-programme-1.pdf>)

(5) requires its first-tier suppliers to take steps to ensure that their own suppliers implement standards that are in-line with the company's supply chain policies addressing forced labor and human trafficking.

We have specifically mentioned in the second paragraph of our Supplier Guidelines that “suppliers are also expected to communicate and implement the principles within this Supplier Guidelines throughout their supply chain.”

Source: Page 1 of Supplier Guidelines (https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/resource/wilmar-supplier-guidelines.pdf?sfvrsn=322d5b97_2)

1.3 Management and Accountability

The company:

- (1) has a committee, team, program, or officer responsible for the implementation of its supply chain policies that address forced labor and human trafficking; and
- (2) has tasked a board member or board committee with oversight of its supply chain policies that address forced labor and human trafficking.

Referring to Wilmar’s sustainability governance structure, it is clearly stated that the Chairman & CEO and the Board of Directors oversees the management of Wilmar’s sustainability strategy (with the core policy being the NDPE policy). They are supported by the Risk Management Committee (a committee of the Board of Directors) which meets quarterly and provides oversight on Wilmar’s sustainability performance targets for the entire business. This is typically done through reviews of emerging environmental, social & governance (ESG) issues and quarterly reports on sustainability performance from the Sustainability Department. Topics discussed cover the environment, health and safety, equal opportunities, human rights, labour rights, child protection, and food safety.

Source: First paragraph under Sustainability Governance Structure page on our dashboard (<https://www.wilmar-international.com/sustainability/policies/sustainability-governance-structure>)

1.4 Training

The company:

- (1) trains all relevant decision-makers within the company on risks and policies that address forced labor and human trafficking;

In August 2019, all Board members attended an ESG group sustainability training session, delivered by Wilmar’s General Manager – Group Sustainability. This training covered all ESG-related risks and policies including forced labour and human trafficking.

On a site level, a 3-day strategic planning workshop was conducted in Jan 2018 by Verite for the core management teams of estate/mill (20 estate & mill management, operations and sustainability staff) to provide tools and knowledge to its personnel to raise awareness on human rights and labour issues in plantation.

Sources:

1. Page 24 of Wilmar's Sustainability Report 2019 (<https://bit.ly/2TYOtDV>)
 2. Refer to section 1.1 Our Collaboration with Verite in our "Strengthening Labour Practices – Two Year Progress Report" (https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/wilmar-2-year-progress-update-in-strengthening-labour-practices---final-final-final.pdf?sfvrsn=a56b5de8_0)
- (2) trains its first-tier suppliers on risks and policies that address forced labor and human trafficking and discloses the percentage of first-tier suppliers trained; and
On top of the various engagements and training programmes we have conducted for our suppliers related to human rights (refer to file "Strengthening Labour Practices – Two Year Progress Report"), we have also had formal engagements with all of our Group-level palm suppliers on NDPE policy and commitments, highlighting the various risks and issues if there are non-compliance with the policy.

Specifically related to the question within Comment Text on whether the BSR training workshops have been undertaken in practice, refer to the file "Wilmar Supplier Workshops (Summary Report)" for the details.

Sources:

1. Strengthening Labour Practices – Two Year Progress Report (<https://bit.ly/2TYOtDV>)
 2. Page 45 of Wilmar's Sustainability Report 2019 (https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/wilmar-2-year-progress-update-in-strengthening-labour-practices---final-final-final.pdf?sfvrsn=a56b5de8_0)
 3. Wilmar BSR Supplier Workshops (Summary Report) (https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/wilmar-supplier-workshops---summary-report_public.pdf?sfvrsn=da27f5fe_2)
- (3) engages in capacity building to enable its suppliers to cascade its supply chain policies that address forced labor and human trafficking to their own supply chains and/or trains suppliers below the first tier on such policies.
Since 2017, we have worked with Verite and Mars to pilot a human rights programme in our extended supply chain, based on existing supplier information and findings from supplier assessments. Taking inputs from SRT as well as Verite, it allowed us to identify practical interventions for suppliers, and also helped define how Wilmar's third-party compliance team were taking forward human rights related issues more effectively with suppliers. We have conducted six site visits to our supplier operations in 2019 for this program and it is set to continue in 2020.

Similarly, in 2019, we supported our third-party FFB suppliers (with some being suppliers to our third-party mill suppliers) in Malaysia to achieve MSPO certification and part of the criteria is on forced labour.

Also, we collaborated with BSR and several other global brands to run a series of supplier workshops in 2018 that focus on improving working conditions and workers' livelihoods. Tailored for Wilmar suppliers, these engagements target small and medium plantation companies with specific focus on their human resources personnel. Expanding on the scope of this collaboration, we worked together to launch a programme to protect the rights of children living in plantations as well.

Sources:

1. Page 45 of Wilmar's Sustainability Report 2019 (<https://bit.ly/2TYOtDV>)
2. Page 42 of Wilmar's Sustainability Report 2018 (https://www.wilmar-international.com/docs/default-source/default-document-library/wilmar_sustainability_report_2018.pdf)
3. Wilmar BSR Supplier Workshops (<https://www.wilmar-international.com/sustainability/wp-content/uploads/2018/11/Wilmar-Supplier-Workshops-Overview-2018.pdf>)
4. BSR work on child protection (<https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/news-release-17-june-19-protecting-the-rights-of-children-living-in-plantations.pdf>)

1.5 Stakeholder Engagement

To fully understand and address working conditions in sourcing countries, companies need to engage with potentially affected groups and local stakeholders such as trade unions, worker organizations, or local NGOs—in addition to suppliers. Furthermore, as forced labor risks tend to be systemic in nature, collaboration with other companies, for example, to engage policy makers to strengthen labor legislation, is needed to address forced labor in supply chains.

In the last three years, the company has engaged relevant stakeholders by:

- (1) providing at least two examples of engagements on forced labor and human trafficking with stakeholders such as policy makers, worker rights organizations, or local NGOs in countries in which its first-tier suppliers and suppliers below the first tier operate; and Wilmar engages with numerous stakeholder groups on various topics related to our NDPE policy, with one of it being forced labour/human trafficking. More info related to our stakeholder engagements can be found here: <https://www.wilmar-international.com/sustainability/policies/stakeholder-engagement>.

