



Reference: TC ASA 21/2017.006

Mr Jeremy Goon
Chief Sustainability Officer
Wilmar International
56 Neil Road
Singapore 088830

21 July 2017

Re: Amnesty International Response to Wilmar Action Plan

Dear Jeremy Goon,

We would like to thank your team for coming to our London office on 13 June to discuss our report *The Great Palm Oil Scandal* (Report) and Wilmar's future plans. During this meeting, we advised that we would provide written comments on Wilmar's Action Plan issued in April 2017 (Action Plan). This letter, and the two Annexes, contains our detailed feedback on major omissions and how the Action Plan can be strengthened.

During our meeting, we mentioned that while the Action Plan includes some positive intentions, there are also major omissions, including the failure to address the root causes that gave rise to the severe labour abuses on Wilmar's plantations and those owned by its suppliers, SPMN, ABM and PT Hamparan (Suppliers). Your team said that Wilmar lacked the relevant labour expertise to properly address these, and therefore requested our feedback. As such, please find below information on areas of concern.

ACTION PLAN'S MAJOR OMISSIONS:

No reference to serious labour abuses and relevant human rights standards:

- The Action Plan does not make any reference to "human rights" or relevant standards. This reflects a lack of willingness by Wilmar to recognise the rights of workers in line with human rights laws, as well as its own responsibilities under the UN Guiding Principles on Business and Human Rights (UN Guiding Principles). Under prevailing standards, it is clearly established that Wilmar has a responsibility to respect human rights in its global operations, including its supply chains. As established in our Report, Wilmar has failed to fulfil this responsibility; this has resulted in severe labour abuses that have not been remediated. This is a requirement, not a choice and is a major omission. Wilmar should make clear that it is bound by international and national human rights standards and laws.
- The Action plan does not reference our findings relating to forced labour on Wilmar's plantations and on its Suppliers' plantations. This is a glaring omission, particularly considering the seriousness of this allegation. As defined by the International Labour Organisation (ILO), forced labour is all work or service exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily. As outlined on page 30, harvesters can face a number of penalties for not completing certain tasks. Female workers also arbitrarily face penalties (see: Report pages 51-54). A wide range of penalties, coupled with a lack of transparency as to how workers' pay is calculated, facilitates forced labour to occur. Wilmar has utterly failed to address how the target-

based system combined with the wide range of penalties, which can be applied at the discretion of company staff has resulted in people being subjected to forced labour. We documented these systemic risks as well as individual cases of forced labour. Instead of ignoring this issue, Wilmar should take immediate action to end forced labour and ensure that threats of penalties, including those related to targets, of dismissal, loss of privileges, and payments below the minimum wage are not used to exact work involuntarily from people. Any penalty linked to employment should be limited to those strictly necessary to ensure fair and safe work and not infringe on personal dignity.

- The Action Plan does not address the endemic issue of gender discrimination on Wilmar's own plantations and those owned by its Suppliers. This is extremely disappointing. Instead, as part of its rationale relating to benefits, it confirms the continuation of gender discrimination for married and unmarried women (see: Annex "2" relevant table details). The Action Plan attempts to gloss over Wilmar's failure to provide maternity benefits to female workers, most of whom are classified as temporary. Exact numbers of women who are on temporary contracts, and who are currently not entitled to maternity benefits, nor any other type of benefits, are not provided for PT Milano and DLI. The Action Plan acknowledges that women do not receive benefits for work carried out in their own right, despite factors including: the number of years worked for the company, predictability of work provided, and that the work is inherently dangerous. The Action Plan confirms the discriminatory attitudes and policies of the company where the needs of women plantation workers are being down-played or ignored; these must be urgently revised. Wider issues relating to gendered impacts, including humiliation and increased vulnerability of female workers due to unstable contract, are insufficiently dealt with. Non-discrimination and equality are key requirements in all labour and human rights treaties. Wilmar must respect the rights of all women, irrespective of their marital status, including to equality, non-discrimination, just and favourable conditions of work, and to social security.

No reference of the need to provide remediation for past harm suffered by workers:

- Corrective actions in relation to past or ongoing labour abuses are neither identified in the Action Plan, nor are action steps indicated. This is despite Wilmar admitting in parts that human rights abuses continue to occur. This is deeply concerning. Under international standards, companies are required to provide remediation to workers who have suffered from abuse on their plantations. Even where Wilmar has acknowledged issues such as gaps in provision of safety equipment, it has not described any efforts to assess and remediate harms caused to workers as a result of its failure to provide them with adequate safety equipment. Wilmar notes in its Action plan: "there were issues of insufficient stock of certain PPE (Personal Protective Equipment), and misunderstanding on the process of replacing broken/damaged PPE". However, Wilmar does not acknowledge the need for health monitoring and remedies, for any harm caused to the workers' health when they handled chemicals with inadequate or no safety equipment.

Acknowledgement of the Wilmar Group's operational failures is missing:

- In the Action Plan Wilmar fails to explicitly acknowledge its responsibility for severe labour rights abuses committed by its subsidiaries, which have continued for years. While Wilmar is responsible for the conduct of PT Milano and PT DLI it presents the facts and abuses in the Action Plan as if they are disconnected from it. As laid out in our report (see: pages 15 and 83) Wilmar has full control over the working conditions on its own plantations; Wilmar's documents further confirm that it has full control over its estates. An action moving forward would be to clearly consider how the terms and conditions of Wilmar's working arrangements (including internal management, pay, use of targets and contractual structure) directly result in or enable labour and other human rights abuses on plantations.
- No operational improvements are proposed in the Action Plan, specifically for identifying, preventing, addressing or accounting for future labour abuses on its own plantations and in its supply chain. The de facto existence of these abuses proves that management, oversight and accountability issues exist within Wilmar's global operations. This is best reflected through the obvious disconnect between Wilmar's 'No Exploitation' policy and other public commitments and the company's actual labour practices on its own plantations and suppliers' plantations as documented in our report.

