

**GRIEVANCE PROCEDURE FOR THE IMPLEMENTATION OF WILMAR'S
NO DEFORESTATION, NO PEAT, NO EXPLOITATION (NDPE) POLICY,
UPDATED VERSION 2.0
June 2019**

1. SCOPE AND BACKGROUND

This is an updated version of the Wilmar Grievance Procedure, originally published on 22 January 2015, which enables any stakeholder to raise a grievance against any party in Wilmar's supply chain and / or our own operations. A grievance is a complaint, concern or problem related to the implementation of our NDPE policy which an individual or a group wants Wilmar to investigate and address.

Wilmar's NDPE policy¹ and this updated Grievance Procedure shall apply to our own operations, any refinery, mill or plantation that we own, manage, or invest in, regardless of stake; and all third-party suppliers at a Group-level² within our supply chain. This Grievance Procedure has been designed to align with the United Nations Guiding Principles on Business and Human Rights criteria for effective grievance mechanisms. The United Nations Guiding Principles on Business and Human Rights set out criteria designed to underpin an effective non-judicial grievance mechanism: legitimacy, accessibility, predictability, equitability, transparency, rights-compatible, a source of continuous learning, and based on engagement and dialogue.

This procedure covers activities related to the handling of stakeholders' grievances with respect to the implementation of our NDPE policy. This includes logging grievances, taking actions to verify claims, rectifying any confirmed issues, reporting the verification results and actions on the ground, delivering the response to stakeholders and managing and monitoring any follow-up actions. All grievances logged under the Grievance Procedure shall be dealt with in a timely manner, and all investigations and findings will be reported transparently with full public disclosure. To ensure that implementation of our Grievance Procedure is a source of continuous learning, a review is conducted periodically to allow lessons learnt from real case studies to be used to improve the mechanism.

This grievance procedure is open to all stakeholders, though is primarily focused on receiving grievances from external sources. For workers and local communities with specific local level grievances, each of our plantation and mill operational units have site specific complaints and grievances procedures, which have been a requirement of the RSPO Principles and Criteria since 2005. These site-specific procedures are accessible by workers and to any other stakeholder. Grievances raised through the site-specific procedures have a separate resolution process.

Based on feedback and input we have received from various stakeholders over the last five years in our NDPE policy implementation journey, we are updating the Grievance Procedure to complement our Time Bound Plan (TBP)³ and Joint Statement (JS) with Aidenvironment together with supporting consumer goods companies⁴ aimed at further expediting the implementation of our NDPE policy across our entire supply chain. The JS announced Wilmar's new NDP (no deforestation and peatland development) "Suspend then Engage" grievance approach, which took effect in January 2019. Under this approach, new grievances with verified proof of deforestation and/or peat development will result in an immediate suspension of the supplier at a

¹ [Wilmar No Deforestation, No Peat, No Exploitation Policy](#). 5 December 2013

² "Group-level" suppliers is based on RSPO's definition of "[group](#)". Further to that, national interpretations will be applicable in the respective regions. Our definition of "group-level" suppliers may evolve over time based on stakeholder consultation.

³ [Wilmar Action Plan to Improve and Accelerate NDPE Implementation](#). 5 October 2018