Please find below several examples of engagements with various stakeholders on labour issues, including force labor topics:

1. Working with stakeholders including government/consulates, supplier companies, and NGOs on the issue of passport retention as indicator of forced labour. The work included Wilmar's own process of improvement as well as that of our suppliers.

Please refer to links below for evidence:

- o <https://www.youtube.com/watch?v=cL3NEXthLxo>
- o <https://www.youtube.com/watch?v=1esjpnGs2w&t=174s>
- o Sustainability brief on the work (<https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/news-release-17-june-19-protecting-the-rights-of-children-living-in-plantations.pdf>)

[library/sustainability/resource/sustainability-brief-providing-a-safe-place-for-workers--passports.pdf](#))

2. Engagement with unions as an ongoing process for improvements in labour issues – the below brief also includes a link to the independent report (video) of Wilmar’s operations in Sumatra by the union confederation (CNV): <https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/resource/collective-action-with-cnv-hukatan-ksbsi-makes-positive-impact-in-labour-final.pdf>
 3. Engagement with Indonesia union (Serbundo) as evidenced from the video of Serbundo on Wilmar’s operations: <https://www.youtube.com/watch?v=yksziW19SPw>
- (2) actively participating in one or more multi-stakeholder or industry initiatives focused on eradicating forced labor and human trafficking across the industry.
1. Other than the RSPO Human Rights Working Group (Labour Taskforce) which has been indicated in the Comment Text, we were also involved in other collaborations within RSPO related to labour concerns:
 - a. We were actively involved in the RSPO P&C taskforce to review the P&C requirements prior to its update in 2018. We shared our experiences and challenges in strengthening our labour practices to help provide important insights to the RSPO standard setting process, which resulted in improved labour related criteria in the updated P&C. Refer to “Meeting Procedures: RSPO P&C Review Task Force Meetings” PDF file (<https://rspo.org/principles-and-criteria-review#TaskForceToRandMeetingProcedures>).
 - b. We contributed to a programme organized by RSPO and Ulula (an organization involved in transparency and accountability for social development) on trialling a mobile phone-based grievance reporting tool at our Sabahmas estate in Sabah, Malaysia. The tool allows workers to raise concerns anonymously, make enquiries, or provide feedback related to working conditions directly with RSPO (Page 98 of Wilmar’s Sustainability Report 2019 - <https://bit.ly/2TYOtDV>)
 - c. We contributed to the development of a first-of-its kind guidance document for the oil palm industry regarding the payment of a decent living wage (DLW). The methodology adopted that from the global living wage coalition and was assisted with Wilmar’s methodology to calculate whether prevailing wages were meeting the DLW benchmark in RSPO-certified units for all workers (Pages 88-90 of Wilmar’s Sustainability Report 2019 - <https://bit.ly/2TYOtDV>)
 2. We are involved in the multi-stakeholder initiative with Cargill, GAR, Musim Mas and Sime Darby to seek improvement in the protection of human and labour rights of workers in the agriculture sector. Refer to below links for more details:
 - a. <https://www.business-humanrights.org/en/indonesia-palm-oil-giants-convene-to-address-labour-rights-issues-to-improve-conditions-for-women-workers>
 - b. <https://www.forumforthefuture.org/decent-rural-living-initiative>
 - c. <https://ir-media.wilmar-international.com/app/uploads/2018/11/Sustainability-Joint-Statement-FINAL-2-050318.pdf>
 3. Engagement with unions as an ongoing process for improvements in labour issues – the below brief also includes a link to the independent report (video) of Wilmar’s operations in Sumatra by the union confederation (CNV): <https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/resource/sustainability-brief-providing-a-safe-place-for-workers--passports.pdf>

[library/sustainability/resource/collective-action-with-cnv-hukatan-ksbsi-makes-positive-impact-in-labour-final.pdf](https://www.wilmar-international.com/sustainability/resource/collective-action-with-cnv-hukatan-ksbsi-makes-positive-impact-in-labour-final.pdf)

4. On the point of our collaboration work with BSR, there are several disclosures in public on how we are actively engaged in this initiative to address various labour issues:
 - a. Page 42 of Wilmar’s Sustainability Report 2018 (https://www.wilmar-international.com/docs/default-source/default-document-library/wilmar_sustainability_report_2018.pdf)
 - b. Wilmar BSR Supplier Workshops (<https://www.wilmar-international.com/sustainability/wp-content/uploads/2018/11/Wilmar-Supplier-Workshops-Overview-2018.pdf>)

THEME 2: TRACEABILITY AND RISK ASSESSMENT

2.1 Traceability and Supply Chain Transparency

The company discloses:

- (1) the names and addresses of its first-tier suppliers;
Please note that we have the names and addresses of all of our first-tier suppliers – this is not the same as “traceability definition” which is more stringent. See the section “Traceability back to mill” on our dashboard (<https://www.wilmar-international.com/sustainability/traceability/traceability-back-to-mill>) where we specifically mention we have the names and addresses of 100% of our first-tier suppliers.
- (2) the countries of its below-first-tier suppliers (this does not include raw material suppliers);
Please refer to page 38 of Wilmar’s Sustainability Report 2019 (<https://bit.ly/2TYOtDV>) for the sourcing countries for below-first-tier suppliers of sugar.
- (3) the sourcing countries of at least three raw materials at high risk of forced labor and human trafficking; and
- (4) at least two types of data points on its suppliers' workforce (e.g., the number of workers, gender or migrant worker ratio, or level of unionization per supplier).

2.2 Risk Assessment

Risk assessment involves evaluating the potential that a company has (by virtue of who its suppliers are and where they are located) of being linked to forced labor and human trafficking. Risk assessment is a process that is carried out in addition to and outside of auditing. It helps identify potential forced labor risks as well as actual impacts that may be hard to detect through audits. This process may involve engaging local stakeholders, labor rights experts, independent sources, and assessing risks associated with specific raw materials, regions, or groups of workers such as migrant workers.