No reference to Suppliers and steps Wilmar will take to improve sourcing practices:

- The Action Plan makes no reference to Wilmar's suppliers nor its failure to conduct due diligence in relation to its suppliers. As documented in our report, serious labour abuses are also happening on these plantations. This palm oil enters Wilmar's supply chain. However, the Action Plan makes no reference to these issues, nor does it lay out any action to be taken. Without these details, this document cannot stand as an Action Plan. Wilmar should put in place adequate due diligence processes to identify, prevent, address or account for human rights risks and abuses in its global palm oil sourcing practices.

Failure to focus on key structural issues linked to Wilmar's terms and conditions of employment:

- The Action Plan fails to connect Wilmar's systemic failure to the labour abuses. In a few places, Wilmar states that it is doing villagers a favour by providing them with work – for example, by allowing harvesters to collect loose fruit at their request so that they can make extra money. This fails to acknowledge the low pay that Wilmar provides them with. In addition, as detailed on page 47 of our report, workers do not understand how their pay is determined because of the opaque payment system.
- Other key structural issues ignored include: Wilmar's non-payment of legal overtime, required when workers exceed forty hours of work per week (this is different from the 'premium' it pays); the arbitrary nature and discretion available to supervisors to use a large number of penalties against workers, which makes them vulnerable to forced labour (see above); or, the fact that minimum wage is too low compared to living costs, as well as issues associated with targets.
- An intention to address the underlying sources of the problems is required. In relation to pay, this is not overly complicated.

In addition, the Action Plan provides inadequate information on the methodology used to support Wilmar's assessments. Therefore it is difficult for us to make a thorough assessment of these in the Action Plan.

For your consideration, we have attached two documents:

- The first - **Annex 1** - provides recommendations specific to Wilmar which can also be found at pages 121 to 122 of our Report. It is our analysis, based on the documentation provided, that the Action Plan fails to take on board the majority of these recommendations.
- The second – **Annex 2** – provides our detailed comments on specific areas highlighted in the Action Plan. We strongly suggest Wilmar take this feedback forward, and are happy to discuss incorporation and implementation in more detail.

We would be grateful if you could provide the additional information that we have requested, or any comments that you may have, before Monday, 21 August. In the event that you are unable to provide the requested information, please outline the reasons why you are unable to do so. Please note that your responses will be taken into account before publicly communicating our position on the Action Plan. Please note that we may include part, or all, or your responses in our public communications.

Yours truly,

Seema Joshi



Seema Joshi

Head of Business and Human Rights

ANNEX 1: RECOMMENDATIONS SPECIFIC TO WILMAR

- Immediately stop abusing workers' rights and urgently modify working policies and practices on plantations to comply with Indonesian labour laws and international human rights and labour standards.
- Ensure that all workers receive fair wages that are sufficient to enable a decent living for the workers and their families. Guarantee that workers will be paid, at least, the daily minimum wage for every day that they work even if factors outside their control such as rain or faulty equipment impede their work.
- Revise targets and piece rates to ensure that they do not result in abuses, exploitation or put people's health and safety at risk. At the minimum, no target or piece rate should result in people being paid below the minimum wage, working longer hours without overtime pay or relying on help from their spouses or children to complete their work.
- Bonuses linked to targets should be in addition to and not replace overtime pay, which must be paid in line with national regulations.
- Immediately end forced labour and ensure that threats of penalties, including those related to targets, of dismissal, loss of privileges, and payments below the minimum wage are not used to exact work involuntarily from people. Any penalty linked to employment should be limited to those strictly necessary to ensure a fair and safe workplace and should never infringe the dignity or safety of workers. Offer permanent contracts to all casual daily labourers who have been working under 'work agreements for free daily work' (perjanjian kerja harian lepas) for more than three years. Make retroactive arrangements for payments of benefits to workers who have worked as casual daily labourers for more than three years and cover them under health insurance and social security schemes.
- Set out clear criteria for the use of 'work agreements for free daily work' (perjanjian kerja harian lepas) and ensure that these arrangements are not being disproportionately used for women workers or for units where the majority of employees are women.
- Ensure that there is no direct or indirect discrimination against women workers. Companies should proactively review their operations to identify and address discrimination against women, and should take decisive action to address such discrimination without infringing the rights of others. They should regularly conduct checks and publish updates on what they have done.
- Ensure that all sprayers are employed on permanent employment contracts and covered under health insurance schemes. There should be no targets or use of piece rates for sprayers because this jeopardizes their ability to use adequate safety equipment, take necessary breaks as required, and may result in extended exposure to hazardous chemicals.
- Phase out and eliminate the use of highly hazardous pesticides because of the risks they pose to workers' health. In the interim, use them only in exceptional circumstances where the company can demonstrate that it is not feasible to use a safer alternative, that it has undertaken assessments and put in place additional measures to manage risks to workers' health.
- Provide all workers with adequate personal protective equipment for the tasks that they undertake, including replacements as needed.
- Provide workers with information on all potential health risks in the workplace in a clear, comprehensible manner, especially those related to the chemicals that they handle or spray. Ensure that workers are given the choice to refuse to spray certain chemicals if they consider them to be too dangerous to their health and are not penalized for their refusal.
- Conduct health monitoring, with workers' informed consent, to identify and address any negative health effects that may have been caused to workers due to exposure to hazardous chemicals.

- Guarantee that no punitive action will be taken against parents who are helped by their children. Stop child labour by addressing the causative factors for children's involvement in the work by providing fair wages and revising targets and penalties.
- Remediate harms suffered by workers as well as children who have been involved in hazardous work on plantations. Provide compensation for all abuses, rehabilitation for negative health effects and injuries suffered by adults and children, and support for reintegration of children into the school system where necessary.
- Respect the right of workers to form and join trade unions of their choice and ensure that there is no intimidation or harassment of workers because of their membership or participation in trade union activities.
- Guarantee that no punitive action will be taken against any worker for sharing information with Amnesty International.