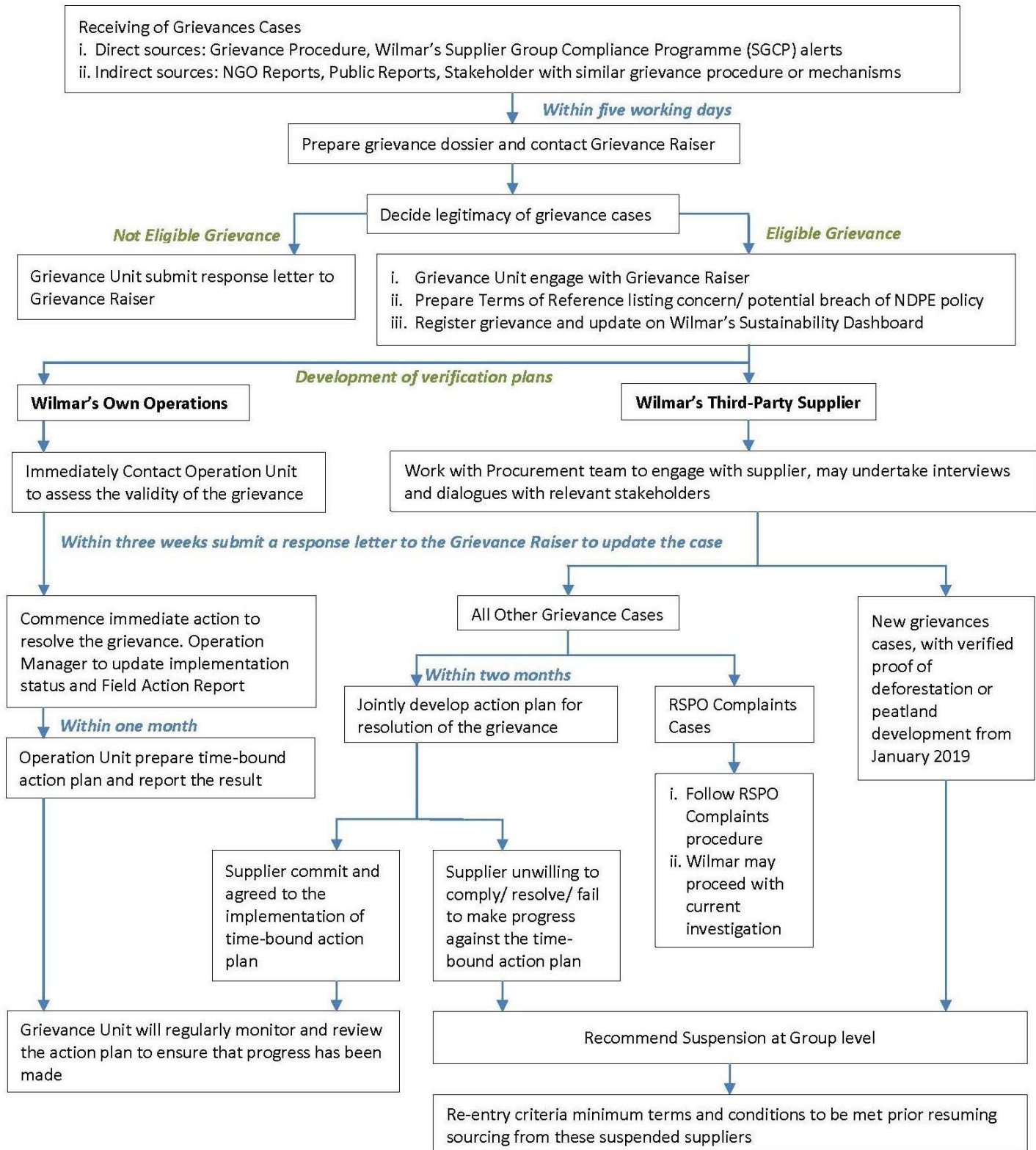
⁴ Joint Statement with Aidenvironment: [Creating A Deforestation-Free Palm Oil Supply Chain; Stepping Up Efforts In Supplier Group Mapping And Engagement](#). 7 December 2018

Group level. The supplier must then meet the re-entry criteria⁵, which specify the minimum criteria the suspended supplier must meet for Wilmar to consider resuming sourcing. Existing grievance cases on deforestation and/or peat development raised before 1 January 2019 will be dealt with based on the Grievance Procedure we released in January 2015.

