

Grievance List Update September 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.

1) Grievances related to Suppliers (Direct and Indirect Suppliers)

Date logged	Subject	Issue	Actions taken by IOI
Sep-16	Eagle High Plantations, indirect via trading partners: <ul style="list-style-type: none"> • Wilmar • Musim Mas • GAR (Category: Indirect Supplier)	Land clearing and no proper FPIC conducted as reported by Greenpeace in "A Deadly Trade Off" Greenpeace report can be found here	Aug-18: Continuous monitoring via trading partners. Feb-18: Refer to the updates on the website of trading partners Dec-17: Followed up with Eagle High plantation sustainability team on way forward. Management team is now conducting internal FPIC training for its sustainability team in order to restart FPIC process for the community surrounding this concession. Oct-17: IOI LC conducted a site visit to Eagle High's PT VMA concession upon invitation to understand the situation on the ground.



			<p>Jun-17: Continue to follow progress of Eagle High via trading partners.</p> <p>Apr-17: Based on our assessment we have seen significant progress on our requirements set in February.</p> <p>Feb-17: IOI have informed trading partners about specific requirements for Eagle High Plantations to ensure they are compliant with IOI's policy. We also expect our trading partners to report progress on these requirements via their grievance lists or during meetings with IOI representatives. Follow up meetings are scheduled mid-March 2017.</p>
<p>Sep-16</p>	<p>TH Plantations, indirect via trading partners:</p> <ul style="list-style-type: none"> • Wilmar <p>(Category: Indirect supplier)</p>	<p>Land clearing as reported by Greenpeace in "A Deadly Trade Off"</p> <p>Greenpeace report can be found here</p>	<p>Aug-18: Continuous monitoring through Wilmar's grievance list.</p> <p>Feb-18: Refer to grievance list Wilmar</p> <p>Aug-17: Refer to Wilmar's grievance list, next step depends on the Action Plan as reported by Wilmar.</p> <p>Jun-17: Grievance list Wilmar reports that TH has stopped new developments.</p> <p>Apr-17: Based on our assessment we found TH plantations to be non-compliant to our policy. We have also informed our trading partners.</p> <p>Feb-17: IOI have informed trading partners about specific requirements for TH Plantations to ensure they are compliant with IOI's policy. We expect our trading partners to report progress on these requirements via their grievance lists or during meetings with IOI representatives. Follow up meetings are scheduled mid-March 2017.</p>

<p>Sep-16</p>	<p>TH Plantations (Category: Direct supplier)</p>	<p>Land clearing as reported by Greenpeace in “A Deadly Trade Off” (Group level risk, IOI is not sourcing for the reported areas) Greenpeace report can be found here IOI’s spatial risk analysis classified the supplying mill of TH Plantations as a high priority mill</p>	<p>Aug 18: IOI position of not resuming sourcing from TH plantation remain unchanged. Feb 18: Position remains unchanged, TH did not share an action plan to address outstanding issues. Dec 17: IOI will re-engage with TH in January for progress update Aug 17: Situation remains unchanged May 17: IOI had a constructive meeting with senior management from TH Plantations. The results of the field verification of Kota Bahagia mill and estates were discussed as well as the ongoing clearing of peat in TH’s Indonesian concessions. We appreciate the feedback and clarification given by TH including TH’s intention to continue clearing of peat areas. The latter is in conflict with IOI’s policy and therefore we continue the suspension of TH plantation from our supply chain. For information before 2017, please see here.</p>
<p>Nov-16</p>	<p>Wilmar <ul style="list-style-type: none"> • PT Daya Labuhan Indah • PT Perkebunan Milano (Category: Direct supplier) </p>	<p>Human and labour rights violations as reported by Amnesty International The report from Amnesty International can be found: here</p>	<p>Aug 18: Continuous monitoring the progress update via Wilmar’s grievance list. Apr 17: Based on the BSR assessment provided by Wilmar, IOI is satisfied with the progress made so far. IOI continues to monitor progress via Wilmar’s grievance list. Mar 17: Wilmar to update IOI on BSR assessment. BSR conducted assessment, report due Feb-17. Due diligence audits performed on RSPO & ISCC requirements by independent auditors. IOI will monitor progress via Wilmar’s grievance list.</p>



