

**WILMAR’S “NO EXPLOITATION PROTOCOL”
FOR THIRD-PARTY SUPPLIERS
September 2020**

PURPOSE AND SCOPE

This protocol supports the Wilmar Grievance Procedure¹ in addressing grievances with respect to the implementation of commitments for “No Exploitation of People and Local Communities” that is encapsulated within Wilmar’s No Deforestation, No Peat and No Exploitation (NDPE) policy. It will be an addendum to the Grievance Procedure.

All verified grievances since the adoption of Wilmar’s Grievance Procedure in 2015, will be managed and addressed by Wilmar in accordance with the existing Grievance Procedure. This protocol identifies those non-compliances specific to No Exploitation that warrant action and oversight that are *additional* to those described in the Grievance Procedure.

Scope:

- This protocol applies to verified grievances specific to No Exploitation against all third-party suppliers at Group-level.²
- This protocol applies to verified grievances within scope as described in Section 1 that occur after the date of adoption of this protocol, i.e. 24th September 2020.

The document includes:

1. Types of non-compliance within the scope of this protocol (Section 1)
2. Steps that a supplier must take to address the grievance with regard to the development and implementation of the time bound action plan (Section 2), which includes:
 - a. Corrective actions
 - b. Remediation actions
 - c. Actions to demonstrate systemic and group-wide change
3. Criteria that Wilmar will use to determine supplier suspension in case of failure by the supplier to engage and implement the steps described above (Section 3)
4. Criteria that Wilmar will use to determine possible supplier re-engagement (Section 4)

APPROACH

Wilmar’s Human Rights Framework is based on the United Nations (UN) Guiding Principles on Business and Human Rights framework – “Protect, Respect and Remedy”, with the addition of the promotion of Human Rights. Wilmar recognises the need to engage and support our suppliers in bringing their operations to compliance and instilling positive change.

¹ <https://www.wilmar-international.com/sustainability/grievance-procedure>

² In 2019, Wilmar initiated consultation with external stakeholders, including RSPO, civil society organisation (CSOs) and consumer group companies to develop clear internal guidelines for the interpretation of rules and legislation related to “group-level” definition. Our definition of “group” is now guided by RSPO’s revised definition of “[Group Membership](#)” issued in February 2020, which can be found at https://drive.google.com/file/d/16lwiPtr95UjztUryQQxTGI_oGYnIDflw/view?usp=sharing

Through the feedback received via several consultations with subject-matter experts and stakeholders, Wilmar acknowledges that for human rights issues, a decision to withdraw as a buyer could put vulnerable groups at risk. As early as possible in the grievance handling process, Wilmar will convey to community representatives and HRDs (where they are willing to engage directly with Wilmar), the grievance procedure including the decision making process of potential suspension cases, in order to enable a discussion on potential impacts of a suspension decision. This will take into account guidance around responsible disengagement, in line with principles set out in the OECD Due Diligence Guidance for Responsible Business Conduct and the UN Guiding Principles on Business and Human Rights (UNGPs). We commit to ensure that all efforts have been exhausted prior to taking a decision to suspend a supplier, as this may impact affected workers and communities' ability to access remedies and reparation.

This does not preclude Wilmar's participation and efforts in multi-stakeholder setting to assist with general improvements of worker and community rights.

DEVELOPMENT OF THIS PROTOCOL

This protocol was developed through a stakeholder consultation process engaging Indonesian, Malaysian, and global organisations that specialise in human, labour, land and community rights.

While the principles and approaches of this protocol are relevant globally, the design and development of this protocol is based mainly on stakeholder consultations in Indonesia and Malaysia where Wilmar's impact footprint is the largest and where most of the grievances have been filed to date. Similar consultations with relevant stakeholders in other sourcing regions may be held in the future.

1. TYPES OF NON-COMPLIANCES WITH WILMAR'S NDPE POLICY ADDRESSED IN THIS PROTOCOL

We are committed to ensuring that our suppliers are compliant with the provisions of our NDPE policy and we will address all grievances logged under the Grievance Procedure in a timely manner. We recognise that some No Exploitation non-compliances require prioritised action and oversight due to their negative and severe impacts on human rights. These non-compliances fall within the scope of this protocol and are presented below.

Box 1: Types of No Exploitation non-compliances

A situation where, during the course of verifying the grievance, and/or investigating root causes, there is verified evidence of the following:

i. For grievances related to respecting the rights of workers:

- Use of trafficked, forced, or bonded labour³
- Use of child labour,⁴ or of hazardous work being done by young workers (above the minimum age of employment but under the age of 18)

³ Forced or bonded labour as per ILO definitions, and indicators of forced labour. i) ILO Indicators of Forced Labor. Retrieved from https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_203832.pdf and ii) ILO Combating Forced Labor – A Handbook for Employers and Business. Retrieved from the ILO Website: https://www.ilo.org/global/topics/forced-labour/publications/WCMS_101171/lang--en/index.htm

⁴ As per ILO definitions of child labour and hazardous child labour, and Wilmar's Child Protection Policy

- Systematic violation of worker’s rights and legal requirements with respect to:
 - freedom of association and collective bargaining
 - minimum wage and working hours
 - worker health and safety
 - fair and equal treatment

ii. For grievances related to Indigenous Peoples rights, community rights and land rights:⁵

- For new land development after 24th September 2020, failure to carry out a Free Prior and Informed Consent (FPIC) process to the detriment of demonstrable legal, communal or customary rights holders and users
- Failure to comply with the law in relation to acquisition, use or development of land for oil palm development after 24th September 2020, causing detriment of demonstrable legal, communal or customary rights holders and users
- Forced displacement of people after 24th September 2020 from land where they hold demonstrable legal, communal or customary rights

iii. For all grievances related to human rights defenders (HRDs), whistleblowers, complainants, or community spokespersons:

- Threats, harassment, intimidation, use of violence, or retaliation against HRDs, whistleblowers, complainants and community spokespersons

Wilmar’s Grievance Unit will verify all grievances through a specific investigation, stakeholder consultation and field data gathering, in accordance to the Grievance Procedure. Through that process, the Grievance Unit will then identify No Exploitation non-compliance(s) that fall within the scope of this protocol.

