

Company Engagement Questions:

KnowTheChain Food & Beverage benchmark

Companies can use these questions to provide additional information relevant to KnowTheChain is benchmarking 20 apparel & footwear companies on their commitments and programs targeted at addressing human trafficking and forced labor in the supply chain. Each company has been invited to respond to the questions below by 1 July 2016. The responses will be published on the website of Business & Human Rights Resource Centre (BHRRC), one of the partners in KnowTheChain.

Documents

1. Please share links to any policy statements, reports, or other documents that you would like to be taken into account in a review of your company's approach to managing forced labor risks in the supply chain.

[No Deforestation, No Peat, No Exploitation Policy Progress Report](#)

[No Deforestation, No Peat, No Exploitation Policy](#) ("Integrated Policy")

[Wilmar Sustainability Report 2013](#), page 44 – 45

Note: You may be aware that the Corporate Human Rights Benchmark (CHRB) is analysing companies' broader human rights policies and performance. Where the KnowTheChain benchmark indicators are related to indicators of the CHRB, this is indicated under each engagement question.

We welcome that some companies have disclosed information on their human rights policies and practices for the Corporate Human Rights Benchmark (CHRB). Where companies have disclosed information on specific CHRB indicators, as well as any links available from the company website, these will be considered in the KnowTheChain analysis. Third party information and links to third parties websites will not be considered.

Commitment and governance

Awareness and commitment

2. Has your company made a formal commitment (e.g. adopted a policy) to address human trafficking and forced labor? Please include a link to the commitment.

Yes. Wilmar's [No Deforestation, No Peat, No Exploitation Policy](#), ("Integrated Policy") includes explicit commitment to "no forced and bonded labour". Wilmar's policy also commits to avoiding human trafficking without the term being explicitly mentioned, i.e. ethical recruitment, no collateral as condition of work, no withholding of documents and wages, provision of work contracts in form and language understandable to workers with all details pertaining to the job, remuneration, and T&C.

Supply chain standards

3. Does your company have a supply chain standard that requires suppliers to uphold workers' fundamental rights and freedoms, including the elimination of forced labor? Please

include a link to the standard, and provide information on how frequently the standard is updated.

Yes, the scope of our [No Deforestation, No Peat, No Exploitation Policy](#) ("Integrated Policy") includes all third-party suppliers. Please refer to page 2 for scope of policy coverage and pages 4-7 for specific areas relating to labour.

Management

4. Who within your company is responsible for the implementation of your company's supply chain policies and standards relevant to human trafficking and forced labor? Please indicate the committee, team or officer, and describe the scope of their responsibility and how they interact with other internal teams, groups or departments

Supply chain policies and standards relevant to human trafficking and forced labour fall within Wilmar's Sustainability [Integrated Policy](#).

Sustainability is a core part of our business, and is guided by our Board of Directors and CEO, who sign off on all critical initiatives. To implement the sustainability strategies set out by the Board, we have a core team of over 50 employees globally, with a wide range of relevant local and/or technical expertise. Based in the Singapore Head Office, Wilmar's Chief Sustainability Officer, Mr Jeremy Goon, is responsible for overall strategy and policy development. Our Group Sustainability General Manager (GM), Mr Simon Siburat is responsible for the implementation of these policies in our own operations, as well as ensuring third-party supplier compliance. Under our GM we have a team third-party compliance team in Malaysia and Indonesia that checks compliance to Wilmar's policy, including the human trafficking and forced labour components as part of the overall compliance checks. Wilmar has contracted The Forest Trust (TFT) to provide external assurance of compliance, and they also provide insight into suppliers based in Latin America and Africa.

More information on the structure of Wilmar's sustainability teams is available in [Wilmar Sustainability Report 2013](#), page 26 – 27. This will be updated with the publication of our 2015 sustainability report in July 2016.

Training

5. Does your company conduct training programs for internal decision-makers and suppliers' management teams on risks, policies and standards related to human trafficking and forced labor (this may include training on elements such as passport retention, payment of wages, and vulnerable groups such as migrant workers)? Please describe.

