

22 May 2017

Vincent Kiezebrink
Researcher
Centre for Research on Multinational Corporations (SOMO)
Sarphatistraat 30
1018 GL, Amsterdam
The Netherlands

RE: Response to Request for Review of Report

Dear Vincent

Thank you for the opportunity to review and clarify the issues raised in your report regarding our subsidiary PT Murini Sam Sam (MSS). We acknowledge the labour practices in palm oil industry have much room for improvement. This explains why responsible labour practices formed one of the core tenets of our [No Deforestation, No Peat and No Exploitation \(NDPE\) Policy](#) when we launched it in December 2013.

Concerning the labour practices in PT MSS, we immediately looked into the issues upon receipt of your report. An internal investigation was carried out by the Wilmar Sustainability team on 15 – 17 May 2017. Our comments and clarification are appended with this letter.

Alongside our findings on the issues you raised, we would like to highlight two points of concern relating to the interviews conducted with our workers on the first week of January 2017. We learnt that our workers were paid IDR 100,000 by the interviewers to complete a questionnaire about their working conditions in PT MSS. Having seen a copy of the questionnaire, we are concerned that it contained suggestive or leading questions. In particular, we are concerned the manner in which the questionnaire and interview are conducted could potentially affect the results of the investigation in PT MSS. Wilmar welcomes civil society organisations to visit our operations and speak to our management and employees, especially if this can promote better understanding of and help improve labour practices of the palm oil industry at large. However, we are concerned that in paying workers to do the said questionnaire and interview, this could consequently skew the efficacy and results of this interview exercise. **We would appreciate your clarification on the above matter.**

Since Q3 of 2016, we have started working progressively on improving labour conditions in our operations. In particular,

- we are partnering with Verité to develop robust and sustainable solutions to address recurring and systemic labour issues towards improving labour practices in the Indonesian palm oil industry. We announced this collaboration in April 2017. More information can be found [here](#).
- we developed an action plan on two operations in North Sumatra that is focused on addressing the issues identified from its internal and independent assessments by the Business for Social Responsibility (BSR), Roundtable on Sustainable Palm Oil (RSPO) and International Sustainability & Carbon Certification (ISCC). The collaboration with Verité will build on these findings but will extend to all our operations in Indonesia. More information can be found [here](#).
- we collaborated with Business for Social Responsibility (BSR), a global non-profit organisation dedicated to sustainability, and Golden Agri-Resources (GAR) to identify current labour practices in the palm oil sector in Indonesia, with the aim to formulate practical approaches to improving labour practices in the palm oil sector of Indonesia. More information can be found [here](#).

Recognizing that many sustainability issues, including some of the systemic labour and human rights challenges, take time and effort to resolve. We will continue to share and publish regular updates, and work with suppliers, customers and civil society to improve practices.

Wilmar believes collective action is the way forward to effecting real progress and change on the ground, and therefore we would welcome any opportunity to discuss with you via teleconference the content of the SOMO report and related efforts.

We look forward to having deeper engagement with you on advancing the cause of labour standards improvement in the industry.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Perpetua George'.

(Ms) Perpetua George
General Manager – Group Sustainability

Wilmar's comments to SOMO's draft report (especially the points in blue)