The company discloses:

- (1) details on how it conducts human rights supply chain risk or impact assessments that include forced labor risks or assessments that focus specifically on forced labor risks; and
Refer to section “Assessing risks related to supply chain human rights through the SRT” on the Mars-Verite-Wilmar programme.
Source: Page 45 of Wilmar’s Sustainability Report 2019 (<https://bit.ly/2TYOtDV>)

- (2) details on forced labor risks identified in different tiers of its supply chains.
1. Such risks at supply chain have been identified earlier in our ART programme with several Overarching reports detailing such risks (not just mills but suppliers at estate level as well). We continue to monitor these risks through our SRT programme which covers both tiers of suppliers (mills and estates) – page 43-44 of Wilmar’s Sustainability Report 2019 (<https://bit.ly/2TYOtDV>). That was the main push for us to then work with external stakeholders including government/consulates, supplier companies, and NGOs on the issue of passport retention as indicator of forced labour identified at supply chain. The work included Wilmar’s own process of improvement as well as that of our suppliers. Please refer to links below for evidence:
 - <https://www.youtube.com/watch?v=cL3NEXthLxo>
 - <https://www.youtube.com/watch?v=1esjpsGs2w&t=174s>
 - Sustainability brief on the work (<https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/resource/sustainability-brief-providing-a-safe-place-for-workers--passports.pdf>)
 2. Engagement with unions (CNV, Serbundo) as an ongoing process for identifying other forced labour risks in our supply chains
 - Attached brief includes a link to the independent report (video) of Wilmar’s operations in Sumatra by the union confederation (CNV): <https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/resource/collective-action-with-cnv-hukatan-ksbsi-makes-positive-impact-in-labour-final.pdf>
 - Serbundo video on Wilmar’s operations: <https://www.youtube.com/watch?v=yksziW19SPw>

THEME 3: PURCHASING PRACTICES

3.1 Purchasing Practices

Purchasing practices and pricing may both positively impact labor standards in the company's supply chains and increase risks of forced labor and human trafficking.

The company:

- (1) is taking steps toward responsible raw materials sourcing;
 1. RSPO and Bonsucro figures have been updated in our latest Sustainability Report 2019. Do also note that other than these two certifications for palm and sugar respectively, other certifications which cover forced labour issues should be considered as well (e.g. MSPO, ISPO, Smartcane BMP)

Source: Pages 33-35 of Wilmar’s Sustainability Report 2019 (<https://bit.ly/2TYOtDV>)
 2. We supported our third-party FFB suppliers in Malaysia to achieve MSPO certification and with our help, 18 FFB suppliers covering 25,223 hectares of plantation successfully achieved certification. Do note that similar to RSPO, MSPO covers forced labour issue as a key criterion as well.

Source: Page 45 of Wilmar’s Sustainability Report 2019 (<https://bit.ly/2TYOtDV>)

Based on the reporting guidance, these should cover the requirements specified so it is confusing only partial score is given.

- (2) is adopting responsible purchasing practices in the first tier of its supply chains, which include planning and forecasting;

Please refer to the section “Supplier assessments” in Wilmar’s Sustainability Report 2019 on the due diligence work we conduct prior to purchasing – do note that our NDPE policy applies to all suppliers.

Source: Page 43 of Wilmar’s Sustainability Report 2019 (<https://bit.ly/2TYOtDV>)

- (3) provides procurement incentives to first-tier suppliers to encourage or reward good labor practices (such as price premiums, increased orders, and longer-term contracts); and Please refer to the various smallholder programmes we conduct for both scheme and independent smallholders to take up sustainable agricultural procedures (which includes good labour practices as per our NDPE policy) which can lead to certifications. Incentives include having premiums with the RSPO certification (Indonesia & Malaysia), obtaining low interest funding for smallholder farms (Nigeria’s Pilot Outgrower Scheme) and providing sponsored training programmes to assist smallholders to become RSPO certified (WISSCo2 and WISSE programmes in Latin America)

Source: Pages 102-105 of Wilmar’s Sustainability Report 2019 (<https://bit.ly/2TYOtDV>)

- (4) discloses two quantitative data points demonstrating that it has responsible purchasing practices in place that address the risk of forced labor and human trafficking.

Since our Grievance Procedure has been put in place, we have stopped buying from two supplier groups due to Human Rights allegations. Refer to our grievance list at <https://www.wilmar-international.com/sustainability/grievance-procedure#wilmar-grievance-list> for more information on grievances related to PT Best and Indofood.

3.2 Supplier Selection

The company:

- (1) assesses risks of forced labor at potential suppliers before entering into any contracts with them and discloses details on the outcomes of this process.

A thorough due diligence process is undertaken for 100% of our potential supplying mills before it is eligible to enter Wilmar’s supply chain. The process covers various environmental and social criteria, and allows for collating of information on various aspects. For more information, please refer to the Supplier Assessments section in our Sustainability Report 2019.

Source: Page 43 of Wilmar’s Sustainability Report 2019 (<https://bit.ly/2TYOtDV>)

3.3 Integration into Supplier Contracts

The company:

- (1) integrates the ILO core labor standards, which include the elimination of forced labor, into supplier contracts;

Please note that the “Wilmar’s sustainability policy” being referred in the language used within supplier contracts refer to our NDPE (No Deforestation, No Peat, No Exploitation) policy, which includes labor compliance criteria.

Also, referring to our Supplier Guidelines, it is clearly stated that suppliers shall eliminate forced, bonded (including debt bondage) or indentured labour, slavery and trafficking of persons, and restrictions on workers’ freedom of movement. Similarly, our Human Rights Framework has explicitly mention that forced labour is not acceptable not just in Wilmar’s own operations, but also that of its suppliers and sub-contractors.

Sources:

1. Page 2 of Wilmar’s Supplier Guidelines under Forced/Bonded/Indentured Labour (https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/resource/wilmar-supplier-guidelines.pdf?sfvrsn=322d5b97_2)
 2. Page 2 of Human Rights Framework (<https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/policies/human-rights-framework.pdf>)
- (2) discloses the percentage of suppliers whose contracts include such standards; and
(3) requires its suppliers to integrate such standards into contracts with their own suppliers. As mentioned in 3.3 (1), our Human Rights Framework explicitly requires the element of forced labour to be eliminated from both Wilmar’s own operations and those of our suppliers and sub-contractors.

Also, our Supplier Guidelines has mentioned that “suppliers are also expected to communicate and implement the principles within this Supplier Guidelines throughout their supply chain”.