Yes, we conduct training programmes on Wilmar's Integrated Policy commitments and implementation for our field managers across the world, particularly in regions where we have plantation operations. All these trainings also cover workers' rights, including human trafficking and forced labour, which are included in our Integrated Policy. The last training we conducted was in February 2016 for our African operations. We have previously also conducted trainings for our plantation operations in Indonesia and Malaysia. More information on this training can be found in our [Sustainability Policy Implementation Update for Q1 2016](#), page 6.

Apart from these trainings on our policy, Wilmar also conducts workshops on a variety of topics related to sustainability periodically. A workshop on Understanding Labour Rights and Issues was held in September 2014. More information on this training can be found in Wilmar's [Sustainability Brief – September 2014](#).

To enable more in-depth look at labour issues, Wilmar is currently developing a labour programme to identify labour best practices and remove exploitation, in collaboration with a respectable labour organisation. This is still in contract phase with the organizations in question and as such, we are unable to divulge the organization at this point. The programme will initially focus on benchmarking Wilmar's own operations in Indonesia and Malaysia with peers in the palm industry, and will be expanded to include implementation to third-party suppliers. . This programme was announced in our [No Deforestation, No Peat, No Exploitation Policy Progress Report](#), pages 20 – 21.

Stakeholder engagement

6. In the last three years, has your company engaged on human trafficking and forced labor, especially as it relates to the supply chain a) with local stakeholders such as NGOs, trade unions or policy makers or b) in multi-stakeholder initiatives? Please describe with whom your company has engaged, the purpose of the engagement and how it relates to forced labor and human trafficking in the supply chain, and your company's role and level of engagement.

a) Wilmar has been working closely with the local governments in Indonesia and Malaysia to develop a jurisdictional approach to sustainable production of palm oil. A jurisdictional approach involves the local government building a regulatory framework in a specific region, to address sustainability issues in palm oil production. Through this approach, RSPO certification of palm oil production will be implemented at the provincial level. The RSPO has stringent and robust principles and criteria on workers' rights and freedom .E.g. RSPO Principles and Criteria (P&C), Principle 6: Responsible Consideration of Employees and of Individuals and Communities Affected by Growers and Millers addresses workers' rights and freedoms (6.5, 6.6, 6.7, 6.8, 6.9 and 6.13) including the elimination of forced labour (6.12).

The local governments of Sabah (East Malaysia) and Central Kalimantan (Indonesia) have both committed to a jurisdictional approach, with a timeline to have all crude palm oil produced to be RSPO certified. In the Sabah jurisdictional approach we are part of the Steering Committee, together with other government, civil society and industry partners; while in Central Kalimantan we have an advisory role. Jurisdictional level RSPO certification will encourage stakeholders to collaborate to overcome productivity, environmental and social issues affecting the industry. It also paves the way for sustainable practices to become mandatory, including elements of forced labour and trafficking.

b) Wilmar's operations have been assessed by TFT, and labour consultant Verite via the RSPO. We have also engaged with the NGO Rainforest Action Network on labour issues linked to suppliers in our supply chain. Wilmar is currently developing a labour programme to identify labour best practices and remove exploitation, in collaboration with a respectable labour organisation. This is still in contract phase with the organizations in question and as such we are unable divulge the organization at this point. The programme will initially focus

on benchmarking Wilmar's own operations in Indonesia and Malaysia with peers in the palm industry, and will be expanded to include implementation to third-party suppliers.

Traceability and risk assessment

Traceability

7. Please describe your company's supply chain tracing processes.

Please refer to [No Deforestation, No Peat, No Exploitation Policy Progress Report](#), pages 6 – 10.

Does your company publicly disclose a) the names and locations of first-tier suppliers, and b) some information on suppliers beyond the first tier? If yes, please provide a URL.

Yes. Please refer to <http://www.wilmar-international.com/sustainability/supply-chain-map/>

Risk assessment

8. Please describe your companies' risk assessment processes. Please include specific examples of when your company has conducted forced labor risk or impact assessments focused on a particular commodity, region or group (e.g. migrant workers in a specific context), as well as the forced labor risks identified through these risk assessment processes (e.g. high risk commodities or high risk sourcing countries).