Draft report content	Comments from Wilmar
<p>1.1. Murini Sam Sam</p> <p>PT. Murini Sam Sam (MSS) is an Indonesian palm oil company which runs a palm plantation and mill in the regency of Bengkalis, on the Indonesian island of Sumatra. The plantation's size is 967 hectares and in 2014 managed to produce 22 thousand tonnes of fresh fruit bunches. The palm oil mill nearby produced about 52 thousand tonnes of crude palm oil in 2014. It is supplied with palm fruit from the MSS plantation, as well as from nearby palm farms.</p> <p>The company is owned by Indonesian palm oil giant Wilmar International, which is reportedly the world's largest producer of palm oil, said to control over 43 per cent of the world's trade in palm oil.¹ <i>Although Wilmar International is a member of the RSPO and has part of its production certified by the organisation, MSS's own palm oil production does not appear to have been certified yet. The company is said to be in the process of being certified at the time of writing.</i></p>	<p><u>RSPO certified status and production data</u> The information stated here on the RSPO certified status of PT Murini Sam Sam (PT MSS) is incorrect. PT MSS received RSPO certification in June 2016 (see public summary report by certification body). The first annual surveillance audit has been conducted in April 2017.</p> <p>In addition, PT MSS had also concluded the final audit of the Indonesian Sustainable Palm Oil (ISPO) certification, and is awaiting decision from the ISPO Commission.</p> <p>The data presented on the mill processing is also not accurate. Based on the RSPO certification report, you will also find publicly declared information on production, where as of 2015 – total production from certified area is 25,983 MT of FFB, and projected output in 2016 from the mill of 72,451 MT of CPO.</p>
<p>1.1.1. Temporary workers and contract issues</p> <p>At Murini Sam Sam (MSS), three types of employees were interviewed: palm mill workers, who have permanent contracts and are paid per month, <i>palm fruit harvesters, who often have one or two-year contracts and are paid based on whether they meet their targets, and plantation maintenance workers who are mostly employed on a seasonal basis and are paid strictly for the days they work.</i> Plantation maintenance workers do pesticide spraying, spread fertilizers, do weeding on the plantation</p>	<p><u>Harvesters</u> The allegations on harvesters contracts and their work structure is not true. Contrary to the allegation that harvesters in PT MSS are on “one or two-year contracts”. Harvesters have been hired as permanent workers in PT MSS for several years now. Harvesters in PT MSS also do not have specific targets linked to wages.</p> <p>Per the company's Standard Operating Procedure (SOP), all harvesters will be given a copy of the employment contract which would have been duly signed by the workers. The contract will state the employment status, wages, allowances, Job requirements, sanction and health care benefits.</p> <p>We acknowledge that there is a need to intensify the</p>

¹ Amnesty International, The Great Palm Oil Scandal, page 11, November 2016, https://www.amnestyusa.org/sites/default/files/the_great_palm_oil_scandal_embargoed_until_30_nov.pdf, 18 April 2017.

<p>and work in the palm tree seedling nursery.</p> <p>Especially the harvesters and plant maintenance workers were found to work in a situation of insecure employment. Harvesters sign one or two-year contracts when they start their work, but do not receive a copy of their contract. Every time such a contract runs out, they are required to reapply for their job, allowing MSS the freedom to easily lay off any workers they wish. Plantation maintenance workers structurally worked without a contract until 2016. In light of their application for RSPO certification, MSS started providing their plantation maintenance workers with two-month contracts, every two months. However, recently these two-month contracts expired once again and were not replaced, meaning these workers are once again working without a contract. Some plantation maintenance workers have worked at MSS for 20 years, mostly without a contract. It should be noted that these practices are strictly against Indonesian law. Employers are required to provide their workers with a contract, and temporary contracts are only allowed to be used for work that is not permanent in nature for a maximum period of three years.²</p>	<p>socialisation of the worker's benefits and their employments status to raise awareness amongst workers on their contract conditions, and we are working with the workers representatives (bipartite) to ensure that this is in place.</p> <p><u>Maintenance workers</u> As of 31 October 2016, all maintenance workers in PT MSS have been made permanent workers. This is part of Wilmar efforts to improve labour conditions as a result of company-wide labour review from Q4 in 2016.</p> <p>Note that PT MSS <u>does not</u> have seedling nurseries, any suggestion that Wilmar maintenance workers in PT MSS is involved in nursery work is not true.</p>
<p>1.1.2. Wages and workload</p> <p>All interviewed workers at MSS work six days a week from Monday through Saturday, have days off on national and religious holidays, and have 12 days of paid leave per year, including sick leave.</p> <p>Workers in the palm mill regularly work nine hours a day, or 54 hours a week, composed of seven regular working</p>	<p><u>Wages</u></p> <p>The allegation that a quarter of the wages is paid out in the form of rice is not true. Basic wages are paid out in full (in IDR) based on at least the minimum wage. Rice is given as an additional incentive to workers. We reiterate that harvesters in PT MSS do not have daily targets set as part of their remuneration calculation.</p> <p>The allegation that workers are paid below minimum wage is also not true. Moreover, the draft report does not report the correct minimum wage, considering that there is a difference between mill and estate workers.</p>