Sources:

1. Page 1 of Wilmar’s Supplier Guidelines (https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/resource/wilmar-supplier-guidelines.pdf?sfvrsn=322d5b97_2)
2. Page 2 of Human Rights Framework (<https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/policies/human-rights-framework.pdf>)

THEME 4: RECRUITMENT

4.1 Recruitment Approach

The company:

- (1) has a policy that requires direct employment in its supply chains; Please refer to our Human Rights Framework: <https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/policies/human-rights-framework.pdf>.
- (2) requires employment and recruitment agencies used by its suppliers to respect the ILO core labor standards, which include the elimination of forced labor; and

1. Our Supplier Guidelines clearly mentions that “suppliers shall ensure ethical recruitment such that workers do not incur any recruitment fees at any stage of the recruitment process and similar requirements should be complied with by third-party recruitment agencies engaged by suppliers.”

Source: Page 2 of Wilmar Supplier Guidelines under Forced/Bonded/Indentured Labour (https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/resource/wilmar-supplier-guidelines.pdf?sfvrsn=322d5b97_2)

2. Please refer to our Human Rights Framework: <https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/policies/human-rights-framework.pdf>
3. We also collaborate with BSR to address some of these elements in our Supplier Workshops.

Source: <https://www.wilmar-international.com/sustainability/wp-content/uploads/2018/11/Wilmar-Supplier-Workshops-Overview-2018.pdf>

- (3) discloses information on the recruitment agencies used by its suppliers.

4.2 Recruitment Fees

According to the ILO, workers should not be charged directly or indirectly, in whole or in part, any fees for recruitment or related costs (such as costs for training, medical tests, or travel).

The company:

- (1) requires that no worker in its supply chains should pay for a job—the costs of recruitment (i.e., recruitment fees and related costs) should be borne not by the worker but by the employer ("Employer Pays Principle"); and

1. Our Supplier Guidelines clearly mentions that “suppliers shall ensure ethical recruitment such that workers do not incur any recruitment fees at any stage of the recruitment process and similar requirements should be complied with by third-party recruitment agencies engaged by suppliers.”

Source: Page 2 of Wilmar Supplier Guidelines under Forced/Bonded/Indentured Labour (https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/resource/wilmar-supplier-guidelines.pdf?sfvrsn=322d5b97_2)

2. Please refer to our Human Rights Framework: <https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/policies/human-rights-framework.pdf>

- (2) takes steps to ensure that such fees are reimbursed to the workers and/or provides evidence of payment of recruitment-related fees by suppliers if it discovers that fees have been paid by workers in its supply chains.

In Wilmar’s “No Exploitation Protocol” which is being finalized, it does contain restitution expectations on recruitment related fees. Important note: We are sharing the 2nd consultation version of the “Wilmar No Exploitation Protocol for 3rd party suppliers” because BHRRC has been involved in the public consultation of this document and has provided their feedback as part of the consultation process. We have provided this draft to the KTC

benchmark, noting that BHRRC has had access to this draft and the process for developing the document.

This draft is strictly not to be made public as a final version based on previous consultation comments is currently being finalized. This document is expected to be finalized and made public in July 2020.

4.3 Monitoring and Responsible Recruitment

The company:

- (1) takes steps to ensure employment and/or recruitment agencies used by its suppliers are monitored to assess and address risks of forced labor and human trafficking; and
- (2) provides details of how it supports responsible recruitment in its supply chains (e.g., by collaborating with stakeholders to engage policy makers to strengthen recruitment standards).

1. Referring to the Supplier Workshops conducted together with BSR, the various labour issues discussed during the workshops cover issues related to responsible recruitment (e.g. wages & contract status, grievance mechanisms, labour unions).

Source: <https://www.wilmar-international.com/sustainability/wp-content/uploads/2018/11/Wilmar-Supplier-Workshops-Overview-2018.pdf>

2. Working with stakeholders including government/consulates, supplier companies, and NGOs on the issue of passport retention as indicator of forced labour. The work included Wilmar's own process of improvement as well as that of our suppliers. Please refer to links below for evidence:
 - a. <https://www.youtube.com/watch?v=cL3NEXthLxo>
 - b. <https://www.youtube.com/watch?v=1esjpsGs2w&t=174s>
 - c. Sustainability brief on the work (<https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/resource/sustainability-brief-providing-a-safe-place-for-workers--passports.pdf>)
3. Engagement with unions as an ongoing process for improvements in labour issues – the below brief also includes a link to the independent report (video) of Wilmar's operations in Sumatra by the union confederation (CNV): <https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/resource/collective-action-with-cnv-hukatan-ksbsi-makes-positive-impact-in-labour-final.pdf>
4. Engagement with Indonesia union (Serbundo) as evidenced from the video of Serbundo on Wilmar's operations: <https://www.youtube.com/watch?v=yksziW19SPw>

4.4 Rights of Workers in Vulnerable Conditions

Migrant workers and other workers in vulnerable conditions are at a higher risk of being in forced labor, and additional steps are needed to ensure their rights are respected. Conditions which render workers vulnerable may include characteristics such as gender or age and external factors, including

workers' legal status, employment status, economic conditions, and work environment (such as isolation, dependency on the employer, or language barriers).

The company:

- (1) takes steps to ensure migrant workers in its supply chains understand the terms and conditions of their recruitment and employment and also understand their rights;
To correct the research findings in Comment, please note that our Human Rights Framework (& the relevant Forced Labour section) applies to our suppliers and sub-contractors.