Please refer to [No Deforestation, No Peat, No Exploitation Policy Progress Report](#), pages 11 – 13 and 17.

Wilmar's risk assessment process focuses on monitoring and enforcing Integrated Policy compliance throughout our own operations, and those of our partners and third-party suppliers. One of the pillars of Wilmar's Integrated Policy is "No Exploitation", which includes respect for workers' rights and a commitment against forced/bonded labour or trafficking.

We assess compliance of mill suppliers to our Integrated Policy through a [Mill Prioritization Process](#) (MPP) per refinery in order to identify mills of highest risk from the more than 1,000 mills in our supply chain for field verification. Labour is a component of this risk assessment which is identified from any publically available information such as social NGO reports. Field verification for each mill is rigorous and time-consuming, so the MPP is the most efficient way of identifying and prioritising targets for mill assessments. Wilmar has adopted the minimum sample base as defined by ISEAL.

In addition, Wilmar also conducts field verifications on specific issues as raised through our Grievance Procedure. For example if a grievance is raised about human trafficking or forced labour, Wilmar would investigate this with the supplier in question, and would involve field verification.

Purchasing practices

Purchasing practices

9. Does your company make an effort to avoid purchasing practices that increase the risk of human trafficking and forced labor in the supply chain (e.g. short-term contracts, excessive downward pressure on pricing, sudden changes of workload?) Please elaborate.

Yes. We strive to ensure that our sourcing practices are in line with our [No Deforestation, No Peat, No Exploitation Policy](#) ("Integrated Policy"). Our procurement teams are aligned with this aim, and work closely with the sustainability team to ensure that the suppliers we deal with continue to meet our policy requirements. We also engage closely with our suppliers to support their compliance with our Integrated Policy. This is accompanied by strong monitoring and enforcement of our policy throughout our supply chain (see Integrated Policy, pages 8 – 9).

In addition to our regular compliance monitoring of suppliers, we launched our [Grievance Procedure](#), a platform to record and investigate reports from stakeholders on potential breaches of our Integrated Policy by either Wilmar's own operations or our suppliers. Refer to [No Deforestation, No Peat, No Exploitation Policy Progress Report](#), page 17 for a summary of cases investigated, including the number of suppliers with corrective action plans in place and the number of suspended suppliers.

Supplier selection

10. Does your company assess risks of forced labor at potential suppliers prior to entering into contracts with them (this may include aspects such as passport retention and payment of wages)? Please describe.

Yes. Any new potential suppliers will be required to show that they can meet our Integrated Policy requirements prior to becoming a Wilmar supplier.

11. How does your company take into consideration the capacity of suppliers to meet fluctuating demands (to reduce the risk of undeclared subcontracting)?

Our suppliers are palm oil mills. We buy the available crude palm oil and palm kernel volumes as produced by that mill. If there is increased demand, we buy from other oil palm mills. A single mill's operations is not affected therefore by fluctuating demand. For Wilmar's own mills, we supply from our own plantations and growers – again this is based on what tonnes of fruit is available from their planted areas rather than capacity. .

Integration into supplier contracts

12. Does your company integrate its supply chain standards addressing forced labor and human trafficking into supplier contracts?

All existing suppliers are required to acknowledge and conform to Wilmar's Integrated Policy. This has been conveyed actively with all our suppliers in face-to-face meetings and in writing since the launch of our policy in December 2013. Any verified non-compliance to our policy can be grounds for supplier disengagement. Wilmar has exercised this right in the last 2

years. Specifically to supplier contracts, the policy is not yet included. We are in the process of revising contracts to include the policy.

Cascading standards

13. Does your company have a process to cascade standards on forced labor down the supply chain (e.g. requiring first-tier suppliers to ensure that their own suppliers implement standards that are in line with the company's standards)? Please describe.

Yes, we do so using a landscape approach known as the Aggregator Refinery Transformation (ART) approach. After we have mapped out all our suppliers and socialised with them our Integrated Policy, we conduct desk-top risk assessments to identify high-risk suppliers for further engagement, including audits. This is usually done on a regional basis, where the results of the audits are consolidated into a wider generalised report that is shared to all Wilmar suppliers in that particular region. Called the "Overarching Report", this is part of the ART process which aims to provide a collaborative framework of solutions and shared best practices to common issues (including labour issues) for mills and growers within a region. We believe such an approach helps affect transformation on the ground, and is the best way to transform the industry.