Based on feedback and input from stakeholders we are also developing, via stakeholder consultation, a protocol specific to our No Exploitation policy commitments to complement our Grievance Procedure. This protocol will include thresholds for suspension due to non-compliance and re-entry criteria the suspended supplier must meet for Wilmar to consider resuming sourcing. For grievances related to Exploitation issues, specific criteria for re-entry are being developed through a multi-stakeholder consultation process engaging Indonesian, Malaysian, and global organizations on labor, social, smallholder and community rights in 2019. The criteria for re-entry related to exploitation issues will then be added as an addendum to this Grievance Procedure. Until that process is completed, exploitation- related grievance cases will be subject to this grievance procedure with action plan requirements developed specific to each case.

⁵ In the Joint Statement this is referred to as “Re-engagement Protocol”

2. GRIEVANCE PROCEDURE PROCESS FLOW



3. DUTIES AND RESPONSIBILITIES

a) Grievance Unit

- i. The Grievance Unit established by Wilmar's Sustainability Department is responsible for coordinating and performing all tasks necessary for the successful implementation of this updated Grievance Procedure, including:
 - receiving, recording, classifying, and reporting grievances to the Verification Team and making recommendations about suspension and / or lifting of suspension(s) to the Suspension Committee,
 - engaging with any party who raises a grievance (Grievance Raiser),
 - managing communications, including response letters to Grievance Raisers in the language of the original Grievance, and
 - monitoring public sources relating to Wilmar and our suppliers to identify potential grievances.
- ii. A dedicated full-time Grievance Coordinator has been appointed since January 2015 to manage the ongoing implementation of the Grievance Procedure and coordinate actions with Wilmar's senior management.

b) Suspension Committee

- i. The Suspension Committee is responsible for making management decisions in relation to grievances.
- ii. The Suspension Committee consists of senior management representatives of Wilmar, which includes: Chairman and Chief Executive Officer, Chief Operating Officer, Chief Sustainability Officer, General Manager- Group Sustainability, and Trading Heads. Wilmar's Chairman and Chief Executive Officer chairs the Suspension Committee.
- iii. Where appropriate, Wilmar may invite third-party observers in an advisory capacity in the Suspension Committee.

c) Verification Team

- i. The Verification Team is responsible for investigating grievances to confirm its validity and collect information to enable the Grievance Unit to deliberate and address grievance(s). This primarily includes to study and verify the grievance data/information provided by the external party and, where necessary, to conduct field investigations to collect additional data to confirm validity of the grievance. The Verification Team shall develop report(s) outlining the results of its verification and recommended actions, including a timebound action plan.
- ii. Members include Wilmar personnel, and/or independent sustainability partner organisations; and/or third-party service providers with environmental or social expertise as required. Where deemed necessary, especially in cases relating to exploitation of workers and local communities, the Verification Team may bring in the Grievance Raiser or a representative of the Grievance Raiser who has been given a clear mandate through a letter of assignment.

d) Management of Wilmar Own Operations

- i. For Wilmar own operations, relevant operations' unit shall take necessary actions to resolve and/or settle grievance(s); and report implementation and result(s) to the Grievance Unit.

4. PROCEDURE

4.1 Receiving Grievances Cases

4.1.1. Via the Grievance Procedure

a) Grievances can be received via any of the following channels:

Via email to grievance_procedure@wilmar.com.sg
By telephone to (603) 2119 9000
By fax to (603) 2026 2142
In writing to Wilmar Trading Pte Ltd, 28 Biopolis Road Singapore 138568
Attention: Sustainability Department (Grievance Coordinator)

b) Grievances should include provision of the following information:

- Full Name
- Name of Organisation (if any)
- Address
- Phone No./Fax No./Email Address (at least one contact point)
- Description of the grievance in detail
- Evidence to support the grievance
- Any requests for confidentiality

Contact details are requested to seek further clarification on the grievance. If the Grievance Raiser requests that their identity be kept confidential, Wilmar and its representatives will fully respect this request; and will not share the information related to the case outside of the grievance investigation team. In any cases where a grievance raiser requests confidentiality, and where the case is not already in the public domain, the grievance or parts thereof will only be made public through public reporting if the Grievance Raiser agrees in writing. Any party may appoint a third-party to submit their grievances provided that the third-party follows the procedure and has been given clear mandate. Wilmar also allows for the submission of grievances anonymously, though this prevents Wilmar from seeking further clarification on the grievance and engaging in ongoing dialogue with the Grievance Raiser.