² State Gazette of the Republic of Indonesia, Act Of The Republic Of Indonesia Number 13 Year 2003 Concerning Manpower, article 59, 2003, <https://www.ilo.org/dyn/travail/docs/760/Indonesian%20Labour%20Law%20-%20Act%2013%20of%202003.pdf>, 18 April 2017.

hours and two hours of paid overtime, with a one-hour break. This appears to be in violation of legal limits, as Indonesian law specifies that employees can work up to 40 hours per week, while the palm oil mill workers work 42 per week. Overtime is in compliance with the law, which allows for 14 hours a week of overtime.³ Furthermore, this practice appears to be in violation of the International Labour Organization's Forty-Hour Week Convention of 1935, but as Indonesia is not a signatory to that convention, it is not required to uphold it.⁴

Furthermore, workers in the mill are required to work overtime, and can only skip it if they manage to obtain permission from their supervisors. This may amount to forced labour as specified under the International Labour Organization's Forced Labour Convention, to which Indonesia is a signatory.⁵ In light of their working hours, interviewees reported they did not have enough time to spend with their family, but that they needed the extra overtime payment in order to make ends meet. The wages workers in the mill receive monthly were said to be equal to the legal minimum wage for the regency of Bengkalis, which amounts to 2.48 million Indonesian Rupiah (IDR) (€176)⁶ a month. About three-quarters of this sum was said to be paid out to the workers, while they were said to receive the remaining quarter in the form of staple foods, such as rice. For reference, the Asia Floor Wage Alliance calculate that a 2015 living wage in Indonesia was at least IDR 4.68 million (€332)^{7,8} Interviewees reported that

All monthly wages are paid to meet at least the minimum wage for Bengkalis, Riau, which is:

For mill workers – based on Upah Minima Kota 2016:

- 2016 = IDR 2.480.875/ month of 25-work days
- 2017 = IDR 2.685.547 / month of 25-work days

For plantation workers – based on UMSP

- 2016 = IDR 2.325.000 / month of 25-work days
- An update to the 2016 UMSP (i.e. for 2017) has not yet been announced

Records checked from an internal investigation carried out on 15 – 17 May only found one instance of a harvester earning below the monthly minimum, and this is due to the harvester being absent without leave (i.e. “mangkir”) for several days in a month. Calculated on a daily basis, the harvester still receives the minimum wage, and the harvester also received the 2016 annual bonus in March 2017.

In regards to the statement “a worker with 20 years’ experience earns the same as one who just started”, we kindly seek more information on the context in which this conclusion is made before we comment. For example, were the 2 workers on the same work level/rank, what each of their job-scopes are, and what performance related considerations are of the 2 workers. Wilmar has an Annual Wage review system which is linked to performance in addition to years in service. Workers in service of at least 1 full year in Wilmar receive “*Tunjangan Masa Kerja (TMK)*” or “Time in Service Allowance” per month on top of their basic salary. The latest management instruction, dated February 2016 shows the following TMK rates.

2. Tunjangan Masa Kerja

Masa Kerja	Tunjangan Masa Kerja	Masa Kerja	Tunjangan Masa Kerja
< 1	0	11 – 13	60.000
1 – 3	10.000	13 – 15	70.000
3 – 5	20.000	15 – 17	80.000
5 – 7	30.000	17 – 19	90.000
7 – 9	40.000	> 19	100.000
9 – 11	50.000		

Figure 1: From Wilmar document “Internal Memorandum 05/HRGA-IM/11/2016”