An example of the ART approach we have adopted for one supply shed region in East Malaysia can be found here - <http://www.wilmarinternational.com/wp-content/uploads/2016/01/Sabah-Overarching-Report.pdf>

We have had success with some of our major suppliers who agreed to adopt similar sustainability pledges for their group-wide business activities. With suppliers that fail to show progress in complying with our sustainability requirements, we have suspended business relationships with them.

Recruitment

Recruitment approach

14. Please describe your company's recruitment approach, including a) whether your company requires recruitment agencies in its supply chain to uphold workers' rights (this may include aspects such as written contracts, access to passports, and regular payment of wages), b) whether it has a policy on direct employment (i.e. a policy prohibiting suppliers in its supply chain from using recruitment agencies), and c) whether it requires suppliers to disclose to the company the recruiters that they use.

Wilmar strives to ensure that our employees are treated fairly and with respect. We are committed to upholding and promoting the Universal Declaration of Human Rights for all workers, both temporary and permanent.

In accordance with the RSPO and our Integrated Policy we do not accept any forced, trafficked or bonded labour, either in our own operations or in our supply chain. In Wilmar's own operations we recruit workers directly..Refer to [Wilmar Sustainability Report 2013](#), page 44 – 45 for more information.

For third-party suppliers, we do not require our suppliers to disclose the recruiters they use, however we expect that suppliers are in compliance with our all the core provisions of our Integrated Policy, including the labour component, through the ART and MPP approach described above. As previously described we also investigate any cases of alleged non-compliance to Wilmar's policy raised through our Grievance Procedure.

Recruitment fees

15. Please describe your company's approach to recruitment fees in the supply chain, including whether your company requires that no fees be charged to supply chain workers during recruitment processes, and whether and how your company ensures that fees paid by workers are reimbursed.

Wilmar recruits all of our workers for our upstream operations (i.e. plantations and mills) directly; we do not pay fees to recruitment agencies. We do not charge workers for their recruitment nor withhold their wages or documentation as collateral.

Refer to [Wilmar Sustainability Report 2013](#), page 44 – 45 for more information.

Recruitment audits:

16. Does your company audit recruiters used in its supply chain, to assess risks of forced labor and human trafficking, and/or require suppliers to audit their recruiters?

Wilmar does not use external recruiters.

Worker voice

Communication of policies to workers

17. Please describe how your company communicates its human trafficking and forced labor related policies and standards to workers in its supply chain, and whether your company makes its policies and standards available in the languages of suppliers' workers (including migrant workers).

We ensure that workers are given the details of their working conditions in writing, including but not limited to the nature of the work to be undertaken, pay rates and arrangements, working hours, vacation and other leaves, and all other benefits of employment. This information is provided in a language which is understood by the employee.

Refer to [Wilmar Sustainability Report 2013](#), page 44 – 45 for more information.

Worker voice

18. Please describe how your company engages with workers in its supply chain on labor related issues and rights outside of the context of the factories/farms in which they work? (whether directly or in partnership with stakeholders).

Wilmar requires all our third-party suppliers to ensure that they are compliant with our Integrated Policy, including the labour elements. The responsibility to ensure proper engagement outside the work place is with the third-party supplier.

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For Wilmar's own operations, there is active engagement where workers live within housing provided by Wilmar on-site – this includes expectations that workers comply with Wilmar's own policies of no discrimination, adequate safety and health, no sexual harassment, respect for children, respect for rest hours, and the right to adequate and safe housing. Wilmar's own workers have been provided with training and engagement sessions on these labour issues throughout the years.

Worker empowerment

19. Please explain how your company encourages its suppliers to ensure workplace environments where workers are able to organize, including through alternative forms of organizing, where there are regulatory constraints on freedom of association.

We support the rights of employees to form and join trade unions of their choice, and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, parallel means of independent and free association and bargaining are made available for all such personnel. Freedom of association is included in our Integrated Policy (provision 3.vii.); we expect all our suppliers to comply with all provisions of this policy.

