

**Grievance List Update August 2018**

**Preamble:**

As stated in IOI Group’s Sustainable Palm Oil Policy, transparency is one of the important elements embedded within our sustainability commitment. Hence, IOI has established Grievance Lists that it publishes and updates regularly on the IOI Group webpage as part of IOI’s commitments in enhancing transparency.

All the gathered and investigated allegations are captured in 2 specific grievances list:

- 1) Grievances related to Suppliers (Direct and Indirect Suppliers)
- 2) Grievances related to other issues such as Environmental, Social and Governance.

**2) Grievances related to issues such as Environmental, Social and Governance.**

Date logged	Subject	Issue	Actions taken by IOI
2015	IOI concessions in Ketapang, West Kalimantan, Indonesia (SNA group: PT BNS, BSS & SKS)	RSPO complaint related to land clearing and illegal planting  RSPO case tracker: <a href="#">here</a>	Aug 18: For latest update please see IOI <a href="#">Sustainability Implementation Plan</a> .  July 18: IOI received Map from Badan Pertanahan Nasional (BPN), and the management of PT BNS has identified the official overplanted area. The size of the area is 50 Ha and the management has abandoned the area from any harvesting activities.  May 18: IOI received a query from Eric Wakker, Aidenvironment on the overplanting allegation against PT BNS. Aidenvironment and IOI have



			<p>issued a joint statement earlier on 1 December 2016 that confirmed the PT BNS has abandoned the 434 ha of land, cleared and planted between 2010 and 2014, in line with the instruction issued by the Indonesian Ministry of Environment and Forestry (KLHK) until such a time as there are new Ministerial instructions regarding the said land.</p> <p>Feb 18: According to the agreed “Term of reference” (ToR) with RSPO, a draft report from RSPO verification visit which ended on 29/1/2018, was to be shared with IOI by 7/2/2018. However, as of 26/2/2018, IOI has yet to receive such draft report from RSPO.</p> <p>Dec 17: Quarterly report on the progress action plan as recommended by RSPO CP has been sent to RSPO in October 2017. Final verification by RSPO CP is expected to be conducted January 2018.</p> <p>In November 2017, PT BNS have received a letter from KLHK stating the validity of the Ministerial Decree dated 15 August 1992 that the “the land is considered Areal Penggunaan Lain (APL) and not “Hutan Produksi (HP)”.</p> <p>Oct 17: IOI continues to implement its action plan (see also the Sustainability Implementation Plan or SIP update) and is ready for another field verification by RSPO. RSPO has yet to confirm the dates.</p> <p>Aug 17: IOI’s action plan following the field verification report of the second RSPO field visit in February, was submitted to the RSPO CP on June 20<sup>th</sup>. See case tracker <a href="#">RSPO</a>.</p> <p>Feb 17: RSPO conducted field verification PT BNS and PT SKS, IOI is waiting for the report (including</p>
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			<p>the report on BSS). IOI will continue to implement actions listed in the Sustainable Implementation Plan (SIP) and provide quarterly updates via its website.</p> <p>For information before 2017, please see <a href="#">here</a>.</p>
Nov-16	IOI Group estate Pamol Kluang	<p>Labour violations and recommendations as reported by Finnwatch</p> <p>Finnwatch reports can be found: <a href="#">here</a></p>	<p>Aug 18: For latest update please see IOI <a href="#">Sustainability Implementation Plan</a>.</p> <p>Feb 18: IOI is implementing 3 new labour policies: installation of passport lockers on all estates, no recruitment fees and minimum wage policy. Update from IOI Group can be found <a href="#">here</a></p> <p>Dec 17: updated social and labour policies IOI Group can be found: <a href="#">here</a></p> <p>Oct 17: The BSR report is available at the IOI website (<a href="#">BSR Assessment Report</a>) Discussions with RAN and Finnwatch resulted in an updated minimum wage policy and no recruitment fee guideline which will be published end of October. IOI senior estate management, HR and sustainability staff (including Loders representatives) was trained on both the BSR recommendations and the new policy and guideline.</p>
			<p>Aug 17: BSR conducted field visits to Lahad Datu and Sandakan in Sabah in June. BSR Report will be available via IOI's website first week September.</p> <p>June 17: Final assessment reports Proforest and BSR expected in July.</p>



