

Initiatives to Provide a Better and More Conducive Environment for our Workers

Strengthening Labour Practices: Working with Verité to Develop an Integrated Management Strategy Framework for North Sumatra

Wilmar continues to work closely with Verité to formulate sustainable solutions to strengthen our labour practices and ensure sustained company-wide conformance to social standards, and legal and customer requirements.

Following the ground verification at Wilmar's PT Daya Labuhan Indah (DLI) and PT Perkebunan Milano (Milano) in August 2017, Verité conducted a sustainability planning workshop in Medan in January 2018 with key managerial and operations staff of PT DLI and PT Milano.

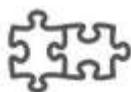


Meeting with Verité team in Indonesia

The workshop was designed to facilitate:



The formulation of the 3-year Sustainability Vision



Articulation of values to drive the vision



Taking stock of current challenges and stakeholder expectations



The creation of the 3-year Strategy Map and 2018 Action Plan.

A Core Team, comprising of DLI and Milano operational management and the sustainability team, was then created to drive the implementation of the strategy and action plans, in close coordination with Verité. A series of capacity building activities will be conducted by Verité to ensure that the Core Team has the necessary support to succeed. The

next immediate step is to obtain high-level management endorsement of the Strategy Map and Action Plan, with the objective of rolling out similar programmes across Wilmar's operation in Indonesia.

Gender Equality Review: Research Conducted by Oxfam, Serbundo, and Kapal Perempuan in Wilmar's Operations

Oxfam, Serbundo and Kapal Perempuan conducted on-site research in PT DLI from 2 to 4 January 2018, focusing on the working conditions for female workers and their reproductive rights in oil palm plantations. The research studied work sites and workers' housing compounds. Several key stakeholders were interviewed, including the company management, medical officers and most importantly, our female workers.

The researchers identified the following areas that could be further improved within Wilmar's operations:

Basic adult education for women and men

Protection of reproductive health rights

Socializing the concept of gender equality in the estate

Safeguards for the security and safety of female workers and female-specific grievance processes

Empowering of the existing women's committee, and promoting women's representation in general

We welcome the above recommendations while we await the publication of the full research paper. In the meantime, we have started to incorporate the above improvements into our management workplans, as the need to be more aware of gender equality in plantation operations and estate life (e.g. in health and safety) had earlier been identified as an area that needed specific focus. Gender sensitization is a component of the 3-year Strategy Map referred to above.

Decent Rural Living Initiative

Cargill, Golden Agri-Resources (GAR), Musim Mas, Sime Darby Plantations and Wilmar are working to improve the protection of human and labour rights in the agriculture sector, by delivering practical and realistic recommendations to help rural workers and secure their long-term ability to thrive, through the [Decent Rural Living Initiative](#). The Initiative will be convened by Forum for the Future.

Launching in March 2018, The Decent Rural Living Initiative seeks to engage and collaborate with external stakeholders from the public and Civil Society Organization sector for the benefit of rural communities in developing nations, starting in Indonesia, where all parties have operations. The first consultative workshops will take place in May 2018, with intended clear work streams to be announced before the end of 2018.

We seek stronger and more practical collaboration to find successes for the long term, for both the people that live in these rural areas, and for the remaining forests.

Continuing Work to Improve the RSPO Principles & Criteria

As a substantive member for the [RSPO P&C taskforce](#), Wilmar has been actively participating in the P&C review. One of our key contributions in the review process, on the labour component, is to share our experiences and challenges in strengthening our labour practices. Our experiences in working to improve our labour practices and working conditions with industry experts have helped to add important insights and inputs to the RSPO standard setting process. This is expected to further improve labour related criteria in the RSPO P&C. The 2nd public consultation of the draft of the updated RSPO P&C is expected in July 2018.

Implementation of Wilmar's Child Protection Policy (CPP)

Following on from the launch of our CPP in November 2017, all Wilmar estates in Malaysia, Indonesia, and Africa have been scheduled to go through a full child safety focussed HIRARC exercise. This is expected to be completed by mid-2018.

The scope of the HIRARC will cover workers' housing, general areas, areas of particular danger, and all other child specific areas under direct Wilmar management (i.e. Wilmar schools, creches, school buses). The result of the HIRARC will inform safety measures that will be needed to ensure Wilmar plantations and estates are safe for the children of our workers to live and play. We are also conducting specific engagement sessions on the CPP to all our suppliers in 2018, in collaboration with our implementation partners.



Excerpt of Wilmar's Child Protection Policy

Providing a Safe Place for Workers' Passports



Passport Locker Facilities in Wilmar's Sapi estate in Sabah

In many Malaysian plantations, it is commonplace for employers to take possession of workers' passports, to prevent workers from leaving without notice as it will incur cost and administrative implications such as, reporting to the various authorities. Recognising that passport retention is a key indicator of forced labour, Wilmar has taken a step forward in improving worker's rights by returning passport to our workers in phases, starting from June 2016. The initiative reinforces the Group's strong commitment to protect the rights of workers, and uphold the principles enshrined in the International Labour Organisation (ILO) core labour standards - a key tenet of our No Deforestation, No Peat, No Exploitation (NDPE) policy. Taking a step further, Wilmar has provided locker facilities for workers to safe keep their passports. The locker keys are kept by the workers themselves and they can access their passport without restriction. We have installed about 10,000 lockers and returned passports to all migrant workers in all our Malaysian plantation. We received very [positive response from our workers](#) who expressed satisfaction with the initiative and we believe that it has fostered a higher level of trust between workers and the company.

We have returned passport to all foreign workers in January 2018 and have invited the Indonesian Consulate from Tawau to attend the passport handover ceremony at Sabahmas on 13 March 2018.