ANNEX 2: DETAILED RESPONSE TO STEPS OUTLINED IN THE ACTION PLAN

Subject Matter	Wilmar Action Plan (replicated from original document)	Amnesty International Detailed Response																								
<p>Child Labour</p>	<p>Wilmar adheres to a strict No Child Labour policy. We do not employ anyone under the age of 18. Workers are also not allowed to bring their children to work with them. In the plantation environment – with thousands of hectares of open access, it can be difficult to ensure total control of children’s presence in the workplace. To this end, the estate managers have now been made directly responsible if breaches to this rule are found, with a direct impact on their key performance indicators (KPIs).</p> <p>Recent external assessments found no evidence that Wilmar was employing child labour. Checks conducted by independent interviews with teachers in the nearby schools comparing Wilmar’s census data, and school attendance records found that 327 children were attending school daily, and that the few who were not accounted for, were not likely to be missing school to work with their parents. Interviews by independent assessors with the union representatives also indicated that children were not present on the plantation to help their parents, and that the rule that children cannot accompany parents is well understood by workers.</p> <p>We recognise that in the case of PT Perkebunan Milano (PT PM) and PT Daya Labuhan Indah (PT DLI), there were instances where children were not being sent to school. An internal investigation found that 36 out of a total of 1,391 children (about 0.03%) residing in the two estates were of school-going age (up to 18 years old) but did not attend school. The most common reason cited was that the children did not want to attend school.</p> <table border="1" data-bbox="297 1155 1435 1289"> <thead> <tr> <th>SEI DAUN</th> <th>BATANG SAPONGGOL</th> <th>MARBAU</th> <th>CABANG DUA</th> <th>WONOSARI</th> <th>SEI DE</th> </tr> </thead> <tbody> <tr> <td>2 children : 15 years old</td> <td>6 children : 18 years old</td> <td>2 children : 15 years old</td> <td>2 children : 15 years old</td> <td>3 children : 15 years old</td> <td>4 children : 15</td> </tr> <tr> <td></td> <td>2 children : 14 years old</td> <td></td> <td></td> <td>4 children : 12 years old</td> <td>4 children : 12</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>5 children : 10 years old</td> <td>2 children : 13</td> </tr> </tbody> </table> <p>Our management team has identified the reasons why these children are not being sent to school, and are currently working out potential solutions with parents to resolve this problem.</p>	SEI DAUN	BATANG SAPONGGOL	MARBAU	CABANG DUA	WONOSARI	SEI DE	2 children : 15 years old	6 children : 18 years old	2 children : 15 years old	2 children : 15 years old	3 children : 15 years old	4 children : 15		2 children : 14 years old			4 children : 12 years old	4 children : 12					5 children : 10 years old	2 children : 13	<p>Nowhere in this section are the underlying issues of harvester wages, difficult terms of work for harvesters or fear of penalties, addressed as factors for bringing children on to the plantations. In our report, it is clear that dependence on bonuses to make up for low pay, concerns about not meeting the daily target or being penalised for not picking up loose fruit are key factors which lead to harvesters bringing their children to work. An example is the following statement: “To this end, the estate managers have now been made directly responsible if breaches to this rule are found, with a direct impact on their key performance indicators (KPIs).” This alone will not solve the problem and does not go to the root of the problem itself. Furthermore, there has been no reflection on what the role of management has been in the past. As put in our report, foremen and managerial staff were aware of children working alongside their parents. (See AI Report page 6 interview relating to 10 year old boy: “<i>The foreman sees my children helping me. The foreman says it is good that my child is helping me. [A senior manager] ... has come when my child was helping me and not said anything....</i>”</p> <p>Furthermore, it may also result in parents being penalised without the company addressing the reasons why parents bring their children to help, which is linked to its own terms and conditions.</p>
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	<p>Action plan:</p> <ul style="list-style-type: none"> - We are committed to taking action to ensure there will not be children in the plantation, including: <ul style="list-style-type: none"> o Conducting survey to identify the reasons children drop out from school, and developing a solution to encourage them to attend school. o Developing a pocket book that will list the potential hazards of children in the plantation, to raise parents' awareness of the hazards and risks to children in the plantation. o Consistently socialising the No Child Labour policy to all workers, by providing written notifications, management instructions and regular reminders during the muster. <p>References / Documents:</p> <ul style="list-style-type: none"> - Survey results of school-age children in PT PM & PT DLI 	<p>There has been no effort to understand why parents bring their children to work. Without improving wages and lowering the target levels, this makes working conditions even harder for parents. (See: Report pages 31-2)</p> <p>Wilmar's Action Plan states: "Interviews by <u>independent assessors</u> with the union representatives also indicated that children were not present on the plantation to help their parents, and that the rule that children cannot accompany parents is well understood by workers." Without providing details, including who these people were and the conditions under which this discussion took place, this is meaningless. In conducting our research, Amnesty investigators spoke directly to children and parents who spoke of this being an issue. (see AI report pages 32-9)</p> <p>Wilmar has made the assumption that children are either in school or in full time work, though our investigation found that the majority of children who help their parents attend school. Children work after school and/or during weekends/school holidays. Wilmar appears not to have recognised and engaged with this pattern of work involving children.</p> <p>While looking into this issue, did the assessment team ask or try to ascertain how many of the children are helping their parents outside school hours? If not, this would be a significant omission.</p>

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		<p>The starting point for Wilmar's analysis is problematic. Wilmar states that 36 children were not attending school and the reason provided is that 'they don't want to.' This group includes children as young as 12 according to Wilmar's own account. This is a very weak statement, without depth and its purpose is unclear. No indication has been made that an attempt has been made to link these children to work on the plantations.</p> <p>No assessment or action is indicated in relation to taking <u>corrective</u> action for children who have been exposed to physical work or chemicals on the plantations (see section below on child labour for more details). Effort should be made to identify these children through unions. It should be made absolutely clear to workers that this is for remedial purposes, and not to punish the children or their parents.</p> <p>As you are aware, Amnesty International has expressed public concern in relation to the management of the two Wilmar subsidiaries investigated in our report, where employees have exerted duress and intimidated trade union representatives on these plantations to sign a statement saying abuses documented by us were not happening.</p> <p>(See AI Media Advisory https://www.amnesty.org/en/latest/news/2017/03/indonesia-government-must-investigate-wilmar/ and Public Statement https://www.amnesty.org/en/documents/asa21/5819/2017/en/)</p>