Some contexts may be so sensitive they may warrant an independent, third-party investigation by professionals with experience in the issue; especially where there is a concern that the investigation itself may put vulnerable people at risk.

Table 1 provides further explanation of the conditions that would identify the non-compliances listed above.

Table 1

Rights of Workers	The use of trafficked, forced or bonded labour
	<p>As per the ILO definition of forced labour, evidence will be required of:</p> <ul style="list-style-type: none"> • At least one indicator of involuntariness being present <i>and</i> • At least one indicator of penalty, menace of penalty and coercion related to the indicator of involuntariness being present <p><i>Involuntariness is present when work is undertaken by a person who has not offered him or herself freely.</i> Indicators of involuntariness can manifest during recruitment, employment, or termination phase. This includes situations where recruitment involves false promises, or where leaving implies a penalty.</p> <p><i>Examples include wages systematically and deliberately withheld as a means to compel the worker to remain, deceptive recruitment practices including false promises regarding working conditions and wages, contract substitution, requirements for employees to work more</i></p>

⁵ Wilmar will still investigate and address active grievances against suppliers that occurred before 24th September 2020 in accordance with the existing Grievance Procedure.

overtime than is allowed under national law under a form of threat or in order to earn at least the minimum wage.

Penalty, menace of penalty and coercion are present when work is performed in order to avoid penalty or threat of receiving penalty from an employer or a third party to the worker. This may include subtle forms such as manipulated debt or retention of identity papers, or threats of denunciation to immigration authorities.

Examples include retention by the employer of identity document if workers are unable to access these items on demand, physical violence against workers, restrictions on movement due to isolation, confinement or surveillance.

Trafficked labour – when workers are recruited, transported, harboured or received with threat or use of force, deception, abuse of power or vulnerability for the purpose of forced labour.

Examples include migrant workers recruited through deceptive means, transported from one point to another, and who end up in situations of labour exploitation, with their freedom of movement restricted and [threats of] penalty imposed as a condition to keep workers tied to the work.

Use of child labour or of hazardous work being done by young workers

- Any form of slavery, debt bondage or child trafficking in any context.
- Employment of children under 15 years of age (or under the national legal minimum age, whichever is greater) at company mills or plantations
- Young workers performing hazardous work (e.g. use of machinery, application of agro-chemicals).
- Company knowingly allowing or abetting the practice of children working at company plantation estates which hamper the children's access to education (e.g. children assisting family members or other employees to meet daily targets).

Systematic violation of worker's rights and legal requirements with respect to freedom of association and collective bargaining; minimum wage and working hours; worker health and safety; fair and equal treatment

- Prevention of freedom of association or participation in unions in any form by the company, including restricting or prohibiting access to unions, changes in working conditions, discrimination, and/or dismissal.
- Failure to pay minimum wage or comply with national laws regarding worker status, wages, limitation of working hours and days of rest.
- Failure to register workers for social security as legally required.
- Exposure of workers to hazardous working conditions without legally mandated safeguards
- Discriminatory practices, e.g., unequal pay for equal work, favouritism, or preference for a particular gender, age, race, religion or marital status, among others, that has no objective basis.
- Gender-based discrimination, e.g., restricting access to women-specific legal benefits like menstruation leave, disproportionate number of women workers remaining in casual/ temporary work status, inaction on complaints of sexual harassment and abuse in the workplace, inordinately increasing risks to women's health and safety, or discriminatory pregnancy testing.

Indigenous Peoples rights, community rights and land rights	For new land development after 24th September 2020, failure to carry out a FPIC Process to the detriment of demonstrable legal, or customary rights holders and users
	<ul style="list-style-type: none"> Supplier did not comply with the principles of FPIC when acquiring land, using land, or otherwise implementing a project that affects demonstrable land rights holders and users. Examples of evidence that would support compliance with the principles of FPIC includes but is not limited to: documentation (e.g. photos, maps, signed documents, meeting records including agenda, minutes and attendance lists, etc.) to support that information on the project was shared with communities in the local language and using processes that reach traditionally disadvantaged groups, consultations with affected rights holders and users were held to discuss details of the project and anticipated impacts and mitigation strategies, and communities were not forced to provide consent and given a reasonable option to say no.
	Failure to comply with the law in relation to acquisition, use or development of land for oil palm after 24th September 2020 causing detriment to demonstrable legal or customary rights holders and users
	<ul style="list-style-type: none"> Supplier does not possess records to prove that agreed negotiated compensation for land acquisition, use or development of land was provided to the rights holders and users for the loss of their rights and uses. Compensation may include both monetary and non-monetary forms (e.g. alternative land holdings, resettlement, benefit-sharing, etc.). Supplier did not carry out an environmental and social impact assessment (ESIA), as per legal requirement, to identify adverse impacts on the environment and communities' livelihoods, including social impacts and impacts on land rights and uses.
	Forced displacement after 24th September 2020 of people from land where they hold demonstrable legal or customary rights
	<ul style="list-style-type: none"> Supplier has caused, contributed or is directly linked to rights holders and users being illegitimately forced to move from or to stop using land through means including but not limited to bodily harm, obstruction of access to land, or confinement. Supplier has caused, contributed or is directly linked to rights holders and users being coerced to move from or to stop using land through non-physical means including but not limited to threats, harassment, or intimidation.

