

## Grievance List Update August 2020

### 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.

### 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>	Oct 2018: IOI is pleased to announce that the RSPO Complaints Panel (CP) has officially closed the complaint case on its plantation subsidiary companies in Ketapang, Indonesia on 12 October 2018. The company would like to further reiterate that it stands by its Sustainable Palm Oil Policy (SPOP) including its NDPE commitments and to continue to be totally committed towards building a traceable, transparent and sustainable palm oil supply chain.  Details of this case can be found in the RSPO tracker: <a href="https://www.rspo.org/members/complaints/status-of-complaints/view/80">https://www.rspo.org/members/complaints/status-of-complaints/view/80</a>



			<p>Aug 2018: For latest update please see <a href="#">IOI Sustainability Implementation Plan</a>.</p> <p>July 2018: 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.</p> <p>May 2018: IOI received a query from Eric Wakker, Aidenvironment on the overplanting allegation against PT BNS. Aidenvironment and IOI have 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 2018: 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 2017: 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>
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			<p>Oct 2017: 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 2017: 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 2017: RSPO conducted field verification PT BNS and PT SKS, IOI is waiting for the report (including 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 2016	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>Feb 2019: For latest update please see IOI Sustainability Implementation Plan <a href="https://www.ioigroup.com/Content/S/S_SIP">here</a></p> <p>Feb 2018: 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 2017: updated social and labour policies IOI Group can be found: <a href="#">here</a></p> <p>Oct 2017: 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 Lodgers representatives) was trained on both the BSR recommendations and the new policy and guideline.</p>



			<p>Aug 2017: 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 2017: Final assessment reports Proforest and BSR expected in July.</p> <p>Apr 2017: 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 2017: BSR started initial desktop verification of corrective measures taken by IOI following the Finnwatch report.</p> <p>Jan 2017: 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 2017: IOI will implement the recommendations as provided by Finnwatch in their report published Nov 2016.</p>
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2010	IOI Pelita located in Sarawak, Malaysia	<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>IOI's Resolution Plan received Complaints Panel's (CP) conditional endorsement at the end of June 2018. The Resolution Plan consists of three stages:</p> <ol style="list-style-type: none"> <li>1) Community Capacity Building,</li> <li>2) Community Participatory Mapping, and</li> <li>3) Negotiations for Final Dispute Settlement.</li> </ol> <p>12 June 2020 - CICOM resumed the Community Participatory Mapping process.</p> <p>mid-March 2020 - six out of nine affected communities had their surveys done. Unfortunately, at that point, the coronavirus outbreak reached Sarawak and the government issued Movement Control Order. The Community Participatory Mapping had to be put on hold.</p> <p>August 2019 - CICOM started the Community Participatory Mapping (stage 2).</p> <p>June 2019 - CICOM completed the Capacity Building Program.</p> <p>February 2019, IOI and CICOM launched the Community Capacity Building program.</p> <p>18 January 2019 - IOI retained the services of the Community's Information and Communication Centre (CICOM), a local NGO, to conduct Community Capacity Building program (stage 1), which is the main component of Stage I of the Resolution Plan.</p> <p>1 October 2018 - 6 out of 9 communities gave their</p>
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			<p>consent. By November 2018, two more communities did so. However, the last remaining community, Long Teran Batu, gave their consent only in March 2019. Having secured the consent from all affected communities, IOI started the implementation of the Resolution Plan.</p> <p>From the very beginning, IOI and Pelita have been regularly engaging other key stakeholders such as the Sarawak State Government and local NGOs to ensure their support for the resolution process. The Complaints Panel of the RSPO has been regularly updated and consulted.</p> <p>30 June – 6 July 2018 - The Resolution Plan was subsequently presented to all affected communities during a 7-day long visit. The main purpose of the socialization exercise was to explain the Resolution Plan and seek communities’ consent. Grassroots, Pelita and an RSPO observer participated alongside IOI’s team in the socialization program.</p> <p>Details of the case can be found here; Background : [here] <a href="https://www.ioigroup.com/Content/S/S_Background">https://www.ioigroup.com/Content/S/S_Background</a> Current progress : [here] <a href="https://www.ioigroup.com/Content/S/S_Progress">https://www.ioigroup.com/Content/S/S_Progress</a> Chronology :[here] <a href="https://www.ioigroup.com/Content/S/S_Chronology">https://www.ioigroup.com/Content/S/S_Chronology</a></p>
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<p>Mar 2016</p>	<p>IOI concession PT KPAM in West Kalimantan, Indonesia</p>	<p>Illegal road construction</p>	<p>Aug 2018: The investigation by Polres is still on-going.</p> <p>June 2018: 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 developed the area for oil palm is approved and endorsed by Bupati</p> <p>May 2018: 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 2018: HCS peer review assessment still in progress. Near real time satellite monitoring program continues and detected no deforestation and fires</p>
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			<p>within the concession. PT KPAM employs a team of 5 full time fire and patrol staffs to monitor any illegal activity.</p> <p>Dec 2017: 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> <p>Sep 2017: 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>
Apr 2019	PT. KPAM, IOI's subsidiary in West Kalimantan, Indonesia	In its February – March 2019 Monitoring Report, Aidenvironment alerted IOI that there could be some peat clearing activity occurring on the IOI's PT. KPAM concession in South Ketapang, Indonesia, between 2016 and 2018 and more recently from January to March 2019.	IOI would like to clarify that the land development activities at PT. KPAM started only in June 2018 after RSPO's approval of New Planting Procedures (NPP) documentation, including HCV, HCS and peat maps. Coinciding with the start of the land development activities, PT. KPAM invited Global Environment Centre-GEC (an organization specializing in peatland management and conservation) and Dr Paramanathan (a renowned peat soil expert), to do further studies and ground-truthing between August and November 2018 to verify the exact status and location of any possible additional HCV, HCS or peat areas. This work resulted in the identification of an additional 324ha of HCV, HCS and peat conservation areas, which was reported to RSPO as well as a further area of 210 ha of potential peat soil. These areas were mapped and marked as off limit for clearing. The surveys also confirmed that no peatland areas were