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		<p>Wilmar has expressed that this was the result of a misunderstanding. We appreciate that Wilmar has subsequently removed a summary of meeting minutes from its website.</p>												
<p>Permanent vs Temporary Workers</p>	<p>Converting temporary workers to permanent positions As of October 2016, the proportion of permanent workers to temporary workers in PT PM and PT DLI are as follows:</p> <table border="1" data-bbox="309 531 1218 699"> <thead> <tr> <th></th> <th>Permanent workers</th> <th>Temporary workers</th> <th>Ratio of permanent to temporary workers</th> </tr> </thead> <tbody> <tr> <td>PT Milano</td> <td>668</td> <td>471</td> <td>1.4 : 1</td> </tr> <tr> <td>PT DLI</td> <td>538</td> <td>611</td> <td>1 : 1.13</td> </tr> </tbody> </table> <p>In total, the estate workforce for each estate is: PT PM = 1,139 persons = 1 worker to 5.2 ha (total area 5,945 ha) PT DLI = 1,149 persons = 1 worker to 4.4 ha (total area 5,054 ha)</p> <p>The ideal workforce ratio for estate management is 1 worker to 6 ha. Both estates therefore have an excess of workers, specifically 15% in PT PM, and 36% in PT DLI.</p> <p>The excess labour in Wilmar’s workforce is in part due to an expectation at the local level that jobs would be provided to anyone from the local community, when they ask for one from Wilmar or any of the industries operating in this region. Not providing job to members of the local community can cause conflicts which companies often prefer to avoid.</p> <p>For this reason, we are adopting a phased approach in making our workforce permanent.</p> <p>Action plan:</p>		Permanent workers	Temporary workers	Ratio of permanent to temporary workers	PT Milano	668	471	1.4 : 1	PT DLI	538	611	1 : 1.13	<p>Permanent vs Temporary Workers</p> <p>More information is required to assess the accuracy of Wilmar’s statements on this issue.</p> <p>Amnesty International is concerned about Wilmar’s “ideal workforce ratio for estate management” put forward as 1 worker to 6ha. This is a large working area and may lead to a substantial increase in workload per worker.</p> <p>Additionally, Wilmar provides no evidence as to how many hours are required for one worker to complete work according to the “ideal workforce ratio”, nor how this ratio affects workers’ targets, which are already high. More information is required on Wilmar’s proposed “ideal workforce ratio”.</p> <p>Wilmar’s proposition threatens to make conditions worse for workers rather than ensuring fair work. Workers already work long hours and Wilmar is suggesting further increasing the workload by cutting the number of workers. Wilmar should set out clear criteria for the types of jobs and time-periods that people will be retained on casual work arrangements. It should ensure that people are not hired for work which is required on an ongoing basis on temporary contracts. It also needs to ensure that the workload does not require people to work beyond the maximum</p>
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	<p>- Wilmar is working on reducing the proportion of temporary workers in our plantations by devising a set of criteria for evaluating temporary workers for conversion to permanent workers.</p> <p>- The Human Resources (HR) department will review the labour data in Q2 2017 to assess the progress in reducing temporary workers.</p> <p>- A Standard Operating Procedure (SOP) for annual evaluation of temporary workers will be developed. The SOP will provide clear criteria for job allocation.</p> <p>- The updated work agreement includes specific explanation that contracts for temporary workers (Buruh Harian Lepas – BHL) are awarded based on the availability of work and an assessment of the candidate's fitness for the work required. The new BHL work agreement is being socialised to workers.</p> <p>- In the interim, HR will be providing better clarification on how temporary workers are hired, as well as the evaluation and selection process. This is to ensure that there is no misunderstanding of temporary workers' rights, expectations, and eventual hiring.</p> <p>Reference / Documents</p> <p>- Updated Work Agreement for Temporary Workers</p>	<p>working limits set out under Indonesian law. Any increase in the existing workload must be carefully scrutinised and justified to ensure that it is consistent with Indonesian law and does not increase worker's vulnerability to abuses.</p> <p>The manner in which Wilmar presents this information, in terms that the company is doing villagers a favour, is shocking. Many of the casual workers interviewed by Amnesty International researchers did not live in the villages, but on the plantations. It is common that provisions or discussions occur where companies offer guarantees of employment to villagers living locally. This is part of their social license to operate.</p>
a) Female Workers	<p>The proportion of male to female estate workers as of October 2016 are as follows:</p> <p>Permanent workers</p> <ul style="list-style-type: none"> - PT DLI = 249:109 - PT PM = 585:2 <p>Casual workers</p> <ul style="list-style-type: none"> - PT DLI = 345:266 - PT PM = 195:276 <p>Based on these numbers, the issue of a lack of female permanent workers is relevant only to PT PM. Notwithstanding this, almost 50% of female temporary workers in PT</p>	<p>The information provided on female workers is unclear and problematic in many ways.</p> <p>The numbers do not add up. The table above states that there are 538 permanent workers on PT DLI and 668 on PT PM, but the figures for permanent workers provided in this row add up to 358 and 587 respectively. Contrary to what is presented, once the numbers provided are corroborated, female permanent workers on DLI are only 1 in 5, not 1 in 3 as Wilmar has suggested.</p>