HRDs, Whistleblowers, Complainants or Community Spokespersons	Threats, harassment, intimidation, the use of violence, or retaliation against HRDs, whistleblowers, complainants or community spokespersons⁶
	<ul style="list-style-type: none"> • Supplier has caused or contributed to violent actions or threats, intimidation or reprisal that have taken place against the physical and/or psychological integrity of HRDs, whistleblowers, complainants and community spokespersons, or against his or her family group, or against their property, and/or an unjustified change in his/her working conditions, including termination of employment. • Supplier has requested repression by State authorities (e.g. application of criminal charges, arbitrary arrests, etc.) of HRDs, whistleblowers, complainants or community spokespersons for raising a concern, lodging a complaint or participating in an investigation or whistleblowing against the supplier. <p><i>This does not include all forms of reasonable action by the supplier to defend or protect any person(s) or property(ies) (both moveable and immovable) from imminent or actual danger, threat, harm or loss.</i></p>

2.ADDRESSING GRIEVANCES RESULTING FROM NO EXPLOITATION NON-COMPLIANCES WITHIN SCOPE

There are several steps to the process for how verified grievances within scope are required to be addressed. The general process and related timelines are illustrated in Figure 1. Further details are described in Sections 2.1 – 2.3.

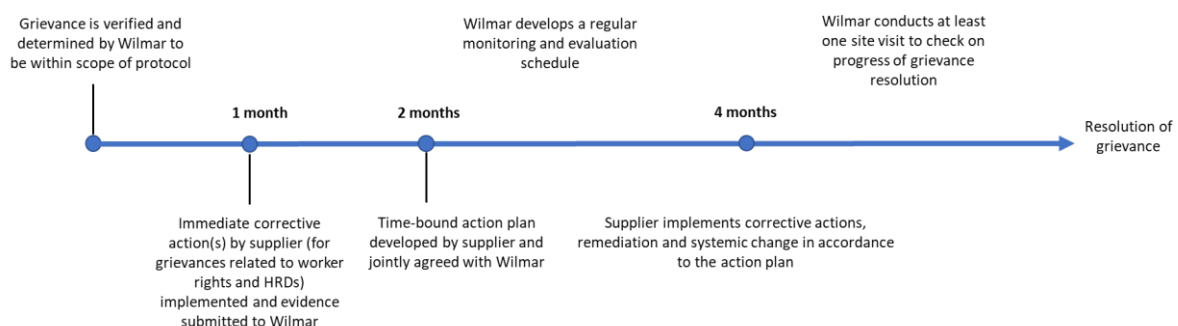


Figure 1: Simplified overview of process and timelines

2.1 Time-bound action plan

As a key step in addressing the grievance, the supplier shall develop a grievance case specific time-bound action plan which is jointly agreed with Wilmar within two months of Wilmar verifying the grievance. The plan should be developed in line with Wilmar’s policies. Affected parties and/or other

⁶ This protocol refers to HRDs, whistleblowers, complainants or community spokespersons as described by the RSPo Policy on the Protection of Human Rights Defenders, Whistleblowers, Complainants and Community Spokespersons. (<https://rspo.org/news-and-events/announcements/rspo-policy-on-human-rights-defenders-whistleblowers-complainants-and-community-spokespersons>)

experts and stakeholders should be consulted and engaged where appropriate or as required. The time-bound action plan shall include corrective actions that will be carried out by the supplier as well as remediation and long-term measures for systemic change at the group level. A summary of the time bound action plan highlighting the key actions and timeframes for completion will be made publicly available.

A good action plan needs to consider the context the grievance has occurred in and provide a concrete timeline associated with each stage of the resolution process, progress monitoring and reporting. This plan must include:

1. Corrective actions to address non-compliances identified, which avoid any unintended negative consequences on the grievance raiser and affected parties, while safeguarding vulnerable people at all times.
2. A root cause analysis specific to the grievance that is ideally carried out by an independent third party, or with the support of experts, and in consultation with affected parties or their chosen representatives.⁷
3. Conducting an assessment of human rights risks relevant to the grievance within the supplier group in order to comply with Wilmar's No Exploitation policy.
4. Remediation plan for the affected parties, developed in consultation with the affected parties or their legitimately chosen representatives.⁸
5. The supplier making systemic changes (e.g. new systems, training, new expertise) to address the root causes.
6. Progress indicators and monitoring activities that have been agreed upon with Wilmar.
7. A commitment to regular communication and dialogue with affected parties on progress against the time bound action plan, including bi-annual communication on progress to Wilmar, affected parties, and the grievance raiser and/or their representative.

2.2 Implementation of Corrective Action, Remediation and Systemic Change

Depending on the nature and severity of the grievance as well as level of risk or harm to the affected parties, it may be determined that the supplier needs to undertake immediate corrective action(s) to remove and/or mitigate further harm or risk of harm to the affected parties. For example, in cases of verified use of child labour, workers' exposure to hazardous working conditions, restriction of workers' freedom of movement or threats/violence against HRDs, there is a need to immediately cease the practice of exploitation or abuse. Corrective action(s) shall be implemented within one month of verifying the grievance with supporting evidence of implementation provided to Wilmar for verification.

For grievance cases related to Indigenous Peoples rights, community rights and land rights, the process of resolution can be complex and long. In these instances, the supplier will have to show credible evidence that concrete actions are being taken in line with good FPIC practice, and that the process for resolution has set clear timelines agreeable to all parties. This would mean that there are clear procedures for community engagement, including (amongst other things) the provision of clear information in forms acceptable to communities, recognition of a community's legitimately chosen representative, and comprehensive documentation covering all engagements and agreements.

⁷ For cases related to labour violations and worker's rights, consultations with chosen representatives can also include unions and worker representatives

⁸ For cases involving Indigenous Peoples rights, community rights and land rights, this will be decided and expressed through decision-making processes within the community

In addition to implementing corrective actions the supplier needs to ensure that remediation for the harm caused, is available to the affected parties. The supplier will be required to provide credible evidence that remedial actions in line with Wilmar's policies have been identified via meaningful participation⁹ of the affected parties and implemented to the satisfaction of the affected parties and in a way which safeguards the affected parties.

As part of ongoing engagement with the supplier for continuous improvement and to show group level systemic change, Wilmar will require the supplier to provide credible evidence that there are systems, procedures and/or processes being implemented at Group level, which address the root causes of the non-compliance and mitigate the likelihood of recurrence (in accordance to the agreed timelines in the action plan). This will include socialising and translating findings and lessons learned from the group level human rights risk assessment and root cause analysis of the specific non-compliance into systems change at the group level and ensuring sufficient staff resources and budget allocated to address systemic change and to monitor impact.