Dec-17	<p>IJM Corporation, PT Prima Bahagia Permai (PT PBP), Indonesia</p> <ul style="list-style-type: none"> • IJM is a direct supplier of IOI Plantations in Malaysia. • IJM enter into BLC supply chain thru IOI. • However, PT PBP from IJM does not enter into the supply chain. 	Alleged deforestation in PT PBP	<p>Sep 18: In the recent information sharing by IJM, in addition to their earlier agreed action to perform a HCS assessment, they will also be conducting FPIC on the reported land. They have made commitments to set aside undeveloped areas as a corrective measure should there be findings of deforestation.</p> <p>Jun 18: IJM has shared their 12-month time bound action plan for the assessment and preparation of the HCSA. IOI will meet with IJM periodically to receive updates on the progress and look forward to the final recommendations and action plans.</p> <p>Feb 18: Our intel partner observed active clearing in Nov 17 and Dec 17. The IOI commercial team contacted IJM and requested an immediate stop clearing as well as an action plan to deal with these allegations and other policy gaps. IJM confirmed their commitments to “no deforestation” and “no peat planting”. IJM completed an HCV study on PT PBP in 2014 and will engage with independent experts to conduct a HCS assessment in PT PBP. We will continue our dialogue with IJM.</p>
Dec-17	<p>NPC Resources, PT Sumber Alam Selaras (PT SAS), Indonesia</p> <ul style="list-style-type: none"> • NPC is a direct supplier of IOI Plantations in Malaysia. • NPC enter into BLC supply chain thru IOI. • However, PT SAS from 	Alleged deforestation in PT SAS	<p>Sep 18: NPC has made commitments to protect HCV/HCS areas and their consultant has prepared a Comprehensive Integrated Conservation Land Use Plan to meet NDPE requirements; Furthermore HCV/HCS assessments will be performed prior to any future new plantings.</p> <p>They have completed their HCV assessment and the report is undergoing peer review currently.</p> <p>NPC has put in place best management practices for peat areas and various SOPs for the management and</p>



	<p>NPC does not enter into the supply chain</p>	<p>monitoring of conservation areas as well as for any human-wildlife conflict.</p> <p>NPC’s public statement on their commitments is shared in their website. https://www.npc.com.my/PublicStatement13Sep2018.pdf</p> <p>Jun 18: NPC has informed IOI that their consultants have completed the field visits and site assessments and presently are at the stage of report preparations.</p> <p>Meanwhile, NPC has agreed to start some preparation to safeguard and protect the conservation areas identified.</p> <p>IOI will meet with NPC when the reports are finalized to discuss their action and monitoring plans to ensure compliance with our NDPE commitments.</p> <p>Dec 17: Our intel partner observed active clearing in November to January 2018. The IOI commercial team has contacted NPC and requested an immediate stop clearing as well as an action plan to deal with allegations and other policy gaps.</p> <p>NPC informed that they have engaged an Indonesian environmental consultant who will commence immediately to look into the issues in their concession PT SAS. We expect and update by March 5, 2018.</p> <p>NPC stated to have stopped further land clearing activities, however there are other works ongoing like road maintenance, etc. We have cautioned them of high likelihood of video or image capture by drones or satellite of site activities and we will continue to monitor NPC’s activities in the months to come.</p>
--	---	---



<p>July 2018</p>	<p>BLD Plantation Bhd (Category: Direct supplier)</p>	<p>Alleged deforestation of peat forest The report by Mighty Earth can be found here</p>	<p>Sep-18: During our recent meeting with BLD in September 2018, there were visible improvements sighted towards transformation to deliver sustainable palm oil.</p> <p>However, according to BLD, there is a delay in the assessment and progress due to time and availability of the consultants. Because of this, BLD has failed to adhere to the datelines and unable to meet IOI's policy requirement, which states clearly that IOI will not source from any supplier that does not abide by the NDPE policy. IOI have therefore imposed a moratorium on new contracts because of this breach.</p> <p>IOI will continue to closely monitor BLD current and future sustainability endeavours as we can see that they have put in place plans to manage their conservation areas; systems to enhance welfare and benefits for their workers and local communities; and to develop a traceable supply chain.</p> <p>We will continue to engage and encourage BLD to meet our policy commitments and for the adoption of a NDPE policy to support their transformation journey.</p> <p>Aug 2018: They are now in the process of appointing a consultant to conduct HCV assessment and is reviewing various qualified parties to perform other assessments and gap analysis towards meeting NDPE requirements; and will update IOI upon finalization of the appointment and the commencement date of the assessments. Next follow -up on September 2018.</p> <p>Jul 2018: BLD has responded in a formal letter and confirmed that the source has stopped further land clearance. They have explained the areas cleared are old logging land and now been earmarked for</p>
------------------	--	--	---



IOI GROUP

			<p>agriculture purposes. According to BLD, their Environmental Impact Assessment is in compliance with the State Government and its agencies requirements.</p> <p>Jun 2018: IOI contacted BLD on the 12 June 2018 and requested they engage with the source of the clearance to seek their cooperation to immediately stop further works pending HCV and HCS assessments. IOI has also requested for actions to meet our policy gaps.</p>
--	--	--	---