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	<p>PM and PT DLI are married to permanent workers, which entitles them to the benefits provided to their spouse.</p> <p>Action plan: We recognise that there is a need to balance out the male-female ratio particularly in PT PM. Work is underway to convert temporary workers to permanent workers, with priority given to female temporary workers.</p>	<p>It should be indicated what functions the men and women with permanent contracts are performing (e.g. office related or other).</p> <p>Wilmar makes no mention of any steps taken to ascertain the number of years that women have been working on temporary contracts on its plantations. Amnesty research confirmed that many of those interviewed had been working in maintenance for more than three years, some for up to 20 years carrying out core functions. Wilmar also does not address any corrective measures that will be taken in relation to these workers who have foregone any benefits or security for many years. This is a significant omission.</p> <p>According to Wilmar's own information, <u>more than 50%</u> of unmarried women have no access to benefits, no job security. These women are the most vulnerable to abuse, as identified in our report. Wilmar makes no mention as to the <u>corrective</u> actions that will be taken to remedy discrimination or other abuse faced by these women workers.</p> <p>For the less than 50% who are married to male workers, it is highly inappropriate to suggest wives of male workers are not entitled to benefits in their own right and for their own work. The Action Plan confirms the discriminatory attitudes and policies of the company and must be urgently revised. Non-discrimination and equality are a key requirement in all labour and human rights treaties. Wilmar must respect the rights of all women, irrespective of their marital status, including to equality, non-</p>

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		<p>discrimination, just and favourable conditions of work, and to social security.</p> <p>An analogous situation would be if the contracts of senior managers in Wilmar were down-graded from permanent to temporary if their spouse also worked for the company. These managers could no longer independently access social security and health insurance.</p> <p>Follow up request: in our letter dated 5 October 2016, we requested that Wilmar provide us with the total number of temporary workers on its plantations and the number of women who are currently employed as temporary workers. Wilmar did not provide this information when requested. Please provide the current numbers of temporary workers and women currently employed as temporary workers on all Wilmar plantations.</p> <p>Follow up request: Please provide clarification of what benefits are extended to women married to male permanent workers. Please provide numbers, broken down according to numbers of years' service of how many women are working in maintenance. Verite should offer Gender training.</p> <p>See: Report Recommendations page 121-2 report.</p> <p>As highlighted earlier, Wilmar should offer permanent contracts to all casual daily labourers who have been working under such arrangements for more than three years. It also needs to urgently review its operations</p>

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		and revise its policies and working practices to identify and address discrimination against women.
b) Access to Healthcare and Health Benefits	<p>Free healthcare from the Wilmar-funded estate clinics is already provided to all workers (including temporary workers) and their families. The terms and conditions related to healthcare and health benefits for permanent workers, are already stipulated in the Collective Labour Agreement (CLA) which is agreed by the workers' union representatives and the estate.</p> <p>In addition to free on-site healthcare, our permanent workers are covered by medical insurance, which allows them to claim for reimbursement of medical fees on outpatient treatment sought outside of Wilmar's clinics. However, we recognise that the conditions of reimbursement eligibility should be better communicated to our workers.</p> <p>Permanent workers are also entitled to:</p> <ul style="list-style-type: none"> a) dental care benefits b) subsidies on spectacles, dentures and hearing aides <p>While the free on-site healthcare from the Wilmar-funded estate clinics are provided to temporary workers, we recognise that there is a need to formalise this arrangement in the temporary worker contracts.</p> <p>The on-site healthcare services have also been extended to local community members on an informal basis for minor cases.</p> <p>Workers working with chemicals are all provided with regular medical check-ups to ensure that they are not adversely affected by exposure to chemicals. A blood test is conducted twice a year. Previously, information was only provided to workers who were found to have abnormal levels of chemicals, which would result in them being reassigned to other work that does not require direct contact with chemicals.</p> <p>We recognise that it is important for our workers to understand the process through which medical feedback is provided to them. Since 2017, we have instructed our</p>	<p>The health care provided on Wilmar-funded estate clinics is limited in scope. For serious health issues, people need to go to hospitals and external clinics. Temporary workers are therefore not covered for serious health issues.</p> <p>All results should be communicated to workers who attend tests at the doctors, not only those that are abnormal. Any abnormal results should be properly explained and a medical follow up plan should be put in place. As documented in our report, when women were told by the clinic that their blood was abnormal, neither information about health risks nor a paper copy of test results, were provided. As a result, the workers were left feeling very concerned about their health and very distressed.</p> <p>Follow up request: Please clarify how this will be implemented and monitored, and what other and/or actions will be taken to assist workers whose results indicate abnormalities.</p> <p>For paid maternity leave, Wilmar does not clarify how may, if any, female maintenance workers qualify. Women we interviewed had worked for years with Wilmar. Not for a short periods of time as suggested by Wilmar.</p>

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	<p>doctors to better explain the health screening process and to directly communicate any abnormal results (and their implications) to affected workers.</p> <p>For female workers, a three-month paid maternity leave is provided to all permanent workers - one and a half months before and after delivery. There is also a subsidy to assist with fees associated with childbirth for up to three children. While we recognise that there is a need to ensure that temporary workers are accorded the same protection during the maternity period, however, due to the nature of the short-term contract, it would not be feasible. One solution which is being considered is to provide a level of security to the temporary worker to return to their jobs after giving birth.</p> <p>Action plan:</p> <ul style="list-style-type: none"> - We are intensifying the socialisation of our medical policy to raise awareness among workers on their healthcare benefits. - Healthcare benefits (medical claims) will be stipulated in temporary worker contracts. - Doctors will explain the implications of chemical exposure to workers; blood test results will be shared with workers and test results will be explained if and when abnormalities are detected. 	<p>Wilmar is taking advantage of gaps in Indonesian law relating to casual contracts by keeping people on casual contracts for long periods. As documented in our report, all female workers interviewed by Amnesty researchers, who worked on Wilmar's subsidiaries estates, were kept on casual contracts. These work arrangements are discriminatory in nature. According to Wilmar, as casual workers, these women would not qualify for benefits, such as paid maternity leave. This is despite many women working on the plantations for a number of years, in some instances up to 20, carrying out predictable work such as: spraying, fertilising, and weeding. For all the reasons cited in our report, Wilmar's contractual arrangements with female workers are discriminatory in nature (see: pages 81 to 82 or our report).</p> <p>Wilmar has acknowledged that workers such as sprayers perform core tasks. The work they perform is dangerous and protective equipment is a problem. However, sprayers, when married to a permanent worker, are only covered as dependents of their spouses leading to a dangerous gap in coverage. They should be comprehensively covered themselves through their own work.</p>
c) Contract Conditions	<p>Both permanent and temporary workers have employment contracts. A permanent worker's contract has no end-date, while a temporary worker's contract has a validity of one year. All contracts are in Bahasa Indonesia, and copies of contracts are provided to all workers upon signing.</p> <p>The permanent worker's contract refers to the Collective Labor Agreement (CLA) which is agreed with the workers' union representatives, and is reviewed every two years.</p>	<p>Wilmar is trying to give the impression that the problem is that the workers don't understand their contracts. While we consider there to be other more significant issues. As stated in our report, the real issue here relates to the terms and conditions of contacts offered to temporary workers and the misuse of these arrangements (see: pages 80-81 and</p>