The non-exhaustive list of corrective action, remediation and systemic change related to different types of No Exploitation non-compliances described in Table 1, are presented in Section 2.2.1 below.

2.2.1 Specific requirements related to different types of No Exploitation non-compliances

Corrective Action and Remediation applies to the specific verified grievance and the identified No Exploitation non-compliance. Systemic Change is required at company group level. Actions given in Tables 2 – 4 are not meant to be exhaustive or applicable in every grievance case.¹⁰ Wilmar can request these from the supplier in all instances, as well as any additional or different actions to address and resolve the grievance based on the information and circumstances present in each case. The actions taken should be guided by a process of consultation with the affected parties and, as a result, only some of the listed actions may be implemented.

In cases involving forced, trafficked and worst forms of child labour, it is vital to also seek advice and help from state agencies, recognised organisations and/or experts to determine the appropriate strategies and corrective and protective measures in accordance with the victim's wishes, interests and participation to ensure that the actions taken do not unintentionally place the victim and their family in a more vulnerable situation. The worst forms of child labour require immediate actions and the safety of the child, children and their family are paramount.

⁹ This should mean responsive and continuous two-way communication that is based on the good faith of parties on both sides. It includes engaging with relevant stakeholders before decisions have been made.

¹⁰ For each case, there will be a determination on specific actions considered fundamental for achieving resolution, which can include the establishment, communication and training of robust grievance mechanisms; cooperation with judicial and non-judicial investigations; and establishment of procedures for dialogue and consultations with affected parties, etc.

Table 2: For non-compliances related to respecting the rights of workers

Trafficked, forced or bonded labour		
Corrective Action	Remediation	Group Level Systemic Change
<p><u>Immediate (within one month)</u></p> <ul style="list-style-type: none"> - Removal of forced labour indicators by actions such as: <ul style="list-style-type: none"> o Removing restrictions on freedom of movement o Providing workers with basic amenities, access to communication, and enabling workers to move around without fear or risk of apprehension o Ensuring that workers have possession of, or unrestricted access to their identity and travel documents, while long-term solutions to issues of retention of document are in process e.g. facilitating their return, having mechanisms of safekeeping or easy access by workers themselves, etc. o Ceasing any practice of harassment and abuse o Ceasing unauthorised deductions or withholding of wages; and commitment to return deducted/withheld amounts o Assessing condition/well-being of workers found to be in situations of forced labour or trafficking, and where necessary placing workers in safe and secure conditions. For example if workers are restrained/ locked in agent-controlled dormitories, or deprived of food, or where workers are subjected to physical or sexual violence, or where workers are 	<ul style="list-style-type: none"> - Financial and non-financial support (e.g. to assist in restitution, repatriation, or debt repayment). - Payment of money owed to victims (e.g. back pay, overtime pay, recruitment fee, repatriation cost) with workers confirming that they have been repaid and damages remediated. - Mediation, legal assistance provided to workers. - Parties involved – e.g. errant recruitment agents and sub agents – have been cut off or made to compensate workers. - Service agreements which contain conditions of adherence to labour standards have been signed for workers who have been previously working without proper contracts. 	<ul style="list-style-type: none"> - Implementation of policy and procedure for ethical recruitment and hiring. - Adherence to no forced labour requirements included in service agreements and transactions with labour contractors, service providers and agents. - Recruitment staff, agents understand the policies which prohibit forced labour and the conditions included in their service agreements. - Predeparture orientation, informing candidates of “no forced labour” policies, conducted. - Verification processes (to ensure fees were not charged, terms and conditions explained well, etc.) are in place and newly recruited workers confirm that no fees were paid in relation to them securing the job. - Supplier can show proof that it covered relevant expenses and costs related to workers’ recruitment. - Defining clear employment relations, eliminating the payment of recruitment fees by the worker, provision of legal written contract to the worker. - A monitoring system is in place which includes regular internal and/or independent third-party evaluation; secure and private worker communication channels. - Set up system to analyse wages paid and monitor minimum wage payment. - Reducing excessive work targets without a decrease in compensation. - Improving living conditions. - Training and awareness raising programme for all workers on grievance channels available to raise complaints on trafficked, forced or bonded labour

<p>induced to use addictive substances/ drugs, or where workers are forcibly engaged in illegal activities like prostitution (which is a crime in many countries), etc. In these instances, or similar, the company should immediately secure workers' wellbeing by taking them under the company's custody and protection.</p> <ul style="list-style-type: none"> - Suspend any recruitment agencies or labour contractors that are verified to be involved in using trafficked, forced or bonded labour, if they refuse to address the issues and commit to provide remediation to the affected workers. 		
<p>Child labour or hazardous work by young workers</p>		
<p>Corrective Action</p>	<p>Remediation</p>	<p>Group Level Systemic Change</p>
<p><u>Immediate (within one month)</u></p> <ul style="list-style-type: none"> - Remove the child (below minimum age) from the workplace and ensuring the child is in a safe place. - Stop hiring children below minimum age. - Contact the parents or guardian, whenever possible, to understand why the child was working and to agree on situation-specific remediation options. - Remove young workers from hazardous work. - Commence the implementation of identified actions and/or protective measures, e.g. removal from the workplace, provision of emergency shelter, counseling, etc. <i>Note: It is recognized that it may take more than one month to complete all the protective measures identified, and in this case clarification on the timeframe is required.</i> 	<ul style="list-style-type: none"> - As per Wilmar's Child Protection Policy, the supplier should develop a remediation plan that secures children's education and protects their physical and economic well-being, where possible in consultation with local government authorities, and in consultation with and respecting the views of the child. - Family of child workers are compensated and confirm they have been compensated. - Children are enrolled in school and their education costs covered for completion of compulsory schooling. - Health exam conducted and appropriate action is taken if necessary. - If the child meets age requirements as young workers during the remediation period, they are offered age appropriate work, with protective restrictions on work hours, type of work, supervision needed. 	<ul style="list-style-type: none"> - Develop, implement and socialise child protection policy. - Training/awareness raising programme for staff on risks associated with hiring minors and children. - Proactive monitoring by supplier to ensure that the children of their workers are attending school. - Awareness raising programs for parents to understand child labour risks. - System to review and monitor access or provision of child-care, education and child-friendly infrastructure at all sites. - A monitoring system in place which includes regular internal and/or independent third-party evaluation. - Hiring processes in place to screen out underage workers and training for those responsible for hiring. - Documentation of detailed records of the young people working in their operations, including their entry dates, description of their assignment and a copy of the identity document (ID) they presented to