4.1.2. Via findings from Wilmar's Supplier Group Compliance Programme (SGCP) alerts

The Grievance Unit shall also address and register grievance cases received directly from Wilmar's implementation partner(s) via Wilmar's Supplier Group Compliance Programme (SGCP) alerts. The alerts primarily focusing on cases related to deforestation and/or peatland development where information based on satellite imagery identifying land-use change will be provided.

4.1.3. Via other indirect sources

Noting that many grievances are raised following non-governmental organisation (NGO) investigations, stakeholders (peers or customers) having similar grievance procedures or mechanisms, and monitoring of public reports, the Grievance Unit may also accept receiving of grievance cases via such indirect source channels.

4.2 Protection of Human Rights Defenders, Whistleblowers, Complainants, and Community Spokespersons

Wilmar has zero tolerance for threats, intimidation, violence, or reprisals towards any Grievance Raiser or their representative(s). In relation to Wilmar's Grievance Procedure, principles shall be adhered to in the protection of Human Rights Defenders, Whistleblowers, Complainants, and Community Spokespersons,

consistent with Section 2 of the Roundtable on Sustainable Palm Oil (RSPO) Policy on Protection of Human Rights Defenders, Whistleblowers, Complainants, and Community Spokespersons ('RSPO HRD Policy')⁶, that provides a framework for ensuring the protection of those raising complaints to the RSPO Complaints Process. The principles include:

- a. Peaceful Resolution of Disputes
- b. Confidentiality
- c. Anonymity where requested
- d. Participation and Informed Consent
- e. Conflict of Interest
- f. Equality and non-discrimination
- g. Prevention
- h. Protection

4.3 Grievance review, investigation, and resolution

Wilmar is committed to remain in dialogue with Grievance Raisers throughout the process. This Grievance Procedure is intended to be used to address a wide range of stakeholder concerns which will often involve numerous parties with conflicting interests. As such, resolution of grievances shall at times involve lengthy processes of enquiry and mediation between various stakeholders and it will be necessary to apply a flexible approach to resolve complex issues. However, it is important that grievances are addressed in a timely manner in order to demonstrate the credibility of Wilmar's NDPE policy. In this context, timelines are provided for the key stages of this procedure. The complexity of each grievance varies greatly across specific cases and as such it may be necessary to adjust the timeline to accommodate the complexity of certain cases. Where adjustments to the timeline are required, it shall be communicated to the Grievance Raiser.

4.3.1 Review and register of grievance cases

- a) All potential NDPE policy breaches which come to the attention of the Grievance Unit via the Grievance Procedure will be assessed to determine eligibility to the Grievance Procedure.
- b) Within five working days of receiving the grievance case the Grievance Unit will prepare a grievance dossier and contact the Grievance Raiser. If it is assessed that the grievance is not eligible, the Grievance Unit shall submit a Response Letter to the Grievance Raiser. If the Grievance Unit assesses that the grievance is eligible, the Grievance Unit will formally extend an offer to engage in dialogue with regards to the grievance with the Grievance Raiser. At this initial engagement stage, the Grievance Unit will seek confirmation from the Grievance Raiser about who their representative(s) will be throughout the grievance review process; this may include NGO partners or third-party facilitators. The Grievance Unit shall keep all files and documents that are relevant, including any correspondences managed internally and externally.
- c) The Grievance Unit with the Verification Team will prepare a Terms of Reference (TOR) listing each stakeholder concern/ potential breach of the NDPE policy requiring investigation. Dialogue with the Grievance Raiser will be maintained during this process to maintain accountability for the fair conduct of the grievance procedure.
- d) The Grievance Unit registers eligible grievance(s) in the grievance list and classifies the grievance scope by identifying the section(s) of the NDPE policy which are relevant to the grievance. The Grievance Unit shall maintain an up-to-date grievance list detailing all grievances handled in accordance with this procedure. The grievance list will be circulated to the Suspension Committee and Wilmar senior management and updated regularly on [Wilmar's Sustainability Dashboard](#).