³ Amnesty International, The Great Palm Oil Scandal, page 11, November 2016, https://www.amnestyusa.org/sites/default/files/the_great_palm_oil_scandal_embargoed_until_30_nov.pdf, 18 April 2017.
⁴ International Labour Organization website, Forty-Hour Week Convention, 1935, http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C047, 18 April 2017.
⁵ International Labour Organization website, Ratifications of Co29 – Forced Labour Convention, no date, http://www.ilo.org/dyn/normlex/en/f?p=1000:11300:0::NO:11300:P11300_INSTRUMENT_ID:312174, 18 April 2017.
⁶ Based on the currency exchange rate of IDR:EUR on 13 April 2017.
⁷ Based on the currency exchange rate of IDR:EUR on 13 April 2017.
⁸ Asia Floor Wage, Asia Floor Wage in local currency, 2015, <http://asia.floorwage.org/asia-floor-wage-in-local-currency>, 18 April 2017.

overtime payment makes up an important part of their income, as it can fluctuate between IDR 1.8 and 7.5 (€128 to €533)⁹ million a month, depending on the amount of overtime they are required to work.

In general, workers on the plantation do not receive wage increases over time – a worker with 20 years' experience earns the same as one who just started. They work seven hours a day for six days a week (Monday through Saturday), and forced overtime was said to occur only on rare occasions. As stated before, harvesters are paid on a target basis, having to collect at least 50 fresh fruit bunches (FFB) per day. Workers reported earnings between one and five million Rupiah (€70 to €354)¹⁰ per month, depending on their harvest, with the average interviewee earnings being around two million Rupiah. Any wages below the minimum legal wage paid out to workers that work fulltime constitutes a violation of Indonesian law, even if such low payment is due to workers missing their targets.¹¹ Therefore, it seems illegal for Murini Sam Sam to pay workers an amount below the regency minimum wage of IDR 2.48 million (€176)¹², even when workers do not meet their targets.

Slightly more stable wage levels were reported by plantation maintenance workers, who stated to make between two and three million Rupiah (€142 to €213)¹³ per month. However, a monthly wage of two million Rupiah is still below the legal minimum wage of IDR 2.48 million (€176)¹⁴. Interviewees stated that an individual can live off these wages, but that workers with a family

Workers are at minimum paid for every additional year in service, and for higher performing workers, additional weighting is also provided.

Living wage

The living wage discussion for the oil palm sector must also take into consideration that workers remuneration should be considered as part of an overall package that usually includes free housing, water, electricity and healthcare/medical benefits. For all Wilmar plantation sin Indonesia, including in PT MSS, our workers receive the following on top of a monthly wage that includes:

- Free housing (average 51 sq meters), including potable water, sanitation, and garbage disposal.
- Electricity subsidy of IDR 35,000.00 / month
- An annual bonus paid out to workers once a year, usually in March for the year previous and is generally the equivalent of a month's salary
- A "Hari Raya bonus" equivalent to one month's salary, paid out in the month before the Muslim celebration of Eid
- Free medical checks (with General Practitioner) and medication in estate clinic, including for immediate family members, and medical insurance
- Free day-care for children below kindergarten going age, and transport to school for school age children

Wilmar supports our workers with families as far as possible, by ensuring free day-care, transport to school, and accommodating larger families in larger houses. In areas where we have established Wilmar junior and senior high schools, our workers' children also have free access to these schools (noting that primary education is free in Indonesia).

Overtime

It is not true that mill workers are forced to take overtime. All overtime taken at PT MSS, whether this is at the mill or the estate is consented to by the worker. The company would not enforce the workers to work overtime if the workers refuse. The workers are also paid for overtime work as per the legal requirement.

Mill overtime has been identified as an area for

⁹ Based on the currency exchange rate of IDR:EUR on 13 April 2017.

¹⁰ Based on the currency exchange rate of IDR:EUR on 13 April 2017.

¹¹ Amnesty International, The Great Palm Oil Scandal, page 11, November 2016, https://www.amnestyusa.org/sites/default/files/the_great_palm_oil_scandal_embargoed_until_30_nov.pdf, 18 April 2017.