		<p>prove their age, alongside guidance to operational management on list of hazardous jobs that children cannot perform.</p> <ul style="list-style-type: none"> - Assessment of the company's prevailing wage calculations, to understand if it routinely satisfies basic needs and living wage expectations¹¹ and adjustments made if it does not.
<p>Systematic violation of worker's rights and legal requirements with respect to freedom of association and collective bargaining; minimum wage and working hours; worker health and safety; fair and equal treatment</p>		
<p>Corrective Action</p> <p><u>Immediate (within one month)</u></p> <ul style="list-style-type: none"> - Remove prohibitions on freedom of association e.g. contract clause that disallows union memberships, restricted access to unionists, etc. - Sanction and/or remove company personnel involved in union busting if they are found to act in violation of the company's policy. - Guarantee minimum wage during regular working hours. After regular hours, either pay premium on pieces produced or pay a premium on overtime hours worked. - Stop the use of new short-term contracts to employ workers whose positions are not temporary, including all non-seasonal production employees, unless it is the worker's choice to remain as a contract worker. - Determine the existing workers whose short-term contracts need to be converted to regular/indefinite term contracts based on legal requirements and develop a corrective action plan that includes the process to convert short-term workers into permanent employment and timeline for implementation. 	<p>Remediation</p> <ul style="list-style-type: none"> - Offer of new service agreements which contain conditions of adherence to labour standards have been signed. - Compensation to victims (e.g. back pay, overtime pay, medical fees) with evidence where workers have been compensated and damages remediated. - Compensation to workers can be in financial (e.g. wage difference, payment for losses in social protection benefits, etc.) and/or non-financial forms (e.g. investing in worker amenities, workers cooperative, etc.). 	<p>Group Level Systemic Change</p> <ul style="list-style-type: none"> - Group level implementation of systems and procedures to ensure compliance with all relevant national legislation and guidelines. - Development of mechanism for regularly monitoring new governing laws, guidelines, and standards - Establish a monitoring and evaluation process including the tracking of completion and progress of corrective actions. - Group level policy recognising freedom of association and right to collective bargaining. - Engage in good faith collective bargaining process/dialogue between workers and/or unions, and employers to establish clear terms and conditions and nature of the work, hours of work, conditions etc. - Process to ensure workers are not discriminated against in salary, benefits, or promotion because they belong to a union. - If there is no union, put in place a formal process for two-way worker management communication. - Analysis of wage-setting system to understand if it routinely satisfies minimum wage criteria and working hours (in accordance with legal

¹¹ For example as identified within *RSPO Guidance for Implementing a Decent Living Wage* <https://www.rspo.org/resources/archive/907>

<ul style="list-style-type: none"> - Provide appropriate personal protective equipment (PPE) and ensure that they are provided free of charge to workers. - Provide social security and medical coverage for workers as per legal requirements. - Conduct medical testing to assess worker exposure to chemicals/pesticides, and where safe levels are exceeded, to immediately implement control measures such as rotation systems, medical interventions, etc. - Conduct a health and safety risk assessment in all work areas including specific considerations for women workers, in order to identify appropriate control measures for implementation such as adequate and appropriate PPEs, modified work conditions, etc. - Review policies and procedures to ensure that recruitment, selection, hiring, pay practices and promotion are based on skills, capabilities, qualities, and medical fitness and not on, among others, gender or highly subjective criteria. - Remove restrictions on access to legal benefits specific to women, e.g., menstrual leave, maternity benefits, etc. 		<p>requirements, collective bargaining agreement, etc.) and adjustments made if it does not.</p> <ul style="list-style-type: none"> - Workers are informed about their contractual and legal rights. - An occupational health and safety plan is documented, effectively communicated to workers, and implemented. - Ways to track and understand laws and regulations on discrimination, discipline and grievance. - Objective recruitment, selection and hiring criteria to ensure that workers are selected based on their ability to perform the job. - Documented discipline and termination procedures that are applied equally to all workers.
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Table 3: For non-compliances related to Indigenous Peoples rights, community rights and land rights

For new land development after 24th September 2020, failure to carry out a FPIC Process to the detriment of demonstrable legal, or customary rights holders and users		
Corrective Action	Remediation	Group Level Systemic Change
<ul style="list-style-type: none"> - Halting occupation or use of land where it overlaps with or violates demonstrable legal or customary rights. - Mediation with affected parties to agree a way forward. 	<ul style="list-style-type: none"> - Participatory land rights mapping and/or boundary retracement to clarify extent of land restitution. - Development of criteria and process for compensation, which may be paid instead of or in 	<ul style="list-style-type: none"> - Group wide changes to policies and procedures for land acquisition and land development at group level, including withdrawal of plans to develop land once rights holders have withheld their consent.

