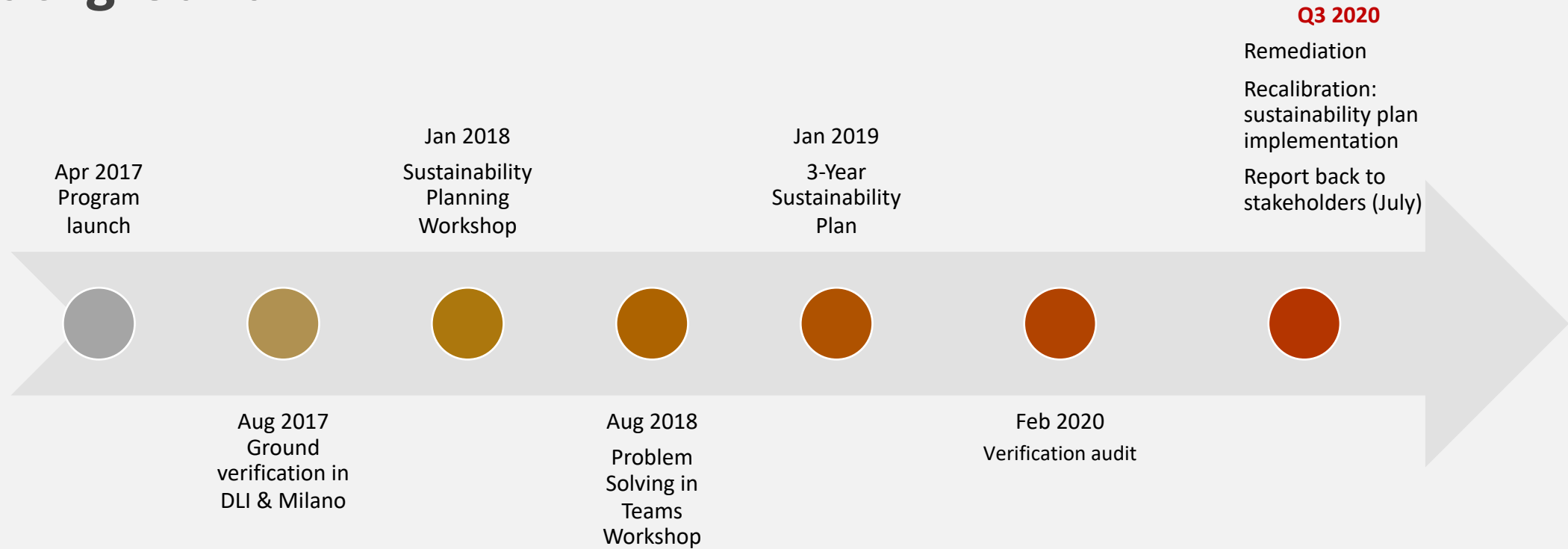


DLI-Milano Sustainability Plan Light Review

Verité Southeast Asia

6 July 2020

Background



Objectives of the Light Review

- a. Through stakeholder interviews and document review, to conduct a light review of the three-year sustainability plan of DLI & Milano to determine progress, to date, and identify recommendations towards an effective implementation of the plan
- b. Based on the findings, to inform the design and approach of the program cascade, and chart the immediate next steps

Methodology

- a. Management interviews
- b. Documents review of submitted progress reports and key documents
- c. Stakeholder interviews: stakeholder groups were indicated, but the actual interviewees were randomly chosen



Summary of Findings

Verité congratulates the DLI and Milano teams for significant progress in addressing issues on employment security, minimum wage payment, housing conditions, aspects of health and safety, working hours and payroll documentation, estate children's access to education, access to water and food, and freedom of association. We also note that the feedback of stakeholders are generally positive. Where the teams have made significant progress, they should carry on and stabilize these new inputs and processes.

However, there are remaining areas in the sustainability plan where the teams need to scale up their efforts in order to meet their sustainability goals within the indicated timeline, and these are discussed in the succeeding slides.

Note: This report does not include the verification audit findings and recommendations. Observations on progress on the strategic objective of *DLI and Milano as employers-of-choice* are included in the verification audit report.

Specific Findings & Recommendations

Marked uneven progress across estates

Community development strategy needs to be streamlined

Gender-based approach has to be rationalized

The sustainability program with smallholders has to start soon

Proposed Next Steps

In addition to the specific recommendations above:

- For the DLI-Milano Core Team to confirm with Verité if the sustainability plan is still relevant given the potential significant impacts on both business and sustainability objectives/plans brought about by the pandemic.
- For the DLI-Milano Core Team to share an updated timeline of the Sustainability Plan implementation (1 July 2020 to 31 Dec 2021) by August 2020, reflecting potential changes as a result of the pandemic.
- If necessary, organize a conference call/ meeting with Verité as the DLI-Milano team prepares to adjust the plan and articulate the updated timeline;
- For the DLI-Milano Core Team to identify any other support that they will need from Verité in the process of implementing the sustainability plan, e.g., a facilitated workshop to identify metrics for the strategic objectives.