⁶ [RSPO Policy on the Protection of Human Rights Defenders, Whistleblowers, Complainants and Community Spokespersons](#). 2018.

4.3.2 Verifying grievances

4.3.2.1 For all eligible cases:

- a) A verification plan is developed to assess the case. If it is determined that a field action is necessary, the verification plan will define locations to be visited during field verification, specifies the timeline for verification work, personnel and areas of expertise necessary to conduct verification and methodology to be applied during the verification.
- b) Results from the review of documentary evidence, interviews, and other information gathered during the field verification process is documented. For any stakeholder consultation, this includes an anonymized table of stakeholders interviewed with relevant details (list role/position, gender, nationality, number interviewed).

4.3.2.2 For cases related to Wilmar's own operations:

- a) The Grievance Unit will immediately contact the relevant Wilmar operations' unit requesting a meeting and/or field visit to assess the validity of the issue(s) raised as grievance. If a field visit is conducted, the Verification Team shall complete a verification report providing conclusions on the validity and degree of the grievance, accompanied with recommended time-bound action plans where necessary.
- b) Within three weeks, the Grievance Unit will submit a Response Letter to the Grievance Raiser with an update on the case.

4.3.2.3 For cases relating to Wilmar's third-party suppliers:

- a) The Grievance Unit shall work with the Wilmar Procurement Team to engage directly with the suppliers.
- b) The Grievance Unit may undertake interviews and dialogues with relevant stakeholders; and where necessary collect additional data to substantiate the validity of the grievance.
- c) Where possible and if appropriate, Wilmar will encourage the supplier to engage directly with the Grievance Raiser and monitor the dialogue between the parties.
- d) Within three weeks, the Grievance Unit will submit a Response Letter to the Grievance Raiser with an update on the case.
- e) Effective from January 2019, for new grievance case(s) with verified proof of deforestation or peatland development (confirmed with remote sensing, including satellite imagery, and/or field verification), an immediate suspension recommendation at a Group-level will be issued to the Suspension Committee. Any recommendation from the Grievance Unit on immediate suspension arising from clear evidence of deforestation shall be automatically accepted by the Suspension Committee.

4.3.3. Addressing Grievances Through Time-Bound Action Plans

4.3.3.1 For verified cases related to Wilmar's own operations:

- a) If it is determined that a field action is necessary to resolve a grievance within Wilmar's own operations, the Grievance Unit is to inform the relevant Operations Manager requesting them to take the necessary steps/action in the field to resolve the grievance.
- b) Actions in the field to resolve the grievance shall commence immediately and the relevant Operations Manager is required to provide an update on the implementation status and result report (Field Action Report) to the Grievance Unit. Within one month, the relevant operations manager shall prepare a timebound action plan and commence steps/action in the field to resolve the grievance and report the result to the Verification Team and the Grievance Unit.

4.3.3.2 For verified cases relating to Wilmar's third-party suppliers:

- a) Within two months of verifying the grievance, the Grievance Unit will develop an action plan jointly agreed with the third-party supplier for resolution of the grievance. The Grievance Unit is responsible for developing action plans to address any verified grievances with the assistance of the Verification

Team and shall require the relevant supplier(s) to take necessary/appropriate steps to resolve the issues raised in the time-bound action plan. The Grievance Unit will regularly review the time-bound action plans to ensure that progress has been made against the agreed plan.

- b) If the supplier does not demonstrate a willingness to comply or resolve the non-compliance or fails to make progress against the time-bound action plan, the Grievance Unit will submit a case report to the Suspension Committee for decision on business relationship suspension with the relevant third-party supplier at a Group-level (see section 5).
- c) For deforestation or peatland development from January 1, 2019, once verified and confirmed with the supplier in question, will result in immediate suspension. The Grievance Unit will continue to work with the suspended supplier to give an opportunity to move towards compliance via a time-bound action plan.
- d) Labour and community exploitation grievance cases will focus on engagement with the supplier to ensure that there is sufficient accountability and care taken when dealing with community members and/or workers and that time-bound actions to come in compliance are set. Suspension in these cases may be recommended if the suppliers fail to meet time-bound actions for compliance and all attempts.