			<p>impacted by the development of KPAM after its start in June 2018, other than an area of less than 1 ha impacted by road construction and subsequently rehabilitated – as reported to RSPO in December 2018.</p> <p>Having received Aidenvironment’s alert, IOI asked GEC to conduct an analysis of satellite images from March 2019 which confirmed that no area earlier identified as peat, HCV or HCS or potential peat soil had been impacted by land clearing up to March 2019 (<a href="#">see attached image</a>). At the same time, PT. KPAM have conducted a field verification and concluded that no peat areas have been cleared and that the areas cleared were sandy soils.</p> <p>It is understood that the discrepancy is probably related to the fact that Aidenvironment has based its analysis on the publication Maps of Peatland Distribution and Carbon Content in Kalimantan 2000-2002, developed by the Bogor Soil Research Centre and Wetlands International. They were mainly prepared from analysis of relatively low resolution Landsat Satellite Images from years 2000-2002 supported by results of earlier surveys in parts of Kalimantan. These maps erroneously mapped much of the KPAM concession area as peat. This contrasts with maps published in 2017 by the Ministry of Environment and Forestry and the Peatland Restoration Agency of the Government of Indonesia which show little or no peat in KPAM. In addition, the peat configuration in South Ketapang is unique in the sense that it is not in the usual form of peat domes but rather peat valleys, which makes accurate satellite identification more difficult.</p>
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			<p>Going forward, IOI will continue to use the maps recently produced by GEC and Dr. Paramanathan, as well as our own HCV, HCS and peat maps to guide our planting on PT KPAM land.</p>
Apr 2019	Complaint from Sabah Environment Action Group (SEAG)	Alleged illegal dumping of deoiled bleaching earth (DOBE) in Lahad Datu, Sabah	<p>August 2020: IOI continues to engage with SEAG and is in further communication with both buyers on the concerns raised by SEAG.</p> <p>July 2020: IOI had a discussion with SEAG on 17 July and we both mutually agreed that we should try to address any issues related to this grievance. As such, IOI has been assisting in this matter in accordance to the laws and regulations, our commitments and our boundary of influence.</p> <p>June 2020: IOIEO received another letter from SEAG on allegation that one of the contractors violated the law by not conducting Environmental Impact Assessment (EIA) at their particular disposal site.</p> <p>IOIEO promptly conducted investigation on the allegation and found that only disposal of DSBE with volume of 40,000 m<sup>3</sup> or more is required to conduct an EIA. The contractor has not exceeded this capacity at their particular site and therefore is not required to conduct any EIA.</p> <p>A formal response letter has been sent to SEAG in July 2020.</p> <p>Feb 2020: IOIEO has conducted a detailed investigation on the allegation by SEAG. Evidences provided by Gamalux Oils Sdn Bhd indicated that valid approvals were given by Jabatan Pertanian Sabah,</p>