Source: Page 2 of Human Rights Framework (<https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/policies/human-rights-framework.pdf>)

- (2) takes steps to ensure its suppliers refrain from restricting workers' movement, including through the retention of passports or other personal documents against workers' will; and
 1. Working with stakeholders including government/consulates, supplier companies, and NGOs on the issue of passport retention as indicator of forced labour. The work included Wilmar's own process of improvement as well as that of our suppliers. Please refer to links below for evidence:

- a. <https://www.youtube.com/watch?v=cL3NEXthLxo>
- b. <https://www.youtube.com/watch?v=1esjpsGs2w&t=174s>
- c. Sustainability brief on the work (<https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/resource/sustainability-brief-providing-a-safe-place-for-workers--passports.pdf>)

2. Engagement with unions as an ongoing process for improvements in labour issues – the below brief also includes a link to the independent report (video) of Wilmar's operations in Sumatra by the union confederation (CNV): <https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/resource/collective-action-with-cnv-hukatan-ksbsi-makes-positive-impact-in-labour-final.pdf>
3. Engagement with Indonesia union (Serbundo) as evidenced from the video of Serbundo on Wilmar's operations: <https://www.youtube.com/watch?v=yksziW19SPw>

- (3) discloses at least two outcomes of steps it has taken to ensure respect of the fundamental rights and freedoms of supply chain workers in vulnerable conditions (those articulated in the ILO core labor standards, which include the elimination of forced labor).
 1. An outcome from the engagement work on passport retention that we have done to share our experiences with our Malaysia suppliers – some of them have implemented similar locker system for safekeeping of their workers' passports, with Kim Loong being a good example. Please refer to links below for evidence:
 - a. <https://www.youtube.com/watch?v=cL3NEXthLxo>
 - b. <https://www.youtube.com/watch?v=1esjpsGs2w&t=174s>
 - c. Sustainability brief on the work (<https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/resource/sustainability-brief-providing-a-safe-place-for-workers--passports.pdf>)
 2. Engagement with unions as an ongoing process for improvements in labour issues – the below brief also includes a link to the independent report (video) of Wilmar's operations

in Sumatra by the union confederation (CNV): <https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/resource/collective-action-with-cnv-hukatan-ksbsi-makes-positive-impact-in-labour-final.pdf>

3. Engagement with Indonesia union (Serbundo) as evidenced from the video of Serbundo on Wilmar's operations: <https://www.youtube.com/watch?v=yksziW19SPw>

THEME 5: WORKER VOICE

5.1 Worker Engagement

The company:

- (1) takes steps to ensure its supply chain policies that address forced labor and human trafficking are communicated to workers in its supply chains;

In 2019, Wilmar focused on communicating our NDPE commitments, which was updated in 2019, to our suppliers and as of end 2019, more than 90% have acknowledged our NDPE policy through written confirmation, committed to one, reported compliance through SRT or become a member of RSPO. All of these entails addressing any potential force labor risks in their operations and communicating to their workers.

Also, the previous trainings provided to our suppliers during the ART workshops and SRT briefings included relevant topics on forced labour and human trafficking issues. Please refer to the Comment Text for 1.4 (2) on all the training details.

Sources:

1. Page 42 of Wilmar's Sustainability Report 2019 (<https://bit.ly/2TYOtDV>)
2. "Supply Chain Transformation", <https://www.wilmar-international.com/sustainability/supply-chain-transformation>.
3. Pages 7, 38 & 82 of Wilmar's Sustainability Report 2018 (https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/resource/wilmar_sustainability_report_2018.pdf)

- (2) takes steps to ensure that relevant stakeholders engage with and educate workers in its supply chains on their labor rights and/or supports worker-led efforts on labor rights education;

Refer to our 2 Year Progress Report on "Strengthening Labour Practices" on the various works we are involved in to engage and educate the suppliers' workers on their labour rights (e.g. Decent Rural Living Initiative, capacity building workshops with BSR, union engagements with CNV, Hukatan-KSBSI & Serbundo etc.).

Source: https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/wilmar-2-year-progress-update-in-strengthening-labour-practices---final-final-final.pdf?sfvrsn=a56b5de8_0

- (3) provides evidence of the positive impact of worker engagement in its supply chains; and Refer to the engagement work with PT Abdi Budi Mulia and the positive outcomes delivered.

Source: <https://www.earthworm.org/cn/news-stories/supporting-suppliers-to-improve-workers-welfare-in-indonesia>

- (4) provides at least two examples of worker engagement initiatives covering different supply chain contexts.

Please refer to our responses in 5.1 (2) on the example of worker engagement initiatives covering our supply chain in Indonesia (Serbundo, CNV and Hukatan-KSBSI union engagement work).

In Latin America, we are working with our first-tier palm oil suppliers to build capacity and provide training through our WISSCo2 as well as WISSE programmes. Both entails labour and human rights issues and we encourage them towards the path of RSPO certification.

Sources:

1. https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/wilmar-2-year-progress-update-in-strengthening-labour-practices--final-final-final.pdf?sfvrsn=a56b5de8_0
2. Page 105 of Wilmar's Sustainability Report 2019 (<https://bit.ly/2TYOtDV>)

5.2 Freedom of Association

The company:

- (1) works with independent local or global trade unions to support freedom of association in its supply chains;

1. Unions were a core part of the supplier capacity building workshops on Human Rights in collaboration with BSR. We have invited unions (Serbundo and Hukatan-KSBSI) to speak directly with our suppliers on ways to improve labour practices and union engagements.

Source: <https://www.wilmar-international.com/sustainability/wp-content/uploads/2018/11/Wilmar-Supplier-Workshops-Overview-2018.pdf>

2. Engagement with unions as an ongoing process for improvements in labour issues – the below brief also includes a link to the independent report (video) of Wilmar's operations in Sumatra by the union confederation (CNV): <https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/resource/collective-action-with-cnv-hukatan-ksbsi-makes-positive-impact-in-labour-final.pdf>
3. Engagement with Indonesia union (Serbundo) as evidenced from the video of Serbundo on Wilmar's operations: <https://www.youtube.com/watch?v=yksziW19SPw>

- (2) discloses that it is party to a global framework agreement that covers its supply chains and/or an enforceable supply chain labor rights agreement with trade unions or worker organizations;

Please refer to our Human Rights Framework: <https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/policies/human-rights-framework.pdf>

- (3) takes steps to ensure workplace environments in which its suppliers' workers are able to pursue alternative forms of organizing (e.g., worker councils or worker-management dialogues) where there are regulatory constraints on freedom of association; and

Under our Human Rights Framework, it is specifically mentioned that the principles covering Human Rights would be extended to our suppliers as well. We have also suspended suppliers that have not met our no exploitation requirements as per NDPE policy.

Sources:

1. Page 6 of Human Rights Framework (<https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/policies/human-rights-framework.pdf>)
2. Grievance procedure listing (<https://www.wilmar-international.com/sustainability/grievance-procedure>)

- (4) provides at least two examples covering different supply chain contexts of how it improved freedom of association and/or collective bargaining for its suppliers' workers such as migrant workers (e.g., by taking action where suppliers impede workers' rights to freedom of association and/or collective bargaining or by engaging policy makers to improve respect for such rights).

