

Grievance List Update August 2021

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 3 specific grievances list:

- 1) Grievances related to Suppliers (Direct and Indirect Suppliers)
- 2) Grievances related to Social and Governance
- 3) Grievances related to Environment

Grievances related to Social and Governance

Date logged	Subject	Issue	Actions taken by IOI
June 2021	Grievance highlighted by Andy Hall, Migrant worker and labour rights activist.	<p>Email received from Andy Hall on 25 June 2021 regarding issues shown below:</p> <p>i) Follow-up arrangements for returning workers who are currently on home-leave in Bangladesh.</p> <p>ii) Allegation of underpayment to 25 affected workers.</p>	<p>August 13, 2021: i) Due to Covid-19, there are travel restrictions imposed by the Malaysian government and the Malaysian borders are essentially closed. Because of this, IOI did not appoint any agent to expedite the process for the return of the Bangladeshi workers to Malaysia. The delays resulted in some administrative cost to the workers due to the expiry of their passports while waiting for the arrangement by IOI. Any additional cost incurred by the workers because of the above will be reimbursed by IOI.</p> <p>ii) Internal investigation was conducted after receiving this email. Details of the investigation and action are stated below: The incident happened in Nov 2019 and December 2019 involving underpayment for pruning tasks in an estate in</p>



		<p>i) Andy Hall shared through WhatsApp's and E-mail highlighting that he received information from a grievance raiser that two of IOI's estates collected deposits from 7 Bangladeshi workers [1 worker for RM1,500 and 6 others for RM775] who went on leave back to Bangladesh</p>	<p>Peninsular Malaysia. A field supervisor had manually manipulated the wage payment of the workers under his supervision for his own monetary benefit. When the incident was reported to the Estate Manager in January 2020, the field supervisor abruptly left the company. A police report was lodged and the case is still under investigation. The estate reimbursed the wages of the affected workers. In order to prevent similar issues in future, a refresher course on IOI's code of conduct: "Integrity" to all employees was also conducted.</p> <p>Further steps that would remove <i>manual wage manipulation</i> was by the implementation of the SAP system - a comprehensive Enterprise Resource Planning system (controlled at the HQ). The rollout started in September 2019 and was since implemented in October 2020 for this particular estate. Along with the <i>Workers Work Verification Guideline</i> which was established in May 2021, this would ensure that forging or wage exploitation would also be reduced.</p> <p>Actions taken from this investigation was shared with Andy Hall and his team during the zoom meeting on July 8, 2021, 4.30pm.</p> <p>June, 2021: i) Internal investigation revealed that the deposit payment collected from the Bangladeshi workers were isolated cases that happened in Gomali Estate (1 affected worker) and Segamat Estate (6 affected workers) as well as an additional 2 estates. As this is not part of IOI's guidelines or procedures, immediate corrective actions were taken by IOI to reimburse the affected workers their money through a wire transfer into their account in Bangladesh. This was followed by the issuance of a formal memorandum on June 11, 2021 to all the Operating Units</p>
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		<p>with the assurance that the deposits will be returned once they are back to the estates.</p> <p>ii) The same grievance raiser also highlighted that the Bangladeshi workers paid as much as RM 19,000 to 20,000 as “Recruitment Fees” to secure their employment opportunity at IOI.</p>	<p>against such informal practice and to adhere strictly to guidelines and procedures approved by the management. All affected workers already received their deposit as verified by Andy Hall through an email on July 3, 2021 and during a zoom meeting on July 8, 2021, 4.30 pm. Therefore, the case is considered to be addressed.</p> <p>ii) Recruitment of Bangladeshi workers were arranged by the Bangladeshi and Malaysian Government appointed agents through Government to Government (G2G) initiative.</p> <p>During both G2G intakes, 2014 - 2015 and 2017 – 2018, IOI had no say in the agents that handled the recruitment of the workers.</p> <p>Thus, any monies collected at the source country to secure employment was done without IOI’s knowledge or control.</p> <p>In 2017, when IOI first introduced the ‘No Recruitment Fee’ as per the policy published in 2017, all fees related to recruitment such as visas, levies, medical fees, flights to Malaysia, etc. were paid by IOI. Our investigation revealed that the money (RM 19 – 20K) was not recruitment fees but was monies illegally collected by unknown actor (s) at their source country and generally happened prior to the actual recruitment process. Furthermore, the actual amount of money collected was undocumented and therefore difficult to verify the amount collected.</p> <p>IOI strongly condemn such illegal practice and as the activities happened at the source country and beyond IOI’s jurisdiction, cooperation from the source country’s government to prevent such violation from happening to</p>
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			the workers would be greatly welcomed.
Nov 2020	IOI concessions in Ketapang, West Kalimantan, Indonesia (PT Kalimantan Prima Agro Mandiri)	Dispute regarding the timeline on land compensation. Articles related to this issue can be found here . Resolution of the issue was reported here .	<p>Sept 24, 2020: The community together with PT KPAM management conducted a mediation to discuss on the dissatisfaction of the ‘<i>Ganti Rugi Tanah Tumbuh</i>’ land compensation process. After the discussion, PT KPAM agreed to pay the amount agreed by both parties within 15 days. Dissatisfaction on the timeline of compensation payment has been resolved after the new timeline was mutually accepted by the community.</p> <p>Sept 14, 2020: Community from Desa Sukaramai express their dissatisfaction on the main roads within PT Kalimantan Prima Agro Mandiri (KPAM). The community was dissatisfied with the timeline of land compensation process and the role of <i>Kepala Desa</i> in the process since 10 September 2020. Thus, the community proposed to have another round of discussion and mediation with PT KPAM management to renegotiate and address their concerns.</p>
Oct 2020	Mekassar Estate, Pahang, Malaysia	Finnwatch sent an E-mail to IOI on 27 August 2020, informing us that they have been contacted by a grievance raiser highlighting several allegations on behalf of five workers working at IOI’s Mekassar Estate. Major allegations raised consist of: i) Mistreatment from the estate’s supervisor; ii) Inconsistency in issuance of Personal Protective Equipment (PPE); iii) Not allowing to speak to auditors;	<p>July 21, 2021: Following the report from Finnwatch dated 30 June 2021, IOI has further reviewed the report to ascertain if further action plans were required on the issues highlighted. As it should be, most of the actions mentioned in the report had already been initiated during the course of our engagement with Finnwatch and incorporated into IOI’s systems and processes. Please click here for the detailed ‘Report on Response and Follow-up Actions’.</p> <p>We have also looked at the recommendations by Finnwatch. Please click here for the ‘Report on Recommendations and Response by IOI’.</p> <p>Additionally, we further contacted the Indian Embassy to</p>



