

Wilmar International Ltd.

TICKER:
SGX: F34

MARKET CAPITALIZATION:
US\$ 15 billion

HEADQUARTERS:
Singapore

5 OUT OF 20 Company's Overall Ranking

40 OUT OF 100 Company's Overall Score

Wilmar International Ltd. (Wilmar) ranks fifth on the benchmark, demonstrating an above average level of disclosure on its approach to managing forced labor risks in its supply chain. The company discloses an integrated "No Deforestation, No Peat, No Exploitation" Policy where it formally commits to addressing human trafficking and forced labor, and subsequent forced labor-specific training related to this policy. Notably, Wilmar demonstrates leading practice in the area of traceability, tracing all of the mills supplying its refineries in Indonesia and Malaysia and outlining clear criteria for the traceability of mills in its supply chain. Wilmar has an opportunity to improve its performance in the areas of purchasing practices, recruitment and worker voice.

THEME LEVEL SCORE

Commitment and Governance	63 out of 100
Traceability and Risk Assessment	63 out of 100
Purchasing Practices	6 out of 100
Recruitment	25 out of 100
Worker Voice	30 out of 100
Monitoring	43 out of 100
Remedy	50 out of 100

LEADING PRACTICES

Traceability

Wilmar has identified all of the mills supplying each of its refineries in Indonesia and Malaysia, which includes over 850 mills. In addition, the company provides an online, interactive map of its supply chain, which includes the names and locations of suppliers and refineries. Furthermore, Wilmar has clear criteria to define whether the supply of a mill is considered traceable; the company requires the following information: parent company name, mill name, address, longitude and latitude coordinates and volumes.

NOTABLE FINDINGS

Commitment and Governance

Wilmar's "No Deforestation, No Peat, No Exploitation" Policy applies to all third-party suppliers and contains core elements of labor rights, including a prohibition on forced labor and human trafficking. The company states that it has third-party compliance teams in Malaysia and Indonesia that sit under the Group's Sustainability General Manager to ensure compliance with its integrated policy, including



its human trafficking and forced labor provisions. Further, Wilmar provides training for its field managers across the world on its integrated policy. In particular, training is targeted at regions where the company has plantation operations. In 2014, the company also conducted a workshop for 20 staff on labor migration, human and labor rights, forced labor, human trafficking and access to remedy issues, among other topics.

Worker Empowerment

Wilmar's "No Deforestation, No Peat, No Exploitation" Policy addresses worker empowerment in its supply chain, stating that "where the right to freedom of association and collective bargaining are restricted under law, parallel means of independent and free association and bargaining should be made available to all such personnel". Wilmar is one of only two companies in the benchmark who address freedom of association in contexts where this is restricted by law.

Remedy

Wilmar discloses that it works with suppliers to develop corrective action plans when suppliers are non-compliant with its standard. If the issue is unresolved following engagement, Wilmar may terminate its relationship with a supplier. Further, the company also requires suppliers to ensure workers have access to "judicial remedy and to credible grievance mechanisms, without fear of recrimination or dismissal".

OPPORTUNITIES FOR IMPROVEMENT

Purchasing Practices

Wilmar is encouraged to take steps to mitigate the risks of human trafficking and forced labor caused by certain purchasing practices, including avoiding short-term contracts, applying excessive downward pressure on pricing, and implementing sudden changes in workload. The company should also consider including its supplier code of conduct in its supplier contracts and cascading its standards to beyond its first-tier suppliers.

Recruitment

Wilmar is encouraged to disclose evidence of a policy requiring recruitment agencies in its supply chain to uphold workers' rights and for suppliers to disclose to them the recruiters that they use. Although the company states that "fees or costs must not be charged to job-seekers or workers for the services directly related to recruitment", Wilmar may consider disclosing evidence of how recruitment fees are reimbursed in the event that such fees are discovered. Further, the company is encouraged to audit recruiters in its supply chain.

Worker Voice

Wilmar may consider engaging with workers outside the context of the factories in which they work in order to ensure their voices are being heard. Wilmar is further encouraged to ensure its grievance mechanism is accessible to supply chain workers, and communicated to and trusted by these workers.

COMPANY PROVIDED ADDITIONAL DISCLOSURE:

Yes.