4.3.3.3. A regular monitoring and evaluation schedule will be developed to check the progress of all Action Plans in relation to the grievances received and will be overseen by the Grievance Unit.

- a) For Wilmar's own operations, the relevant Operations Manager(s) shall monitor the progress in progressing the action plan(s) related to grievance cases in their respective operations.
- b) For third party suppliers, the monitoring and evaluation schedule will be implemented by the Verification Team for all cases where an action plan is in place.
- c) Once a grievance case involving third party suppliers is resolved, Wilmar will encourage the third-party supplier and the grievance raiser to continue direct dialogue.

4.4 Addressing Dissatisfaction and Appeal Process

- a) Any Grievance Raiser who is unsatisfied with the written response from the Grievance Unit can send written notice of their dissatisfaction to Wilmar's General Manager for Group Sustainability (GM-Group Sustainability) providing information on the issues that they consider to be insufficiently addressed.
- b) Where necessary, the GM-Group Sustainability, with the assistance of the Verification Team and/or Grievance Unit, may conduct the following actions:
 - Invite the Grievance Raiser to obtain a direct explanation.
 - Where appropriate and relevant, provide opportunity and access to the Grievance Raiser to conduct a cross-verification in the field and submit an alternative report to the Grievance Unit.
 - Together with the Grievance Raiser discuss other options that may be undertaken to resolve remaining issues.
 - Involve external independent observers (e.g. relevant experts or important stakeholders) in the verification process.
- c) If after going through steps 4.4(a) and 4.4(b) a Grievance Raiser is still unable to accept the Grievance Unit's decision on the grievance case, they may lodge an appeal. Appeals should be submitted through the official contact details recorded in section 4.1.1 above, addressed "Appeal" and including an explanation of the reasons for lodging the appeal. The Grievance Unit will then contact the Grievance Raiser to acknowledge the filing of the appeal within five working days of submission.
- d) An appeal review will be conducted and will be submitted to the Grievance Raiser within one month of receipt.

4.5 Monitoring grievance handling process

- a) The Grievance Unit will record and monitor the progress on handling the grievance against the set timeframe and response times as stipulated within this document.
- b) Monitoring of progress in a timely fashion of action plans and/or time bound action plans is part of the monitoring and evaluation schedule as stipulated in section 4.3.3.3.

4.6 Communications

- a) Wilmar will update the Grievance Raiser during key stages of the development of the case, ie, upon receipt of the Grievance Case, verification process, development of timebound action plan, and closure of the case.
- b) Barriers to access to support after a grievance has been filed will be addressed on a case-by-case basis through the following.
 - (i) Establishing an access point for the grievance party through a third-party that is embedded within the community. This may be an NGO or a third-party that can provide financial and legal advice.
 - (ii) Providing assistance with resources for grievance raiser who do not understand the grievance process, have language barriers, are illiterate or cannot afford to travel to meetings.
 - (iii) A commitment to hold associated meetings at the village/community level in order to make them accessible for those who cannot travel.
- c) Where stakeholders require access to expert resources on both human rights and technical information in order to allow them to engage in the grievance on the basis of fair, informed and respectful terms, stakeholders have the right to engage outside expert independent of Wilmar, which can include mediation and other conciliation experts.
- d) Wilmar will provide Grievance Raisers with clear means of access to Wilmar staff throughout the grievance process for inquiries regarding the status of that Grievance Raiser's case.
- e) Where decisions have an impact on an entire community, the community shall be allowed to appoint a representative decision-making body, and Wilmar will respect the decisions of that body where they are made on behalf of the relevant community.
- f) Wilmar will report on grievance review, investigation and resolution. Unless confidentiality is requested by the Grievance Raiser, the following information will be publicly reported for each grievance: a summary, the date filed, the issue (e.g. clearing peat, document retention), Grievance Raiser (e.g. NGO, community member, worker), whether the grievance has been assessed and assessment type (e.g. internal, 3rd party), and outcome. Wilmar will report dates of resolution or if case under ongoing monitoring.
- g) Beginning Q1 2019, new cases will specify time-bound actions to be taken for the supplier to remain or re-enter in our supply chain.