			<p>Majlis Daerah Lahad Datu and Jabatan Alam Sekitar Sabah for the company to perform disposal of DSBE at the alleged site.</p> <p>IOIEO did not find any evidence that Gamalux Oils Sdn Bhd breached any of our group's sustainability policy or legal non-compliance related to their service on DSBE disposal.</p> <p>May 2019: IOI Edible Oils Sdn Bhd (IOIEO) responded formally to SEAG and will continue to engage with Gamalux and other stakeholders, and will monitor the progress and outcome closely.</p> <p>Apr 2019: Gamalux arranged meetings with SEAG &amp; Department of Environment (DOE).</p> <p>Mar 2019: IOIEO requested an update from Gamalux. Gamalux reached out to SEAG again to seek for further clarification.</p> <p>Feb 2019: EcoOils received a response from SEAG and stating that they are aware EcoOils is not responsible for the illegal dumping of DOBE.</p> <p>(NOTE: In 2018/2019, IOIEO team conducted an audit on EcoOils and Gamalux. IOIEO only renewed their contracts when the audit result is satisfactory and in compliance with the legal requirements as well as other good practices. The contract agreement also stated that all parties must adhere to all relevant legal requirements.)</p> <p>Feb 2019: IOI received a complaint from SEAG, stating that the DOBE was illegally disposed at various location.</p>
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			<p>IOIEO had immediately contacted the waste buyers (Gamalux and EcoOils), to verify the complaint.</p> <p>Both EcoOils and Gamalux have provided their legal permits from DOE and clarified that all disposal is at designated locations pre-approved by the Ministry. EcoOils and Gamalux have both written a response letter to SEAG on 28 January 2019 and 4 February 2019 respectively.</p>
Oct 2019	Unico Desa Plantation, Sabah, Malaysia	<p>On behalf of Sri Ganda villagers, a local NGO had submitted grievance to RSPO complaints system to voice their dissatisfaction of the existing water supply facility provided by Unico Desa Plantation in May 2019. The progress of the case can be found <a href="#">here</a>.</p>	<p>Feb 2020: Proposal by the Unico Desa management on construction of water catchment area was agreed upon by the village of Kampung Sri Ganda during the latest meeting dated 23 Aug 2019.</p> <p>Evidences provided by the Unico Desa management indicated that the villager has accepted the construction proposal and the project is steadily progressing according to the plan. Furthermore, this issue has been reclassified as request from villager instead of complaint case as the complaint panel did not find any breach of rules from the issue.</p> <p>This complaint has officially closed by the RSPO complaints panel on 17 Feb 2020.</p> <p>Aug 2019: Management of Unico Desa Plantation organized a meeting with the village representatives and mutually agreed on a time-bound action plan until 2020 to develop a new water supply facility for the villagers. Unico Desa Plantation will be the sole financier and implementor of the project as part of the corporate social responsibility (CSR) for the local community.</p>



			<p>July 2019: Unico Desa Plantation management had the first meeting with village representatives to discuss on the issue.</p> <p>June 2019: The case had been officially logged in the RSPO complaints system.</p>
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