¹² Based on the currency exchange rate of IDR:EUR on 13 April 2017.

¹³ Based on the currency exchange rate of IDR:EUR on 13 April 2017.

¹⁴ Based on the currency exchange rate of IDR:EUR on 13 April 2017.

<p>would need closer to six or seven million (€425 to €497)¹⁵ Rupiah per month to make ends meet.</p>	<p>improvement within the RSPO certification process for PT MSS. Wilmar is currently conducting an Indonesia-wide review on mill working hours to investigate which job functions are most affected by overtime requirements. The review (which has already started in Kalimantan, and is now being conducted in Sumatra) will include addressing the root causes of high overtime requirements, such as manpower needs and shift restructuring.</p>
<p>1.1.3. Child labour</p> <p>In order to reach their daily target quickly, many harvesters bring their wives to work to assist them. Having reached their target early, workers are able to do chores around the plantation, work which is called <i>kontanan</i>, for which they receive additional payment. Some workers even bring their children to help with the harvesting, which constitutes child labour and arguably even one of the worst forms of child labour, as palm oil harvesting is heavy work in an environment that can be unsafe for children.¹⁶ Indonesia is a signatory of the International Labour Organization's Worst Forms of Child Labour Convention, which outlaws such practices.¹⁷ Interviewees stated that harvesters who brought their children to work were often given a warning by the company, but that these warnings were never followed up with any sanctions, and thus easily shrugged off.</p>	<p><u>Child labour Allegation</u></p> <p>Wilmar has a strict No Child Labour policy. No one under the age of 18 will be employed. Workers are also not allowed to bring their children and family members to work with them. In the plantation environment – with thousands of hectares of open access, it can be difficult to ensure total control of invisible worker's presence in the workplace. 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>We have found that the bigger issue is when spouses (whom are non Wilmar workers) are brought in to assist harvesters. PT MSS is now undergoing a review of this and to identify the number of peopler actually involved. PT MSS intends to look into the possibility of including these spouses within the Wilmar workforce. An action plan has been put in place based on the outcome of an internal investigation on 15 – 17 May 2017.</p> <p><u>Kontanan</u></p> <p>“Kontanan” work is now abolished as of January 2017. Workers in PT MSS were previously allowed to do additional work at their own request to management (“kontanan” work). This was paid through a system of cash payments immediately to the workers.</p> <p>A new work instruction (applicable throughout Wilmar Indonesia, not just PT MSS) has been issued since January 2017, where workers will be informed about the availability of work (during peak season), and 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><u>Sanctioning workers</u></p> <p>With regard to the draft report suggesting sanctions</p>

¹⁵ Based on the currency exchange rate of IDR:EUR on 13 April 2017.

¹⁶ International Labour Organization website, Worst Forms of Child Labour Convention, 1999, http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:::NO:12100:P12100_ILO_CODE:C182:NO, 18 April 2017.

¹⁷ International Labour Organization website, Worst Forms of Child Labour Convention, 1999, http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:11300:0:::NO:11300:P11300_INSTRUMENT_ID:312327:NO, 18 April 2017.