5. SUSPENSION AND RE-ENGAGEMENT OF THIRD-PARTY SUPPLIERS

5.1. Suspension Procedures

5.1.1 Suspension procedures specific to deforestation and peatland development "Suspend then Engage"

- a) Under the new "Suspend then Engage" approach taking effect January 2019, new grievances with verified proof of deforestation or peatland development will result in an immediate suspension of the supplier at the Group level.

5.1.2 Suspension Procedures for Other Grievances

- a) In any step of the process for addressing non-compliance it may become apparent that the supplier is not willing to undertake the actions necessary to comply with the NDPE policy. Where progress has not been made in accordance with the time-bound action plan, the Grievance Unit will submit the grievance case to the Suspension Committee who will determine appropriate remedial actions which may include suspension of business relationships with supplier(s) in question.

5.1.3 Grievance cases investigated through external mechanisms

- a) Results of grievance cases investigated through external mechanisms (e.g. RSPO Complaints Procedure, Office of the Compliance Advisor/Ombudsman (CAO), etc.), where outcomes do not ensure compliance with Wilmar's NDPE policy, they will be subjected to an internal review, and where relevant, a separate recommendation on suspension for the supplier will be made by the Grievance Unit. This excludes grievances submitted to Wilmar where verified proof demonstrates that the supplier has engaged in deforestation or peatland development from January 1, 2019, which will result in an immediate suspension of the supplier at the Group level.
- b) As a member of the RSPO, we acknowledge and respect the RSPO's Complaint System to which Wilmar has an existing commitment. To avoid duplication of efforts, and potentially interfering in the RSPO process, we have a presumption against conducting a parallel investigation should any particular grievance already be under investigation by the RSPO Complaint System in accordance with the RSPO procedures. However, Wilmar may take the decision to proceed with concurrent investigations where the RSPO has an ongoing related grievance case and investigation, this potentially includes RSPO complaints cases where the complaint has not been resolved to the satisfaction of the grievance raiser.
- c) This excludes grievances submitted to Wilmar where verified proof demonstrates that the supplier has engaged in deforestation or peatland development from January 1, 2019, which will result in an immediate suspension of the supplier at the Group level.³

5.2. Resuming sourcing from suspended third-party suppliers

- a) Wilmar may consider resuming sourcing from suppliers suspended for deforestation and/or peatland development. The re-entry criteria shall specify minimum terms and conditions the suspended supplier must meet for Wilmar to consider resuming sourcing.
- b) Other suspended third-party suppliers may be re-engaged on a case by case basis. We will only resume business with that supplier (at Group-level) if they are able to show tangible progress in implementing an acceptable action plan to demonstrate compliance to Wilmar's NDPE policy. Where suppliers who have been suspended are able to show tangible progress and commitment in implementing an acceptable action plan to remediate breaches to our NDPE policy, the Grievance Unit will refer the case back to the Suspension Committee to deliberate the resumption of business relationship with the suppliers.
- c) If the Grievance Unit assesses that all conditions for re-engagement have been met, a case report with a recommendation to reinstate business relations with the relevant third-party supplier shall be provided to the Suspension Committee.
- d) The reinstatement of business relations will be communicated in writing to the third-party supplier once approval is received from the Suspension Committee.
- e) For suspended suppliers allowed to re-enter the supply chain, if it is verified that there are significant failures in the implementation of the action plan, the Grievance Unit will advise the Suspension Committee to immediately re-impose the suspension.