

Verité Programme on Wilmar's Plantations in Indonesia  
**Post-Ground Verification Progress Report**  
23 October 2017

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The 12-month Verité programme has the following key objectives: (a) To build internal processes and competencies necessary to implement robust management and due diligence systems that are aligned to international and customer requirements, and informed by key stakeholders, and (b) To formulate sustainable solutions to egregious, recurring and/or systemic labour problems in its Indonesian palm oil operations, and ensure sustained company-wide conformance to social standards, and to legal and customer requirements.

As part of the **first phase**, i.e., Problem Analysis, the Verité team conducted the ground verification in PT DLI and PT Milano from 19-25 August 2017, with the following objectives: (1) To conduct an issue-focused investigation to determine the risk sources both at the micro and macro levels, to understand what is driving the recurrence of issues, and what procedures need to be in place to address this challenge, and (2) To conduct a gap assessment of the labour and OHS systems currently being implemented and come up with initial suggestions on how to fill in the gaps.

Included in the scope of verification were the (a) assessment of current labour and occupational health and safety policies, procedures and practices using the RSPO Principles and Criteria, POIG Indicators, Wilmar's No Exploitation policy, Free and Fair Labour Principles, and international standards on occupational health and safety, including ILO, OSHA, and WHO, as lens, (b) management systems evaluation using the Verité Systems Approach to Social Responsibility (VSA), and (c) interviews with workers to triangulate the information from management and the written documents. Instead of merely identifying presence or absence of issues, the ground verification exercise was designed to come up with an initial diagnosis of why noncompliance is happening and what needs to be done in the short-term.

While the management teams of PT Milano and PT DLI have started on the necessary changes to their recruitment and hiring practices particularly of daily/ casual workers and child labour screening procedure, the next step for Verité is to work with the Wilmar team to: (a) integrate new and current procedures into a working framework to support and implement social standards, (b) identify critical success factors and (c) build a strategy map to achieve social responsibility goals and objectives.