	<p>against workers for non-compliance, Wilmar believes that workers need to understand better why children should not be in the plantation rather than be penalized. We believe the best way to do this is through better capacity building, and we are currently working on developing a child-friendly handbook on the health and safety risks present in the estate. Meanwhile we are actively encouraging workers to ensure that children attend school, and working out a formal solution to the issue of non-Wilmar worker spouses working with Wilmar harvesters.</p>
<p>1.1.4. Health and safety</p> <p>Overall, few health and safety issues were reported by interviewees. However, it was stated by pesticide sprayers on the plantation that they take off their protective apron about halfway into their shift, at ten in the morning, as it becomes hot to work in. This potentially exposes them to the pesticides they spray.</p>	<p><u>Health and safety</u></p> <p>There is a high understanding of safe work and safety equipment use by all workers in PT MSS. During our internal field visit in the week of 15 – 17 May 2017, based on our observation and interview with workers, we understand the workers have clear understanding on the hazards in chemical handling and they would not remove their apron when they are spraying.</p> <p>The situation noted in the draft report, <i>“they take off their protective apron about halfway into their shift, at ten in the morning”</i> is likely to have happened during the worker’s mid-morning food break, which generally happens mid-way their shift.</p>
<p>1.1.5. Gender equality</p> <p>There is a clear gender-based division of labour at MSS. Women work as harvesters, picking up fallen fruit or work as plantation maintenance workers, doing pesticide spraying, spreading fertilizers, or weeding. Men work as harvesters, cutting down fresh fruit bunches, or do plantation maintenance in the form of pruning. Workers in the mill are also predominantly male.</p> <p>The fact that (mostly female) plantation maintenance workers are usually employed on a seasonal basis, while (mostly male) harvesters and mill workers are employed more permanently, causes women at MSS to work under worse conditions due to their sex. This is possibly a violation of the International Labour Organization’s Discrimination Convention, to which</p>	<p><u>Gender equality</u></p> <p>There is no gender discrimination in PT MSS. The company has an Equal Job Opportunity Policy to which it adheres. All plantation workers, including maintenance workers, are permanent workers. All female workers are given 3-months paid maternity leave, and this is stipulated in the Bipartite agreement between PT MSS and the workers’ representatives.</p> <p>Plantation work tends to be physically demanding, and therefore understandably requires a higher number of male workers. This should be taken into consideration before suggesting that there is discrimination against female workers.</p>

<p>Indonesia is a party, as the convention diminishes equality of opportunity on the basis of sex.¹⁸</p> <p>Women who are permanently employed are entitled to three months of paid maternity leave. However, women who work as day labourers, and may have done so for years, do not get paid when they stop working due to pregnancy. This appears to be in violation of Indonesian law, which specifies that female workers are all entitled to three months of paid maternity leave.¹⁹</p>	
<p style="text-align: center;">1.1.6. Freedom of association</p> <p>There are currently three unions at MSS: the government-controlled SPSI, Hukatan-SBSI, and a local independent union from Riau.²⁰ In interviews with MSS workers, there appeared to be a substantial difference in perception of freedom of association issues between the mill workers and workers on the plantation. Interviewees that work on the plantation stated they have little information about unions at MSS, and that they were not union members.</p> <p>Workers in the mill stated that there had been little union activity since MSS management had fired many of Hukatan's union organisers several years ago, in an apparent attempt to undermine the union. Before this event, Hukatan had 115 members at MSS. After the organisers had been laid off, many of Hukatan's members became inactive, or even left the union. Mill workers stated that they are now reluctant to be active within any union, for fear of being laid off. They also reported feeling abandoned by the</p>	<p><u>Freedom of association</u></p> <p>PT MSS's management termination of the Hukatan-SBSI chapter leader's employment at the time was based on poor performance and non-attendance despite several official warnings given. He was not because of union activity.</p> <p>More recently, PT MSS management did encourage workers and the worker representation leadership to explore union formation. However the current workers' representation has conveyed directly that things are currently working well in PT MSS, and as such they have not requested any additional union set up. PT MSS Human Resource Dept is prepared to provide more information on other union options at any point, should workers request this.</p> <p><u>Situation arising during SOMO/KSBSI field work in January 2017</u></p> <p>PT MSS management was made aware of the visit of Konfederasi Serikat Buruh Sejahtera Indonesia (KSBSI) and a person by the name of Vincent from SOMO to PT Murini Sam Sam (MSS) in January 2017, after receiving a question from some of the interviewed workers on whether the meeting was anything to do with Wilmar head quarters. To be clear, Wilmar has a Whistleblowing Policy which protects any of our workers from retaliation. This extends to those workers that were interviewed by KSBSI and SOMO.</p>

¹⁸ International Labour Organizations website, Ratifications for Indonesia, no date, http://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:102938, 18 April 2017.