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	<p>The CLA has very minimal conditions covering temporary workers, and as such the temporary workers' contracts include more conditions specific to them.</p> <p>The CLA is under the stewardship of the respective union chapters in the individual estates, and it is the union's responsibility to ensure that their members understand the content of the CLA.</p> <p>While copies of contracts are always provided to workers upon signing, we realise that not all workers may fully understand the content of the contracts. Together with union representatives, Wilmar currently assists the unions in providing the required support to their members, such as providing printed copies of the CLA to all permanent workers and setting up information boards at all housing complex sites for information sharing.</p> <p>It is also very important to ensure that elements of the contract, in particular workers' rights, monthly benefits and pay conditions, are communicated proactively from time to time. This is already being conducted in bilateral forum (Wilmar management + Union representatives) on a monthly basis.</p> <p>Action Plan:</p> <ul style="list-style-type: none"> - Working with union representatives to ensure that the union representatives themselves have a clear understanding of the contract conditions so that they in turn can be more effective in communicating to workers / union members. - Socialising the contract conditions to all workers. Together with union representatives, we will continue to assist in providing the right support for the workers, such as ensuring that a copy of the CLA is given to all permanent workers and ensuring that workers are well-informed via the information board in the housing complexes. - Continually socialising the grievance-raising process when there are issues that need to be raised with management; this is part of the ongoing bilateral forum (management and union) session. 	<p>96 of our report). For permanent workers, the real issue relates to a lack of transparency as to how payment is calculated. Workers told Amnesty International that it was very difficult for them to understand how they are paid because the payslips do not include a breakdown of the weight of fruit that they have collected or loaded. (see: pages 47</p>
Work & Pay	<p>Wilmar fully complies with all Indonesian laws and regulations on minimum daily wages for all workers. For permanent workers, their remuneration includes:</p>	<p>Regarding work and pay, findings made in our Report confirm potential breaches of Indonesian labour law</p>

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a) Minimum Wage	<p>(1) Housing for the individual and immediate family, including access to facilities such as playgrounds;</p> <p>(2) access to crèche facilities for babies, toddlers, and children of pre-school age;</p> <p>(3) an annual bonus of a discretionary amount, averaging between 1 – 2 months’ of salary (which is recorded and distributed in a separate payslip from the monthly payslip);</p> <p>(4) an annual “Hari Raya” (The Muslim festival of Eid Mubarak) bonus equivalent to 1 month’s salary (which is recorded and distributed in a separate payslip from the monthly payslip); and</p> <p>(5) rice allowance (referred to as “Tunjangan Natura”) for workers and their families.</p> <p>All workers, including the temporary workers, are paid at least the legal minimum wage, whether or not they achieve their operational key performance indicators (KPIs). For harvesters, there is a set of fruit quality criteria that they must fulfil, which penalises the picking of raw or rotten fruits, or not trimming fruits with long stalks and/or hanging fronds. The fruit quality criteria is necessary to ensure the mill’s extraction rate is maintained, and harvesters are trained according to the criteria. To ensure a consistent quality, any non-adherence to the fruit quality criteria results in a reduction in the premium paid to the harvester and this is clearly indicated in the SOP for harvesting. However, it is important to note that any deductions made because of non-adherence do not affect the minimum wage. These are deducted from any additional premium received above the minimum wage earned.</p> <p>Workers will earn at least the minimum wage even if they do not meet their KPIs. If a worker obtains only the minimum wage, penalties will not be applied even if their KPIs are not met.</p> <p>The company also allows for small amounts of cash advances, which are typically given out at the beginning of the month, and then deducted from the salary at the end of the month. See payslip where this has occurred.</p>	<p>(see: pages 40-41, 45, 51 and 54). Wilmar’s response is incorrect and misleading. Minimum wage always has to be calculated in reference to the total hours worked and Wilmar’s response ignores the issues of lack of pay for overtime work, as well as arbitrary cuts in pay (e.g. when it rains) highlighted in AI’s report.</p> <p>The action plan does not address the issue of workers not being paid for overtime work, it only addresses rest days. It also does not address the issue of work on weekends and public holidays – which requires overtime pay. Wilmar ignores the issue that it is not paying harvesters overtime as required under Indonesian law, but instead a ‘premium’. No information is provided as to how the premium compares to overtime in monetary terms. It would be illegal for Wilmar to deduct pay from overtime under Indonesian law.</p> <p>Wilmar has failed to address how the target-based system combined with the wide range of penalties, which can be applied at the discretion of company staff has resulted in people being subjected to forced labour. Amnesty International Researchers documented these systemic risks as well as individual cases of forced labour. Forced labour is defined as all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily. The Action Plan has failed to engage with or put forward any strategy to stop, prevent and remedy forced labour on Wilmar’s plantations.</p>