			<p>Apr 17: Based on this initial assessment Proforest and BSR conducted field assessments in IOI estates. The final assessment reports from BSR and Proforest are expected mid-May. Following the outcome of these assessment reports IOI will develop an action plan to address any gaps highlighted in the reports by the end of June. Progress on this action plan will be communicated via our grievance list every quarter starting, September 2017.</p> <p>Mar 17: BSR started initial desktop verification of corrective measures taken by IOI following the Finnwatch report.</p> <p>Jan 17: IOI has tasked BSR to verify the corrective measures taken by IOI following the Finnwatch recommendations (target date April-17). Based on BSR's findings, IOI may request for an additional verification of its estates. Furthermore, BSR will extend the Finnwatch investigations to Sabah in order to help IOI address specific issues in relation to foreign labor in the Sabah region. Work expected to start in April and finish, including recommendations and workshops, in June 2017.</p> <p>Jan 17: IOI will implement the recommendations as provided by Finnwatch in their report published Nov 2016.</p>
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<p>2010</p>	<p>IOI Pelita located in Sarawak, Malaysia</p>	<p>RSPO complaint related to the NCR of communities in Sarawak Dispute Settlement</p> <p>Facility of the RSPO: <a href="#">RSPO case tracker</a>.</p>	<p>Aug 18: For latest update, please see here for <a href="#">update statement</a>.</p> <p>Feb 18: IOI and Grassroots jointly engaged with RSPO to discuss comments from CP on joint action plan. IOI and Grassroots will revise the joint action plan including the comments of the CP. The CP will review the revised action plan in their 28 March 2018 meeting.</p> <p>Dec 17: The finalized action plan has been sent to RSPO. Some of the activities has been started and conducted on the ground, such as Corporate Social Responsibility (CSR) in several areas namely Long Tuyut, Long Teran Batu, and Long Tabing. The translation of this document is in the final stage and will be shared with the local communities and stakeholders in second week of December 2017. IOI will not divest its share in IOI-Pelita as per statement from IOI <a href="#">here</a>.</p> <p>Oct 17: IOI and Grassroots have worked on a joint action plan which is now being reviewed by Pelita. We expect to present the mutually agreed action plan to RSPO in November.</p> <p>Aug 17: A joint verification visit, IOI-Grassroots-RSPO (observer) to the local community at IOI-Pelita plantation in Sarawak was conducted from 3-7 July 2017. IOI, Grassroots and RSPO discussed action plans as a way forward to address the land disputes with communities. Joint Action Plan is submitted to RSPO for review by Complaints Panel.</p> <p>Jun 17: RSPO CP acknowledged the letter sent by IOI and Grassroots (both available via RSPO case</p>
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			<p>tracker). RSPO is agreeable to the recommendations made on the mediation process. IOI and Grassroots will continue to work on the jointly agreed actions to expedite the process.</p> <p>Apr 17: Grassroots and IOI sent a joint letter to RSPO outlining jointly agreed actions that should result in resolution of the complaint while ensuring that the RSPO principles are upheld and fair process is observed by all parties involved</p> <p>Mar 17: IOI received letter from coalition of NGOs titled: recommendations to resolve the LTK complaint in compliance with the RSPO P&amp;C including 4 specific short actions IOI should now undertake to resolve this dispute. IOI responded to this letter. The response can be found <a href="#">here</a>.</p> <p>Jan 17: All Ketua Kampung have submitted additional requests communities to Residen. IOI has received copies.</p> <p>For information before 2017, please see <a href="#">here</a>.</p>
<p>Mar-16</p>	<p>IOI concession PT KPAM in West Kalimantan, Indonesia</p>	<p>Illegal road construction</p>	<p>Aug 18: The investigation by Polres is still on-going.</p> <p>June 18: Polres of Ketapang, Kejaksaan Negeri Ketapang and Pengadilan Negeri ketapang is still in the process of investigating the encroachment activity that was carried out. The management of PT KPAM has requested BPN (Badan Pertanahan Nasional) to verify all the certificates that were given. PT KPAM has submitted all the evidences showing that PT KPAM has made the compensation to the affected communities before PT KPAM's plan to</p>



			<p>developed the area for oil palm is approved and endorsed by Bupati</p> <p>May 18: The investigator team from Polres Ketapang received a report on land intrusion/illegal clearing. Following rounds of questioning from witnesses, the police have arrested an individual responsible for the illegal clearing. The site is now blocked with police lines.</p> <p>Meantime, IOI also received query from Sinarmas on allegation of land clearing in PT KPAM. IOI have explained to Sinarmas that it is the illegal clearing case as mentioned above. Currently, Polres (Kepolisian Resor) is investigating the situation.</p> <p>NPP submission was approved by RSPO on 13 May 2018. Illegal activities were found by our Sustainability Team and reported to Polres in April 2018. Currently Polres (Kepolisian Resor) is investigating the situation.</p> <p>Feb 18: HCS peer review assessment still in progress. Near real time satellite monitoring program continues and detected no deforestation and fires within the concession. PT KPAM employs a team of 5 full time fire and patrol staffs to monitor any illegal activity.</p> <p>Dec 17: IOI submitted HCS assessment for peer review to high carbon stock approach group (see <a href="http://highcarbonstock.org/registered-hcsa-assessments/">http://highcarbonstock.org/registered-hcsa-assessments/</a> )</p> <p>IOI continues its near real time monitoring program on the Ketapang concessions.</p>
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			<p>Sep 17: Another report was filed when IOI found that the illegal road construction activities had resumed. These activities ceased in December 2017 after Polres had asked them to vacate the area.</p> <p>For information before 2017, please see <a href="#">here</a>.</p>
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