<ul style="list-style-type: none"> - If still appropriate and legally feasible: pursue a process to obtain Free Informed Consent from rights holders. Evidence and documentation should include maps, records of consultations, the withholding or giving of consent (verified by rights holders), negotiated agreements, and documented compensation. - Supplier demonstrates compliance with time-bound action plan as stipulated in section 2.1.1. - Implementation of time-bound action plan with participation of the aggrieved rights holders, respecting decision-making processes within the community. - Where feasible, support or facilitate communities to access independent advice and help ensure communities are adequately informed. 	<p>addition to land restitution, and jointly agreed with the demonstrable rights holders.</p> <ul style="list-style-type: none"> - Compensation does not have to be financial only and may come under many forms, including sanctions against responsible actors within the company, benefit sharing schemes, employment, provision and/or financing of local services, and/or financing and/or support of local projects, corporate social responsibility (CSR) projects, etc. 	<ul style="list-style-type: none"> - Development of SOPs on integration of FPIC into existing operations and new planting procedures. - Development of policy and criteria to determine fair compensation in consultation with relevant stakeholders and in line with international norms.¹² - Development of land rights and community engagement grievance mechanisms to allow people to raise concerns and have a process for addressing issues before potential escalation on conflicts. Such grievance mechanism should meet internationally recognized standards (such as the UN Guiding Principles on Business and Human Rights) and awareness raising/training should be provided to staff and relevant stakeholders on its use. - Group-wide training for relevant staff on best practices in FPIC implementation, including policies and procedures.
<p>Failure to comply with the law in relation to acquisition, use or development of land for oil palm after 24th September 2020 causing detriment to demonstrable legal or customary rights holders and users</p>		
<p>Corrective Action</p>	<p>Remediation</p>	<p>Group Level Systemic Change</p>
<ul style="list-style-type: none"> - Halting occupation or use of land where it overlaps with or violates demonstrable legal or customary rights. - Supplier demonstrates compliance with time-bound action plan as stipulated in section 2.1.1. - Implementation of time-bound action plan with participation of the aggrieved rights holders, 	<ul style="list-style-type: none"> - Participatory land rights mapping and/or boundary retracement to clarify legitimate land ownership and use based on demonstrable rights. - Compensation for harm and damages resulting from failure to comply with the law which may take financial form or be in form of benefit sharing schemes, employment, provision and/or financing 	<ul style="list-style-type: none"> - Group level implementation of systems, policies and processes to implement best practice in expansion projects, new developments, or any new project, including a system for documenting the process, negotiation(s), and outcome of any negotiated agreements and/or compensation claims with respect to land acquisition, use or development.

¹² As there are no guidelines available specifically for the oil palm industry, the development of the SOP takes into consideration local context and makes reference to (1) FAO's "Voluntary guidelines on the responsible governance of tenure of land, fisheries and forests in the context of national food security" (VGGT)); (2) Namati's Community Land Protection Facilitator's Guide: <https://namati.org/wp-content/uploads/2016/02/Namati-Community-Land-Protection-Facilitators-Guide-Ed.1-2016-LR.pdf>; (3) RSPO P&C

respecting decision-making processes within the community.	of local services, and/or financing and/or support of local projects.	- Demonstrable system change (e.g. designated staff or department to implement the policies/systems, systematic training, new policies) to change previous ways of operating.
Forced displacement of people after 24th September 2020 from land where they hold demonstrable legal or customary rights		
Corrective Action	Remediation	Group Level Systemic Change
<ul style="list-style-type: none"> - Halt any new occupation or new development of land obtained through the forced displacement of people from land they hold demonstrable legal or customary rights to. - Supplier demonstrates compliance with time-bound action plan as stipulated in section 2.1.1. - Implementation of time-bound action plan with participation of the aggrieved rights holders, respecting decision-making processes within the community. 	<ul style="list-style-type: none"> - Return of land to affected parties (where this is not possible e.g. in instances where any reversion of land would go back to government, an alternative will be negotiated). - Compensation for harm and damages resulting from forced displacement. E.g. loss of livelihood, loss of income, loss of culture, physical or psychological harm. 	<ul style="list-style-type: none"> - Group level implementation of processes to implement best practice in expansion projects, new developments, or any new project. - Demonstrable system change (e.g. designated staff or department to implement the policies/systems, systematic training, new policies) to avoid forced displacements in the future.

Table 4: For non-compliances all grievances related to human rights defenders (HRDs), whistleblowers, complainants, or community spokespersons

Threats, harassment, intimidation, the use of violence, or retaliation against HRDs, whistleblowers, complainants or community spokespersons		
Corrective Action	Remediation	Group Level Systemic Change
<u>Immediate (within one month)</u> <ul style="list-style-type: none"> - Cease any further threats, harassment, intimidation, the use of violence, or retaliation. - Action taken against those responsible for the threats, harassment, intimidation, the use of violence, or retaliation, which may include suspension, dismissal or reporting them to the relevant authorities where there is a criminal element (e.g. to the nature of the threat). - Development of a policy that commits to non-retaliation against HRDs and grievance raisers and protect HRDs and grievance raisers who submit a complaint in good faith. 	<ul style="list-style-type: none"> - Negotiated settlement which may include financial and non-financial support to affected parties or their families. - Compensation and option of reinstatement of affected workers (in the event of termination or change in working conditions and benefits as forms of retaliation). - Where feasible and appropriate, assistance extended to grievance raisers or HRDs and other individuals who are at risk because the complaint has been made. - Cooperation with judicial and non-judicial investigations that may be used by the family and/or the HRD and/or their supporting 	<ul style="list-style-type: none"> - Adoption of a group-wide commitment to protect HRDs, whistleblowers, complainants, and community spokespersons, in recognition of the nature of threats that they face, and the specific threats faced by women HRDs. - Adoption of an accessible and transparent group-wide documented grievance mechanisms consistent with international best practice (such as the UNGPs) towards the resolution of the grievance and communication channels to receive any concerns about the operations are established in a way which safeguards the grievance raiser and is effective in acting on the information received. - Awareness raising/training programmes in place for employees and stakeholders on how to use the

	<p>organisation; and guarantee of non-retaliation by the company.</p> <ul style="list-style-type: none"> - Independent assessment conducted by recognized human rights experts or governing bodies to determine whether the HRD and/or grievance raiser/their representative are satisfied with how the grievance was addressed. 	<p>grievance mechanisms and communication channels.</p> <ul style="list-style-type: none"> - Introduction of group-wide training and guidance on human rights, right to raise concerns, and good practice in handling complaints to mitigate against any future use of threat or violence made against HRDs, whistleblowers, complainants and community spokespersons. - Commit to be open to regular consultations with HRDs, local civil society advocates and organisations, where they can safely express concerns about the impacts that company practices may have on human rights.
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2.3 Monitoring and Evaluation by Wilmar