Refer to the work with Earthworm (TFT) since 2017 on supplier engagement with PT ABM and how it has improved freedom of association for our suppliers' workers.

Source: <https://www.earthworm.org/news-stories/supporting-suppliers-to-improve-workers-welfare-in-indonesia>

5.3 Grievance Mechanism

The company:

- (1) takes steps to ensure a formal mechanism to report a grievance to an impartial entity regarding labor conditions in the company's supply chains is available to its suppliers' workers and their legitimate representatives;
- (2) takes steps to ensure that the existence of the mechanism is communicated to its suppliers' workers;

This is part of the No Exploitation grievance protocol that is being finalized. Important note: We are sharing the 2nd consultation version of the "Wilmar No Exploitation Protocol for 3rd party suppliers" because BHRRC has been involved in the public consultation of this document and has provided their feedback as part of the consultation process. We have provided this draft to the KTC benchmark, noting that BHRRC has had access to this draft and the process for developing the document.

This draft is strictly not to be made public as a final version based on previous consultation comments is currently being finalized. This document is expected to be finalized and made public in July 2020.

- (3) takes steps to ensure that its suppliers' workers or their legitimate representatives are involved in the design and/or performance of the mechanism, to ensure that the workers trust the mechanism;

For the development of our "No Exploitation Protocol", unions have been involved in the consultation.

- (4) discloses data about the practical operation of the mechanism, such as the number of grievances filed, addressed, and resolved, or an evaluation of the effectiveness of the mechanism; and
- (5) provides evidence that the mechanism is available and used by workers below the first tier in its supply chains.

THEME 6: MONITORING

6.1 Monitoring Process

To improve implementation of its supply chain policies, conditions at supplier level can be monitored in different ways. This could include specialized audits to detect forced labor at higher-risk suppliers or worker-driven monitoring (i.e., monitoring undertaken by independent organizations that includes worker participation and is guided by workers' rights and priorities).

The company has a supplier monitoring process that includes:

- (1) non-scheduled visits;

Please note that the idea of non-scheduled visits in the context of the type of suppliers we have are unreasonable. The material labour issues for our suppliers are not in the factory/refinery but the plantations. These are located in very rural areas with poor accessibility – it is difficult to just show up unannounced.

- (2) a review of relevant documents;

Refer to the section on "Supplier Assessments" in our Sustainability Report 2019 which details how we utilize SRT to conduct reviews and assessments of our suppliers. Also, documentation reviews form a key part of items to be checked during site assessments. This has been mentioned under the "Site assessments" for Supplier Reporting Tool section in our website. Site assessments require us to conduct:

- documentation reviews;
- physical observations of practices and conditions at the mill and plantations under its direct operations, including workplaces, and housing/living quarters on-site;
- interviews with mill/plantation management staff;
- confidential interviews with mill/ plantation workers at working areas and/or housing areas (without the presence of management staff); and
- action plan development.

Sources:

1. Page 43-44 of Wilmar's Sustainability Report 2019 (<https://bit.ly/2TYOtDV>)
2. "Site assessments" in Supplier Reporting Tool section under Supply Chain Transformation tab (<https://www.wilmar-international.com/sustainability/supply-chain-transformation>)

- (3) off-site interviews with workers;

Under the "Site assessments" for Supplier Reporting Tool section in our website, we are required to conduct:

- documentation reviews;
- physical observations of practices and conditions at the mill and plantations under its direct operations, including workplaces, and housing/living quarters on-site;
- interviews with mill/plantation management staff;

- confidential interviews with mill/ plantation workers at working areas and/or housing areas (without the presence of management staff); and
- action plan development.

Source: “Site assessments” in Supplier Reporting Tool section under Supply Chain Transformation tab (<https://www.wilmar-international.com/sustainability/supply-chain-transformation>)

- (4) visits to associated production facilities and related worker housing; and
- Under the “Site assessments” for Supplier Reporting Tool section in our website, we are required to conduct:
- documentation reviews;
 - physical observations of practices and conditions at the mill and plantations under its direct operations, including workplaces, and housing/living quarters on-site;
 - interviews with mill/plantation management staff;
 - confidential interviews with mill/ plantation workers at working areas and/or housing areas (without the presence of management staff); and
 - action plan development.

Source: “Site assessments” in Supplier Reporting Tool section under Supply Chain Transformation tab (<https://www.wilmar-international.com/sustainability/supply-chain-transformation>)

- (5) steps to ensure that suppliers below the first tier are monitored.
- Please note that SRT does request for information related to the suppliers to our suppliers (i.e. farms supplying to the mills which supply to our refineries). As listed under the Supplier Reporting Tool section, “the SRT is an annual program required for 100% of Wilmar’s direct supplying mills and their associated estates in Indonesia, Malaysia and Latin America.”

Source: Supplier Reporting Tool section under Supply Chain Transformation tab (<https://www.wilmar-international.com/sustainability/supply-chain-transformation>)

6.2 Monitoring Disclosure

The company discloses:

- (1) the percentage of suppliers monitored annually;
- Refer to the table under “Supplier Assessments” section in our Sustainability Report 2019 for the % of suppliers monitored annually.

Source: Page 44 of Wilmar’s Sustainability Report 2019 (<https://bit.ly/2TYOtDV>)

- (2) the percentage of unannounced monitoring visits;
- Please refer to our response for 6.1(1) on how this is not applicable to our suppliers’ context.
- (3) the number or percentage of workers interviewed; and
- (4) information on the qualification of the monitoring organization used and/or the use of worker-driven monitoring (i.e., monitoring undertaken by independent organizations that includes worker participation and is guided by workers’ rights and priorities); and

Wilmar does our own monitoring of suppliers although we do collaborate with Verite for monitoring of human rights risks through our SRT.

Source: Page 45 of Wilmar's Sustainability Report 2019 (<https://bit.ly/2TYOtDV>)

- (5) a summary of findings, including details regarding any violations revealed.
Unsure why the research findings consider it as not being disclosed when we have publicly put out all of the supply chain's risk findings in the various ART Overarching Reports?