¹⁹ State Gazette of the Republic of Indonesia, Act Of The Republic Of Indonesia Number 13 Year 2003 Concerning Manpower, article 82, 2003, <https://www.ilo.org/dyn/travail/docs/760/Indonesian%20Labour%20Law%20-%20Act%2013%20of%202003.pdf>, 18 April 2017.

²⁰ This local independent union was founded by former Hukatan union officials who were reportedly not re-elected for their position and chose to start their own union. It is unclear whether this union is still active at the time of writing.

union, and expressed hope that the union would change its approach and become more present. Furthermore, interviewees stated that due to the lack of an active union in the past years, workers were now unaware of what a union could do for them, and stated they have little information regarding their own labour rights, which causes workers to simply accept whatever rules the company dictates. Some interviewees said they would like to be informed about these topics.

Plantations workers overall stated they had not joined a union because they did not see the point in it. Apparently, MSS management had asked them to join a union as part of the company's ascendance into RSPO, but the workers reportedly declined. Due to this experience, interviewees at the MSS plantation stated that they felt free to join a union without any company harassment.

During the fieldwork, interviews were held at around 9pm outside the MSS plantation with a group of women who work as plantation maintenance workers, and a group of men who work as harvesters on the MSS plantation. While these interviews were taking place, a man who was later identified as a supervisor on the MSS plantation walked towards us signalling interviewees not to say anything. Soon after, the head of security for MSS arrived at the location and sat down next to one of Inkrispena's researchers in an attempt to overhear what was being discussed in the interview. The fact that MSS's security showed up at the interview location outside of the plantation in the evening gives an indication of the level of control the company exerts in the area.

While Wilmar (and by extension PT MSS) has no issue with external organizations speaking with our workers and do not expect that organizations would need to seek Wilmar approval, we do however expect courtesy information from those wishing to do so, so that we may be able to alert our security and related management, of what is taking place and to confirm that there is no cause for concern.

In respects to the interview described in the draft report which took place in the first week of January 2017, we have understood from speaking to our workers that they were called out to meet another Wilmar co-worker at their house inside the Wilmar compound. On the pretext of this, the workers were then asked out to the food stalls just outside the Wilmar compound because one of the people they encountered in the co-workers house wanted to eat. We then found out that our workers were paid IDR 100,000.00 per person for answering a questionnaire by the people they encountered. The fact the workers were given IDR 100,000 in taking interview and the way in which our workers were asked to come for the meeting, has raised serious concern to our management on the objective of the visit.

Follow up meeting between Wilmar with Hukatan and KSBSI

We strongly propose the inclusion in the draft report of the fact that following the interview incident in the first week of January 2017, Wilmar (PT MSS) had immediately arranged a meeting with KSBSI to gain more understanding of the field visit and to address any concern that may have arisen from it.

On 13 January 2017, at KSBSI's office in Jakarta, the Wilmar team consisting of our colleagues from the Sustainability department and Human Resource Department had met with both the Chairman and Secretary General of DPP F Hukatan, as well as the Vice President of KSBSI. The outcome of the meeting was very positive.

From the meeting, we understand that KSBSI which has strong presence in Central Kalimantan, Riau and North Sumatra, would like to extend their network to the workers in Gresik, and therefore they are keen to collaborate with Wilmar's refinery in Gresik. The visit to PT MSS in 2017 was said to be a continuation of KSBSI's annual visit to Wilmar's facility, where they have been to our West Sumatra operation in 2015, and central Kalimantan operation in 2016. In the meeting, KSBSI has sought our clarifications on the worker's wages and raised their

	<p>concern on the worker's practices in using Personal Protective Equipment (PPE). To improve PT MSS's practices in using PPE, KSBSI had stated their keenness to partner with Wilmar in conducting various training for our operations related to Operational Health and Safety, especially in the use of PPE. As KSBSI had also conducted similar surveys in other companies in the same period, KSBSI has agreed to share with us the outcome their survey to the companies operating in the region. We are following up with KSBSI on the outcome of the survey, which we have yet to receive.</p>
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