We engage with and encourage our suppliers to provide a conducive workplace environments through the ART landscape approach described above where the overarching report (which will include labour issues and recommendations for improvements to address them accordingly) would be shared with ALL suppliers from that region through broad engagement meetings.

Read more about our broad engagement meetings with suppliers here: <http://www.wilmar-international.com/wp-content/uploads/2015/07/Q2-2015-FINAL-31-July-2015.pdf>

Grievance mechanism

20. Please describe your company's grievance mechanism, and clearly indicate whether it is available to workers in the supply chain, and how it is communicated to workers in the supply chain. Please also note whether you require your suppliers to establish a grievance mechanism, and to convey the same expectation to their suppliers.

Wilmar's grievance procedure is a platform to record and investigate reports from stakeholders on potential breaches of our Integrated Policy by either Wilmar's own operations or our suppliers. Any stakeholder, including our employees, or employees of our third-party suppliers, can raise a grievance.

Stakeholders are able to view the full list of grievance cases, and follow the latest developments in our handling of grievance cases via the dashboard.

Refer to [No Deforestation, No Peat, No Exploitation Policy Progress Report](#), page 17, for more information.

Monitoring

Auditing process

21. Please describe your company's supplier auditing process including whether the process includes a) scheduled and non-scheduled visits, b) a review of relevant documents (documents may include wage slips, information on labor recruiters, contracts, etc.) and c) interviews with workers.

Wilmar conducts mill assessments to monitor supplier compliance to our Integrated Policy. The process consists of scheduled audits with independent organizations, TFT and Aidenvironment.

Audit disclosure

22. Does your company disclose

a) the percentage of suppliers audited annually

Yes. Refer to [No Deforestation, No Peat, No Exploitation Policy Progress Report](#), page 11.

b) the percentage of unannounced audits

Wilmar does not conduct unannounced audits. c) information on who carried out the audits (this may include further information on the expertise of auditors such as relevant certifications, in cases where third-party audits are used, the names of the auditors, and in cases where internal auditors are used, details on department/team/group within which the auditor(s) sits), and

Yes. Audits are carried out together with our independent partners, TFT or AidEnvironment, depending on the locations of the mills. Information on auditors are available in the overarching reports for a geographic scope, which will be made publicly available once the full sample based of that particular geographic supply base is completed. An example is our [Sabah Overarching Report](#). We do not make public individual mill verification reports.

d) a summary of findings, including details of any violations revealed?

Yes. An example is our [Sabah Overarching Report](#).

Remedy

Corrective action plans

23. Does your company have a process for creating corrective action plans when violations are discovered through an auditing process? Please describe this process and the elements of a corrective action plan.

Yes. We work with individual suppliers to assist them in the development of a corrective action plan where violations are discovered. So far, 12 of the suppliers flagged in our grievance procedure have instituted corrective action plans – though it is worth noting that none of these were specific to human trafficking or forced labour. We also take a regional

approach and work broadly with groups of suppliers in a region to develop solutions for better practices. See [No Deforestation, No Peat, No Exploitation Policy Progress Report](#), page 17 and page 12.

Remedy

24. Does your company have a process to provide remedy to workers in its supply chain in cases where violations are discovered, including for responding to instances of forced labor and human trafficking? If yes, please provide examples of outcomes.

In accordance with the RSPO and our Integrated Policy, we have specific grievance mechanisms which allow both internal and external stakeholders to raise labour issues and concerns which we will address accordingly. For third-party mill suppliers of which has been field verified, we share findings and recommendations for improvements to them for their action, which we will follow up with monitoring their progress.

One example is a supplier case Felda which is registered on our grievance procedure: http://www.wilmar-international.com/sustainability/wp-content/uploads/2016/06/160615_Grievance-update.pdf ; and progress on remedial actions are on track:

<http://www.feldaglobal.com/sustainability/sustainability-response-team-progress-update/>

<http://www.feldaglobal.com/media-release-fgv-independent-assessment-of-human-trafficking-allegations/>

<http://www.feldaglobal.com/wp-content/uploads/2016/03/GPCO-POC-Sustainability.pdf>