Source: ART Overarching Reports section under the Aggregator Refinery Transformation segment (<https://www.wilmar-international.com/sustainability/supply-chain-transformation>)

THEME 7: REMEDY

7.1 Corrective Action Plans

The company discloses:

- (1) a corrective action process for its suppliers and potential actions taken in cases of non-compliance, such as stop-work notices, warning letters, supplementary training, and policy revision;
Refer to our "Grievance Procedure Process Flow" in the file "Grievance Procedure SOP" on the corrective action process for suppliers and potential impacts.

Also, it is part of the "No Exploitation Protocol" that is being finalized now and which BHRRC has been consulted on. Important note: we have provided this draft to the KTC benchmark, noting that BHRRC has had access to this draft and the process for developing the document.

This draft is strictly not to be made public as a final version based on previous consultation comments is currently being finalized. This document is expected to be finalized and made public in July 2020.

Source: https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/grievance/grievance-sop/grievance-procedure_final.pdf?sfvrsn=7670cea2_2

- (2) a means to verify remediation and/or implementation of corrective actions, such as record review, employee interviews, or spot-checks;
Refer to 4.3.3.3 in our Grievance Procedure SOP which lists out the monitoring and evaluation schedule to check on the progress of remediation. Also, through our online SRT platform, we would be able to provide action plans based on suppliers' answers as well as upon site assessments – Wilmar's third-party compliance team would then work with suppliers to complete these action plans.

Sources:

1. https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/grievance/grievance-sop/grievance-procedure_final.pdf?sfvrsn=7670cea2_2

2. Figure 2 – Process Flow of SRT under Supplier Reporting Tool section

(<https://www.wilmar-international.com/sustainability/supply-chain-transformation>)

- (3) potential consequences if corrective actions are not taken; and
Refer to point 5.1 of “Suspension Procedures” which details suspension of suppliers at Group level if corrective action plans are not taken.

Source: https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/grievance/grievance-sop/grievance-procedure_final.pdf?sfvrsn=7670cea2_2

- (4) a summary or an example of its corrective action process in practice.
Corrective action plans are mentioned in the summary progress updates for all grievances listed. Please refer to the grievance list and select one as example.

Source: <https://www.wilmar-international.com/sustainability/grievance-procedure>

7.2 Remedy Programs / Response to Allegations

A. If no allegation regarding forced labor in the first or lower tier of a company's supply chains has been identified and disclosed by a third party(ies) in the last three years, the company discloses:

- (1) a process for responding to potential complaints and/or reported violations of policies that address forced labor and human trafficking; and
- (2) at least two examples of outcomes of its remedy process in practice, covering different supply chain contexts, for its suppliers' workers.

B.1. If one or more allegations regarding forced labor in the first or lower tier of a company's supply chains have been identified and disclosed by a third party(ies) in the last three years, the company discloses:

The allegation being referred to in the research findings is the Amnesty International report which is a 2016 disclosure. Based on the scoping of last three years, this should not be considered in the assessment anymore.

- (1) a process for responding to potential complaints and/or reported violations of policies that address forced labor and human trafficking;
Refer to our Grievance Procedure SOP on the process.

Source: https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/grievance/grievance-sop/grievance-procedure_final.pdf?sfvrsn=7670cea2_2

- (2) that it engages in a dialogue with the stakeholders reportedly affected in the allegation(s);
- (3) outcomes of the remedy process in the case of the allegation(s); and
- (4) evidence that remedy(ies) are satisfactory to the victims or groups representing the victims.

On the research finding which states “Amnesty International later accused Wilmar of trying to cover up the abuses outlined in the report...”, as clarified on our grievance listing, the meeting was merely part of the stakeholder consultation process.

“Following the field assessments on PT PM and PT DLI in North Sumatra in December 2016, BSR has also completed assessment on PT Mustika Sembuluh (MS) in Central Kalimantan in January 2017. The methodology adopted by the independent assessor is similar to the one used in North Sumatra, which included interviewing a total of 56 non-management workers without the presence of management personnel. The preliminary findings of the assessment are enclosed [here](#). As part of our investigation process, we have met with union representatives from Serikat Pekerja Seluruh Indonesia and Serbundo on 9 Jan 2017. The meeting was to clarify labour issues in PT Milano and PT DLI, and to seek feedback and suggestions.” More details can be found in the March 2017 update (http://media.corporate-ir.net/media_files/IROL/16/164878/Update-on-Labour-Progress-in-North-Sumatra-6-March-2017-final-web.pdf).

We have also clarified the matter to Amnesty International when we met them in June 2017.

On 13 June 2017, Wilmar met with Amnesty International to discuss the action plan and progress. We are committed to providing regular updates to Amnesty International on our progress of implementing our action plan.

Specifically on the three suppliers, all related information (engagement, resolution/outcomes) can be found under the respective grievance listings in our Grievance List (filter by company names in <https://www.wilmar-international.com/sustainability/grievance-procedure>):

- PT ABM

Company	Received	Grievance Report	Stakeholders	Subject Matter and Progress
Abdi Budi Mulla (ABM)	30 Nov 2016	Report can be found here .	Wilmar	<p>Status: Case closed</p> <p>Alleged involvement in labour rights issues by Abdi Budi Mulla (ABM)</p> <p>Progress Update</p> <p>Together with The Forest Trust (TFT), Wilmar conducted a field visit to PT ABM from 13 - 17 December 2016. PT ABM was cooperative in providing documentation for review and setting up all the interviews that were requested. Interviews were conducted with 45 workers (5% of PT ABM's labour force made up of monthly and freelance daily workers), nine sub-contracted workers, three board members of the workers' union, 15 members on the board of the Petani Plasma Cooperative (part of PT ABM's supply chain), the village head and a school vice-principal. The Executive Summary is available here.</p> <p>A meeting was further held with PT ABM on 17 March 2017, where Wilmar and TFT discussed the findings and action plan with PT ABM. PT ABM is also participating in Wilmar's Support for Transformation Programme (SFT), where a detailed labour practices Improvement workplan is developed by Wilmar and TFT for PT ABM.</p> <p>Four site visits over a year-long period are planned in this labour programme. More information about the programme is available here. In November 2017, PT ABM was invited to speak at Wilmar's BSR Capacity Building workshop to provide supplier testimonial on PT ABM's process and journey in improving their labour practices. More than 60 participants from over 30 companies attended the workshop.</p>