A regular monitoring and evaluation schedule for the implementation progress of the time bound action plan will be developed by Wilmar in accordance with section 4.3.3.3. of the Grievance Procedure. Wilmar will conduct verification of the required actions and steps in the action plan as part of the schedule. Verification of actions will require evidence of progress, depending on the nature of the complaints. The verification can be conducted via:

- Worker interviews – to be randomly chosen, conducted in private and in confidence, voluntary on the part of the worker, guaranteed paid time if interview is conducted during work hours, and with non-retaliation measures in place. Off-site interview may be conducted when it is necessary to ensure confidentiality.
- Management interviews
- Key stakeholder interviews – e.g. with community representatives, local civil society organisations (CSOs), unionists, HRDs (whenever it is possible and safe for them to do so), etc.
- Documents review – e.g. policies, procedures, maps, records of consultations, negotiated agreements, worker contracts, etc.
- Site specific reviews, e.g. occupational health and safety review of work areas and housing complexes, etc.

After four months of the grievance being verified, Wilmar will conduct at least one site visit to check on overall progress of grievance resolution, and to help determine further steps for support and engagement with the supplier. Before closing the grievance, Wilmar will arrange for a final on-site verification to be conducted by person(s) not previously involved in managing or addressing the grievance in question. This can include members of the Wilmar sustainability team. Independent third party(s) (e.g. relevant experts or important stakeholders) may be included for specific cases.

The method and process undertaken by Wilmar to monitor and evaluate progress on a grievance will be made publicly available. Wilmar will not condone any supplier management interference in the verification process nor tolerate retaliation against workers and/or stakeholders by the supplier.

3. SUSPENSION OF THIRD-PARTY SUPPLIERS

The Wilmar Grievance Unit will submit a case report for suspension if any of the following instances become apparent. This can be in any step of the process for addressing the grievance despite best efforts by Wilmar to engage and support the supplier.

1. Supplier does not demonstrate a willingness or commitment to comply or resolve the non-compliance/grievance by evidence of
 - a. Failure to implement the required immediate corrective actions to the continued detriment of affected parties
 - b. Failure to develop, implement or to make progress against the time bound action plan within the agreed time frames to the continued detriment of affected parties
 - c. Lack of/refusal to communicate/engage with affected parties or their chosen, representatives in the development and implementation of corrective actions and remediation.
 - d. Lack of senior management commitment and involvement at the Group level in addressing the grievance, affecting implementation of the measures necessary for the resolution of the grievance

2. In cases related to Indigenous Peoples rights, community rights and land rights, Wilmar will verify that concrete actions are being taken in line with good FPIC practice, and that the process for resolution has set clear timelines agreeable to all parties.
3. Recurrence of the same non-compliance at the same site.
4. In cases where there is evidence that the supplier caused or contributed to a severe breach in the rights or security of HRDs, whistleblowers, complainants, or community spokespersons, such as those leading to physical harm or death, Wilmar will take immediate action(s) which may include the suspension of the supplier, and where feasible, supporting independent investigations and credible mediation efforts, and/or cooperating with law enforcement and international bodies. In each case, the choice of action(s) will be based on the situation as it presents itself.

4. RE-ENGAGEMENT WITH THIRD-PARTY SUPPLIERS

Where a supplier has been suspended for non-compliances as described in the sections above, it must demonstrate that it meets the following minimum requirements at Group-level as mentioned below before being considered eligible for re-entry to Wilmar's supply chain. Decisions about re-entry may also consider other factors and considerations in addition to the minimum requirements outlined below.

1. Summary of time bound action plan (highlighting planned actions and milestones), remediation plan and systemic change developed in accordance with requirements highlighted in Section 2.1 and 2.2 of this protocol has been submitted to Wilmar by the supplier
2. Verified evidence of implementation of the time-bound action plan in accordance with the stipulated timelines.
3. A summary report on progress against the time-bound action plan has been submitted to Wilmar by the supplier
4. Verified evidence that the non-compliance that triggered the grievance and subsequent suspension has been resolved and corrective action(s) and remediation (as consulted and agreed with affected parties or their chosen representatives) is being carried out.
5. Verified evidence that there are systems, procedures and/or processes already in place at the Group level to address the root cause(s) of the non-compliance and mitigate the likelihood of recurrence (see Section 2.3).

Wilmar will conduct an on-site verification to verify progress made by the supplier against the agreed action plan, and the fulfilment of the minimum re-entry requirements set out above. Independent third party(ies) may be engaged for this purpose and the verification method and process will be publicly disclosed.

Upon fulfilment of the minimum re-entry requirements, Wilmar's Grievance Unit will make recommendations to the Suspension Committee, to reinstate business relations with the supplier (see Wilmar's Grievance Procedure). For suspended suppliers allowed to re-enter the supply chain, if there is a recurrence of the non-compliance, the Grievance Unit will advise the Suspension Committee to re-impose the suspension.

