

Response to Rainforest Action Network Report

Wilmar International Limited (Wilmar) is responding to the following articles that were published on 9 December 2020 by the Rainforest Action Network (RAN):

- Ten Major Indonesian Agribusiness Corporations Failing on Indigenous Rights¹
- The Need for Free, Prior and Informed Consent: An Evaluation of the Policies and Standard Operating Procedures of Ten Major Corporate Groups involved in Forest-Risk Commodity Supply Chains in Southeast Asia²
- Evaluation of the published policies and Standard Operating Procedures (SOPs) related to the fulfilment of the rights of Free Prior and Informed Consent (FPIC) of Wilmar International as set out in the High Carbon Stock Approach (HCSA) Social Requirements³

Wilmar appreciates the evaluation by RAN that acknowledges our steadfast sustainability policies at group level, with clear commitments to respect human rights in all our operations and in fulfilling FPIC rights of communities. We also appreciate RAN's effort to recognize our ongoing commitment to comply with the HCSA methodology, which includes the HCSA Social Requirements.

However, it is also crucial for us to highlight factual inaccuracies in the report, primarily related to Wilmar subsidiaries and/or alleged affiliated companies. Specifically, the "Gama Group" (now known as KPN Plantation) is not an affiliated company or subsidiary of Wilmar, nor is it part of the Wilmar "corporate group". Using RAN's own definition of "corporate group" within the study, which adopts that of the Accountability Framework Initiative⁴ (AFI), the Gama Group does not meet the criteria to be classified as belonging to the same "corporate group" as Wilmar. Wilmar has issued several public statements since 2018, with details and supporting documents included, related to this matter.

- Letter from Mr Kuok Khoo Hong, Chairman and CEO of Wilmar International, dated 20th June 2018, responding to Greenpeace International⁵
- Response to article published on 7th March 2019 in The Economist⁶

¹ <https://www.ran.org/press-releases/ten-major-indonesian-agribusiness-corporations-failing-on-indigenous-rights/>

² <https://www.ran.org/publications/FPICEvaluation/>

³ https://www.ran.org/wp-content/uploads/2020/12/WilmarInternational_Final.pdf

⁴ <https://accountability-framework.org/the-framework/contents/definitions/>

⁵ <https://www.wilmar-international.com/sustainability/wp-content/uploads/2018/07/WIL-letter-dtd-20-June-2018-to-Greenpeace.pdf>

⁶ https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/wilmar-s-response-to-the-economist-article-on-7-march-2019.pdf?sfvrsn=2027eb1_2

Similarly, “Adani Wilmar”, which was referenced in the RAN report, is not part of the Wilmar “corporate group” in accordance with the AFI definition of “Corporate Group”, despite it being a joint venture. It is therefore incorrect for Adani Wilmar to be included in the assessment of Wilmar by RAN since it is not part of the Wilmar “corporate group”. It is important to clarify however that as a joint venture company, Adani Wilmar is still subject to Wilmar’s sustainability policies and commitments, including Wilmar’s No Deforestation, No Peat, No Exploitation⁷ (NDPE) policy and the Human Rights Framework⁸.

We also would like to draw attention to Wilmar’s No Exploitation Protocol⁹, which was published in September 2020 and explicitly emphasizes compliance with FPIC principles and practices. The protocol also outlines clear actions to be taken for related non-compliance found within Wilmar’s supply chain.

While we understand that the methodology for the report by RAN only considered the relevant policies and documentation up to 12th August 2020, Wilmar engaged various stakeholders, including RAN, since 2019 during the development of the protocol. Since the publication date of the report was on 10th December 2020 and taking into account the close engagement with RAN in the development process for the protocol, it is disappointing that RAN chose not to acknowledge Wilmar’s No Exploitation Protocol in their final report.

In the interest of giving readers a balanced and accurate report, we trust that RAN will give due consideration to reassess Wilmar for their report, given the factual inaccuracies and salient points mentioned.

For further information or clarification, please contact Wilmar Sustainability via csr@wilmar.com.sg

⁷ https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/policies/wilmar-ndpe-policy---2019.pdf?sfvrsn=7870af13_2

⁸ <https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/policies/human-rights-framework.pdf>

⁹ https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/policies/wilmar-no-exploitation-protocol.pdf?sfvrsn=e2b8c921_2