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	<p>The current payslip format does not provide a clear description of the salary's components such as incentives and deduction, which could lead to an impression of underpayment. There are detailed ledgers of the individual harvester's productivity and different premiums to show that every worker is paid at least the minimum wage. We recognise that the existing payslip formats do not explain the deductions accurately, which can lead to confusion and misinterpretation.</p> <p>Action Plan:</p> <ul style="list-style-type: none"> - We are working towards creating a standard payslip across Indonesia, in Bahasa Indonesia, which will provide a clear breakdown of the wage components. - The payslip will undergo a System Integration Test (SIT) to ensure that all the necessary information is detailed in the payslip. This will then be socialised to the labour unions. <p>References / Documents</p> <ul style="list-style-type: none"> - Explanation on current payslip format 	<p>The lack of clarity and transparency on deductions from wages make workers vulnerable to pressure from their supervisors who were then able to exact work under the threat of loss of pay or employment (see: p. 51 of our Report).</p> <p>Furthermore, the response here only reflects harvesters and not payment of minimum wage for maintenance workers. Amnesty International Researchers documented instances where women would not be paid for work if it rained; where they could not go home unless the daily target was met; and, where women were paid for one day of work, even if they worked two days to meet the target.</p> <p>Wilmar does not address the use of penalties faced by harvesters if they do not collect the loose fruit, particularly in high season. As highlighted in our Report workers can receive a warning for not picking up loose fruits and various other tasks (see. P. 30).</p> <p>Follow up request: please provide a record of all penalties that have been imposed over a certain period</p>
b) Targets & Quotas	<p>Setting of Key Performance Indicators (KPIs)</p> <p>The wage system in the Wilmar estates are based on a blended system of tasks and timeframes. In the estates, it is important to keep to task-based work due to the difficulty of tracking productivity levels without an indicator of what task requires completion. However, it is also necessary to link this back to a specific time frame of work. In this instance, the set tasks per estate are identified through a series of calibrations every year in order to identify what the KPIs are. The calibration process is conducted annually, taking into consideration the terrain, age of palms, operational practices (e.g. different tools or equipment specification), with workers of different</p>	<p>Workers interviewed by Amnesty researchers said that they were penalised if do not cut palm fruit in a proper way. Harvesters stated that they were required to pick up loose fruit and that they did not have a choice. If they did not, they would face penalties. This is significantly different from the explanation provided by Wilmar.</p>

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	<p>productivity levels (i.e. high, medium and low productivity). The calibration process will be improved by including workers in different age groups, instead of basing it solely on productivity levels. The calibration process is now conducted in the presence of union leaders who sign off on the outcome of the calibration process.</p> <p>What is often referred to as “targets and quotas” are in fact similar to KPIs. While workers are encouraged to complete the KPIs for the task at hand, the minimum wage will still be paid even if their work is not completed within the given time-frame (in this case, a day’s work = 7 hours) – see wage payment in May 2016 where harvesters did not meet the target in that month but the wages of workers, e.g. “A” (see payslip) and “M” (see payslip), were not deducted. It was discovered that some mandores (foremen) had been inaccurately communicating to workers that they would not get paid if they did not complete their task in any given day. Our estate management is working with all the mandores to ensure that they no longer send this wrong message to workers. We are also helping the workers to ensure they understand the payslip, and the relation between KPIs, premiums and minimum wage.</p> <p>Action Plan:</p> <ul style="list-style-type: none"> - Wilmar and labour union leaders in PT PM and PT DLI have collaborated in early January 2017 to develop an updated SOP and to conduct an updated calibration process to determine proper KPIs for harvesting for 2017. - The final KPI will be socialised to the workers. - For spraying and manuring, after a long discussion within management, it was found that communicating a KPI was not necessary. Spraying and manuring work, while integral to plantation management, is carried out at most twice a year per palm in any given block. This means that it is no longer necessary to communicate the KPIs for productivity. Instead, workers will be assigned to a seven-hour work day (one-hour travel + five-hour working + one-hour showering & milk-drinking). <p>Harvesting in peak crop season</p> <p>A harvester’s task during the peak season is only to harvest bunches and if absolutely necessary, to prune (cutting of palm fronds). This is because during the peak crop season, there are many ripe bunches that need to be taken down as soon as possible to</p>	<p>Wilmar states that this: “practice encouraged workers to rely on wives.” Our research confirms that this is a common practice and that Wilmar has benefited from this unpaid labour (as wives are not separately paid for this work) for years. This, coupled with the insurance related issue, amounts to very concerning conditions of work which evidence further discrimination against women.</p> <p>Wilmar has benefited from women’s unpaid and additional work, while also acknowledging that dangerous conditions of work not covered by insurance. At the same time, it has allowed this practice to continue while not offering women payment for this work or permanent contracts.</p> <p>This is a clear example of Wilmar negating its own responsibility – the company creates the terms and conditions that harvesters must meet - knowing that insurance issues would come into play, if a women died while assisting her husband to finish work, her death would not be covered in any way. No information is provided as to when Wilmar discovered that harvesters were relying on their wives to do daily work, working on their estate, picking up loose fruit. Our research shows that this has been a well-known long term practice, and supervisory staff were aware of women assisting their husbands. Corrective actions for these women is required.</p> <p>Follow up Question: “who are the general workers whose task is to pick up loose fruits?” New, temporary? Who are they?</p>

