



26 March 2018

Dear Seema

Thanks for your further letter relating to palm oil supply chains in Indonesia and specifically to Wilmar.

Since we last met, we have welcomed and supported the efforts by producing companies - including Wilmar - to work together as an industry and partner with external expert organisations to better identify, address and remediate human and labour rights issues in the palm oil plantations and mills - including those highlighted in your report the Great Palm Oil Scandal. Equally, we welcome and support current efforts to build capacity on the ground, address root causes and create sustainable solutions. We believe this process of engagement, both bi-laterally and at an industry-level, including with worker representatives and local communities, will be an effective catalyst of change whilst recognising that more needs to be done.

Importantly, Amnesty International has established a constructive dialogue with Wilmar and you are aware of the information they have made public relating to their assessment findings, changes in practices and specific initiatives that they have been working on with organisations including BSR, Verité, Oxfam, Serbundo and Kapal Perempuan.

Our palm oil suppliers, including Wilmar, continue to be bound by the requirements of our Responsible Sourcing Policy covering refineries and are required by us to comply with our Sustainable Palm Oil Sourcing Policy. We require them (as for our other palm oil suppliers) to comply with our Sustainable Palm Oil Sourcing Policy in order to continue to do business with Unilever. Where non-conformances with our policies are found, we work with our suppliers to ensure that remedial actions have been taken following-up on engagement and the implementation of an action plan. We are committed to driving the development of sustainable palm oil including through the payment of premiums for certified palm oil.

We continued to have both face to face debriefings and calls with Wilmar for their progress to address and remediate the specific issues raised in your previous report and their overarching action plan to address matters at the Wilmar group level. This process started with the recognition of these issues and Wilmar's implementation of relevant policies at the group level. It was also important that these issues were acknowledged by other suppliers which is why we were one of the sponsors of the grower workshop organised by Wilmar and facilitated by BSR in November last year. Government, NGO/Union, Supplier and Brand expectations were discussed with a focus on wages, contract status and grievance mechanisms. Two workshops with Wilmar have now taken place in Sumatera with a further workshop planned this year in Kalimantan. As the organisers of the event, Wilmar is best placed to provide the information you request regarding the specific suppliers who attended and which plantations were covered. As a part of our 2018 work plan we will continue to work on awareness raising and also on specific labour audits of various of our suppliers' groups to review the effectiveness of their implementation of our policies in relation to human rights.

We are driving an industry approach, including through the work of the Consumer Goods Forum addressing endemic issues in the palm oil industry in both the Palm Oil Working Group and the Social Sustainability Committee focussing on the Priority Industry Principles to eradicate forced labour.



From a Unilever perspective, we believe that transparency is vital and consequently, as referenced in your letter, took a leading position by publishing the list of our direct suppliers and mills in our extended palm oil supply chain. Given the complexity of our supply chain we have focussed on traceability to the mill and plantation level as this is where the majority of the human rights and labour rights issues arise.

Together with this disclosure, we launched our new [Palm Oil Grievance Procedure](#) to strengthen our existing mechanisms in January 2017. We have linked your report to the page relating to this Grievance Procedure on our global website. This grievance process is referred to in the “Compliance and Grievances” section of our [Sustainable Palm Oil Sourcing Policy](#). Importantly, any grievance is examined on its own merit, and we always engage with our suppliers where we receive a grievance. The causes of grievances can be complex and embedded within multiple-level supply chains. As such, we seek firstly to improve business practices rather than simply discontinue business with suppliers, in particular since sudden discontinuation can have unintended adverse consequences on both workers and on smaller, vulnerable suppliers near the bottom rungs of our palm oil supply chains. Our guiding principle is compliance with the Five Principles within our palm oil policy. We have on several occasions discontinued business with supplier groups who are not meeting this benchmark and are either unable or unwilling to remediate issues and will continue to do so where appropriate in the future. We are currently reviewing how to best give greater transparency on the grievances in our supply chain including providing regular updates in the public domain, always with the best interests of those affected in mind and ensuring confidentiality where requested.

At Unilever, we believe that more needs to be done to ensure effective due diligence, enabling the on-going monitoring of the effective implementation of Standards and an improvement of working conditions on plantations. We will continue to push for still greater engagement with workers and their representatives, effective grievance mechanisms, on-going capacity building of local managers and the continued strengthening of certification and its implementation. More effective and complimentary mechanisms to validate progress efforts (and claims of resolution of issues) by our suppliers are needed. While some businesses and practitioners prefer individual initiatives, we are seeking to better understand a more effective industry and worker based verification solution at both the plantation and mill level.

As ever, we are keen to continue our constructive engagement with you on these issues. Please do let me know if a face to face meeting to discuss this further would be helpful.

Best Wishes

Marcela Manubens

Global Vice President Integrated Social Sustainability

Unilever