Glossary of Terms

Affected parties	Individual or group that has been directly affected by the activities outlined in a grievance. These parties can be the grievance raiser themselves but can be different if another entity raised the grievance on their behalf.
Child labour	Child labour, as defined by the International Labour Organisation (ILO) is “work by children under the age of 12; work by children under the age of 15 that prevents school attendance; and work by children under the age of 18 that is hazardous to the physical or mental health of the child.”
Collective bargaining	A voluntary process through which employers (or their organisations), and unions (or in their absence, workers' representatives) discuss and negotiate their relations and interaction at the workplace, such as pay and other terms and conditions of work. This process of bargaining aims to reach mutually acceptable collective agreements.
Customary rights	Patterns of long-standing community land and resource usage in accordance with Indigenous Peoples’ customary laws, values, customs and traditions, including seasonal or cyclical use rather than formal legal title to land and resources issued by the State (World Bank Operational Policy 4.10 on Indigenous Peoples).
Demonstrable rights	Indigenous Peoples, local communities and users may have informal or customary rights in land that are not registered or recognised by the government or national laws. Demonstrable rights are distinguished from spurious claims by direct engagement with local communities, so they have adequate opportunities to justify their claims, and are best ascertained through participatory mapping with the involvement of neighbouring communities. (RSPO P&C 2018)
Forced labour	All work or service which is exacted from any person under the threat of a penalty and for which the person has not offered himself or herself voluntarily.
Freedom of association	The right of workers and employers to freely form or join organisations that promote and defend their interests at work, without interference from one another or the State
Free, Prior and Informed Consent (FPIC)	Right of Indigenous Peoples and other local communities to give or to withhold their consent to any project affecting their lands, livelihoods and environment. This consent should be given or withheld freely , meaning without coercion, intimidation or manipulation, and through communities’ own freely chosen representatives such as their customary or other institutions. It should be sought prior to the project going ahead, meaning sufficiently in advance of any authorisation or commencement of activities and respecting the time requirements of indigenous consultation processes. It should be informed , meaning that communities must have access to and be provided with comprehensive and impartial information on the project, including the nature and purpose of the project, its scale and location, duration, reversibility, and scope; all possible economic, social, cultural and environmental impacts, including potential risks and benefits, resulting from the project and that the costs and benefits of alternative development options can be considered by the community with, or offered by, any other parties who wish to do so, with whom the community is free to engage. Key to respecting consent are iterative processes of collective consultation, the

	demonstration of good faith in negotiations, transparent and mutually respectful dialogue, broad and equitable participation, and free decision by the community to give or withhold consent, reached through its self-chosen mode of decision-making - <i>Free, Prior and Informed Consent: Guide for RSPO members (2015)</i>
FPIC Process	<p>In general, the stages for the engaging with communities in seeking their FPIC would include the following (but not limited to): i) identify the community's self-chosen representatives; ii) document land usage, customary rights, natural resources through participatory mapping (if deemed necessary by all parties); iii) develop a participatory communication plan and carry out iterative discussions with community; iv) agree on a feedback and complaints mechanism; and v) obtain and record consent</p> <p>There are several guidance documents that illustrate how FPIC should be carried out in accordance with best practices. Some examples of such references include <i>Free, Prior and Informed Consent: Guide for RSPO members (2015)</i>, <i>FAO's Manual for Project Practitioners, Free Prior and Informed Consent: An Indigenous Peoples' right and a good practice for local communities (2016)</i>, <i>Free, Prior and Informed Consent Primer (Part of the Responsible Investment in Property and Land (RIPL) Guidebook Series, prepared by Landesa (2018))</i> and the <i>Social Requirements of the High Carbon Stock Approach (2020)</i></p>
Grievance raiser/Complainant	Any entity that has communicated a grievance directly to Wilmar. The grievance raiser could include workers (including independent and scheme smallholders), unions, international or national civil society organisations, a regulatory authority, community representatives, members of one or more communities or an individual person.
Human Rights Defenders (HRDs)	<p>"Human rights defender" is a term used to describe people who, individually or with others, act peacefully to promote or protect human rights. HRDs may include activists working on civil, political, economic, social and cultural rights. They include land, environmental, and indigenous community defenders; women's rights and LGBTI activists; unionists and anti-corruption advocates. HRDs can be from NGOs, intergovernmental organizations, government, and the private sector.</p> <p>Further guidance on this term can be taken from the "RSPO Policy on the Protection of Human Rights Defenders, Whistleblowers, Complainants and Community Spokespersons" which defines HRDs as "Individuals, groups and associations who promote and protect universally recognised human rights and contribute to the effective elimination of all forms of violations of human rights and fundamental freedoms of individuals and peoples." This definition includes whistleblowers, complainants, community spokespersons, and Environmental Human Rights Defenders but does not include those individuals who commit or propagate violence.</p>
Root cause analysis	A systematic process for identifying the underlying causes of an incident/problem so that the most effective solutions can be identified and implemented. There are many available tools and methods to conduct a root cause analysis including (but not limited to) 5-Whys

	Analysis, Fishbone (Ishikawa) Diagram, Scatter Analysis and Pareto Analysis.
Systematic violation	Refers to a pattern of abuse, the scale and frequency of violations, regardless of their intentionality or lack thereof, which result from systems, policies or practices and are not being addressed by the company.
Trafficked labour	Trafficked labour is a form of exploitation that results from the recruitment, transport, transfer, harbouring, and receipt of individuals to perform labour or services through the use of threat or use of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power or of a position of vulnerability or of the giving or receiving of payments or benefits.
Vulnerable groups	Any group or sector of society that is at higher risk or being subjected to social exclusion, discriminatory practices, violence, natural or environmental disaster, or economic hardship than other groups, such as indigenous peoples, ethnic minorities, migrants, disabled people, the homeless, isolated elderly people, women and children.
Whistleblowing and whistleblowers	A deliberate, voluntary disclosure of individual or organisational malpractice by a person who has or has had privileged access to data, events or information about an actual, suspected or anticipated wrongdoing by third-party suppliers of Wilmar, resulting in a non-compliance to Wilmar's NDPE policy. Whistleblowers can include individuals who are outside the traditional employee-employer relationship, such as contract workers, temporary workers, consultants, contractors, trainees/interns, volunteers, student workers or former employees.
Worker	Men and women, migrants, trans-migrants, contract workers, casual workers and employees from all levels of the organisation.
Worst Forms of Child Labour	The worst forms of child labour, as defined by the International Labour Organisation (ILO) Convention 182, includes but is not limited to "all forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour" and "work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children."
Young workers	Young workers refer to workers who are above the minimum age of employment but under the age of 18. These workers are considered "children" even where they may legally perform certain jobs. They are often protected by specific restrictions with respect to the types of work that they may do, the hazards to which they may be exposed and the hours that they may work. (ILO Minimum Age Convention, 1973 (No. 138))