Subject Matter	Wilmar Action Plan (replicated from original document)	Amnesty International Detailed Response
	<p>avoid the bunches rotting on the palm. This differs from a normal or low crop season when a harvester’s tasks include collecting loose fruits, pruning, and arranging fronds.</p> <p>During the peak crop season, the estates have teams of general workers whose task is to pick loose fruits and as such, harvesters are not required to collect loose fruits during peak crop season.</p> <p>However there has been an expectation from the harvesters that they should be entitled to collect loose fruits as a means to increase wages. The management, while not explicitly condoning picking loose fruits by harvesters during peak crop, had not disallowed harvesters from doing so. This practice had inadvertently encouraged harvesters to rely on their wives (who tend to be temporary workers and complete their own work by 2pm) to assist with the loose fruit collection.</p> <p>Action plan</p> <ul style="list-style-type: none"> - We have since issued a reminder, and regularly reiterate at musters to all workers that family members are not allowed to assist them in the field, even if the family members are temporary workers working outside of their work hours. The reason for the latter is that working beyond one’s actual contractual work hours would invalidate accident and death insurance, and is therefore a potential hazard. <p>References / Documents:</p> <ul style="list-style-type: none"> - Wage payment in May 2016 - Payslip of “A” - Payslip of “M” - Harvester Calibration document 	<p>As detailed in our Report (see: pages 26 and 29-30), harvesters were penalised or received warnings if they did not collect loose fruit. As documented, children were also brought in to do this job (see above).</p>
c) Work hour limits and overtime	<p>Wilmar has always respected official rest days (on Sundays and Public Holidays). Workers in PT PM and DLI were previously allowed to harvest on Sundays and public holidays at their own request to management (“<i>kontanan</i>” work). This was paid through a system of cash payments immediately to the workers.</p> <p>Action plan:</p> <p>“<i>Kontanan</i>” work is now abolished. A new work instruction has been issued in PT PM and PT DLI whereby workers will be informed about the availability of work (during</p>	<p>Good to formalise work on Sundays.</p>

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	<p>peak season) on Sundays and Public Holidays. There will be a formal agreement with all workers for any work to be undertaken on Sundays or Public Holidays.</p> <p>References / Documents</p> <ul style="list-style-type: none"> - PT PM's new work instruction on Kontanan - PT DLI's new work instruction on Kontanan 	
<p>Operational Health & Safety (OSH) PPE, including during haze season</p>	<p>Regular reminder on OSH and the importance of using Personal Protection Equipment (PPE) are given during muster. PPE is provided to all workers based on the PPE matrix developed as part of the Hazard Identification Risk Assessment and Controls (HIRARC). However, there were issues of insufficient stock for certain PPE, and misunderstanding on the process of replacing broken/damaged PPE.</p> <p>Action plan:</p> <ul style="list-style-type: none"> - To improve safety practices, the HR, Environmental Health & Safety (EHS), Plantation and Sustainability Departments will jointly conduct a comprehensive analysis to determine the appropriate PPE for each activity. - The Group will develop a standard PPE policy for the all Indonesia operations to standardise the PPE specifications and practices. - OSH trainings will be re-conducted to provide clear explanations on PPE practices and specifications. - To ensure sufficient stock is available for the replacement of PPE. 	<p>Wilmar confirms that workers were exposed to chemicals. What is missing is information about what is being done in terms of additional health monitoring for these workers. And also an acknowledgement of its responsibility for its failure to protect worker's health.</p> <p>As detailed in our Report, we found that workers, particularly those working in maintenance, are either not given all the protective equipment they need or are given the equipment initially but then not provided with replacements.</p> <p>At page 69, we point to the fact that paraquat continues to be used in Wilmar's supply chain despite the company's clam that it has been eliminated from it.</p> <p>Wilmar also lists the herbicides it uses in its sustainability report. These include: glyphosate, triclopyr butotyl, glufosinate ammonium, 2,4-D-, fluroxypyr-meptyl, and diuron which are classified as either moderately hazardous or slightly hazardous by the World Health Organization.¹ RSPO annual surveillance audits of PT Milano (undertaken from 23 – 26 May 2016) and PT Daya Labuhan Indah (24 – 28 August 2015) record that their plantations use</p>

¹ WHO, *The WHO Recommended Classification of Pesticides by Hazard and Guidelines to Classification 2009*, 2010, available at: www.who.int/ipcs/publications/pesticides_hazard_2009.pdf (last accessed 22 October 2016)

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		<p>WHO Class 1A or 1B pesticides. WHO classifies pesticides by how hazardous they are (how acute a risk they pose to health). Class 1A pesticides are classified as extremely hazardous and Class 1B as highly hazardous.² The audit reports noted that the companies remain committed to or had plans to reduce their usage of these products.³</p> <p>Amnesty International interviewed workers on Wilmar's subsidiaries and suppliers who described negative health effects linked to chemical exposure (see: pages 73 to 77). Most described dermal exposure to chemicals because of spills on their backs and hands, resulting in itchiness, burning sensation and discomfort. Some women described their nails falling off. Others described vomiting and feeling dizzy and nauseous. We clearly documented Yohanna's case where she suffered corneal erosion because of exposure to gramoxone on Wilmar's supplier, SPMN.</p> <p>A comprehensive analysis moving forward is not enough; a comprehensive independent health monitoring and remediation are necessary. What type of health coverage did they have – what will they have?</p> <p>Follow up request: Please provide PPE underlying assessments made by Wilmar. Details of these should be made public.</p>

² WHO, *The WHO Recommended Classification of Pesticides by Hazard and Guidelines to Classification 2009*, 2010, p. 5.

³ TÜVRheinland, *RSPO Annual Surveillance Audit Report: Wilmar International Limited, PT Perkebunan Milano, Pinang Awan Palm Oil Mill, date of audit: 23 – 27 May 2016*, p. 28. Mutu Certification International, *RSPO Assessment Report: PT Daya Labuhan Indah*, 13 November 2015, p. 21.

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		<p>Wilmar says that there were: “issues of insufficient stock”; please clarify what these were and why equipment was not replaced.</p> <p>Follow up request: Please confirm if Wilmar continues to use the chemicals disclosed in its 2015 Sustainability Report.</p> <p>Follow up request: Considering that Wilmar found gaps in the provision of PPE, have there have been any gaps in the provision of PPE while handling/spraying these chemicals? If so, please confirm what actions have been taken to protect the workers who were exposed to such chemicals?</p>