The outcome of the collaboration with TFT is reported on the grievance listing:

<https://www.earthworm.org/news-stories/supporting-suppliers-to-improve-workers-welfare-in-indonesia>

- PT SPMN

Sarana Prima Multi Niaga, a subsidiary of TSH Group	30 Nov 2016	Report can be found here	Wilmar	Status: Case closed Alleged involvement in labour right issues by Sarana Prima Multi Niaga (SPMN), a subsidiary of TSH Group
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Progress Update
 Wilmar and TFT met with PT SPMN (wholly owned entity under TSH Group) on 20 December 2016 to discuss the allegations raised in the NGO report in further detail. From early 2017, PT SPMN has been engaged within various RSPO due diligence processes. PT SPMN's process with the RSPO are as follows:
 1. 27 to 31 March 2017 - RSPO certification surveillance audit with special focus on labour issues
 2. 3 April 2017 - RSPO meeting with the TSH Head of Sustainability
 3. 19 April 2017 - Further discussion with RSPO Secretariat on, on progress updates of labour issues
 4. November 2017 - RSPO labour issues assessment conducted by Profundo

PT SPMN has had several progress update meetings with Wilmar and have shared information and evidence on of the actions and improvements that have taken place since December 2016. Actions from PT SPMN have included:

- Introduction of system of payment of "top-up" wages to meet at least minimum wage for workers who have not met their KPI targets based on the piece rate system
- Conversion of temporary contracts to permanent employment for all workers - including workers previously on temporary contracts
- Reduction of paraquat use, with total elimination of use by 31 December 2017
- Signboards to reinforce their No Child Labour policy on site, and counter checking of census of children on-site with school enrolment data
- Immediate removal of discriminatory practice in regard to menstrual leave. Women are no longer subjected to medical checks for menstrual leave Supplier support and management Wilmar's Progress in Strengthening Labour Practices 4 Dec 2017 Page 13 of 14
- Records and results of regular medical checks are shared with and explained to chemical workers, including those workers have been transferred to non-chemical work if exposure levels are too high o Providing full compensation and a new position as a child caretaker to a worker who had been severely injured in an accident involving paraquat PT SPMN has committed to continually improving their labour practices, and Wilmar is now establishing stronger collaboration to ensure that we are able to check-in on progress made.

- PT Hamparan

Company	Received	Grievance Report	Stakeholders	Subject Matter and Progress
Hamparan Masawit Bangun Persada, a subsidiary of PT BEST	30 Nov 2016	Report can be found here	Wilmar	Status: Case closed Alleged involvement in labour right issues by Hamparan Masawit Bangun Persada (HMBP), a subsidiary of PT BEST

Progress Update
 Wilmar initiated engagement with PT HMBP, and its parent company PT BEST, in October 2016 when the allegations of labour rights issues in PT HMBP were brought to our attention. After several contact attempts, the first meeting with PT HMBP was finally held on 18 January 2017. A few more meetings were held in February, March and May 2017. However, our engagement yielded little results in getting PT HMBP to agree to a field visit. Therefore, Wilmar has decided to put on hold purchases from PT BEST, where our last purchase was in June 2017.

Specifically on KTC's question: "Wilmar states that supplier, PT HMBP failed to engage and agree to a field visit so it suspended its supplier relationship. While the case is listed as "closed" on the company's grievance list, the company does not disclose remedy outcomes for affected workers."

Do note that it is unfair for KTC to expect Wilmar to further engage with HMBP while Wilmar has already imposed a group level suspension on this company. We no longer have any leverage or avenue to investigate the case. KTC should acknowledged Wilmar's firm action in suspending HMBP instead of penalizing Wilmar in this case.

Lastly, on top of the existing sources included by KTC, there have been updated public reports published related to this issue so please refer to below links for more information:

- 2 year progress report (http://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/wilmar-2-year-progress-update-in-strengthening-labour-practices---final-final-final.pdf?sfvrsn=a56b5de8_0)

- Video link from Serbundo on our North Sumatra operations (Serbundo was mentioned in AI report as well - <https://www.youtube.com/watch?v=yksziW19SPw>)

B.2. If one or more allegations regarding forced labor in the first or lower tier of a company's supply chains have been identified and disclosed by a third party(ies) in the last three years, and the company denies the allegation, the company discloses:

- (1) a process for responding to potential complaints and/or reported violations of policies that address forced labor and human trafficking;
- (2) a description of what actions it would take to prevent and remediate the alleged impacts; and
- (3) that it engages in a dialogue with the stakeholders reportedly affected in the allegation or requires its supplier(s) to do so.

NON-SCORED DISCLOSURE

Target Setting

The company discloses measurable and time-bound targets to address forced labor in its supply chains.

Yes/No. Please provide details.

The company reports on progress towards achieving previous targets on an annual basis.

Yes/No. Please provide details.

Reporting Legislations

UK Modern Slavery Act: Where applicable, the company discloses at least one statement under the UK Modern Slavery Act.

Yes/No. Please provide link to a publicly available statement.

California Transparency in Supply Chains Act: Where applicable, the company has a disclosure under the California Transparency in Supply Chains Act.

Yes/No. Please provide link to a publicly available statement.

Due Diligence on Third-Party Products

Where a company—in addition to own branded products—sells third-party food and beverage products, the company discloses how it assesses and addresses forced labor risks related to third-party food and beverage products.

Yes/No. Please provide details.

Use of Commodities Which May Be Produced Using Forced Labor¹

Please provide a full list of commodities present in your supply chains, or alternatively indicate for each of the commodities below whether it is present in your supply chains. Note where a company

¹ See: US Department of Labor's [List of Goods Produced by Forced Labor](#) (accessed Feb 2020, data as of Sep 2018).

does not provide this information, KnowTheChain will review the company's website as well as third party sources to identify relevant information.

- Beans (green, soy, yellow)
- Brazil Nuts / Chestnuts
- Cattle
- Chile Peppers
- Cocoa
- Coffee
- Corn
- Fish
- Palm oil
- PeanutsRice
- Sesame Shrimp
- Sugarcane
- Tomatoes
- Wheat

Presence of Migrant Workers in Supply Chains

Yes/No. Please provide details.