		<p>iv) Dissatisfaction regarding housing facilities; v) Disagreement in wages payment; and vi) Alleged payment of recruitment fees.</p>	<p>obtain feedback on the investigation of illegal monies collected from the Indian workers, allegedly by the person(s) connected to the Recruitment Agency in India that IOI had suspended. There has been no response as yet.</p> <p>June 28, 2021: So far, IOI has provided Finnwatch with objective evidence that addresses all grievances highlighted to us except on the illegal monies collected from the workers in India for illegal purposes. This unverifiable illegal collection of monies from the workers at their source country by unknown actor (s) is beyond IOI's jurisdiction and investigation and will require cooperation from the source country's government to prevent such violation and exploitation from happening to the workers.</p> <p>February 23, 2021: IOI further engaged with Finnwatch on the final remaining issue of illegal payments being collected from the workers in India. IOI presented the data and testimonies gathered from these workers who have alleged to have paid these payments to person (s) that have been named but IOI had no way of confirming these transactions that occurred in India. Pending this matter, IOI has suspended the recruitment agency as well as the recruitment of workers from India and would be reporting these findings to the authority as well as the Indian Embassy for further formal investigation.</p> <p>December 16, 2020: IOI had exchanged several emails with Finnwatch to further update on the progress of the remaining action items related to workers' house renovation, our new "Guideline for Providing Basic Amenities to Workers" to ensure uniform implementation of the amenities provided to all the workers at our estates, guideline on "Worker's Work Verification" to enable</p>
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			<p>workers to verify their working hours and the progress of workers' repatriation back to India.</p> <p>The issue still pending is on illegal payment collected in India by person(s) unknown. IOI is in the process of helping these workers investigate this matter as we have a "No Recruitment Fee" policy in place and views this as a serious violation of our commitment.</p> <p>November 13, 2020: IOI had another Zoom call with Finnwatch and the grievance raiser to provide further updates on the progress of the issues raised together with the necessary documentation evidence. Aside from presenting the progress, IOI also informed that JTK (Jabatan Tenaga Kerja) had verified some of the issues raised and for further transparency, third-party verification is also welcomed.</p> <p>The remaining issue that is still under investigation is that of the illegal payment that the workers had paid to a named person during the recruitment process. IOI made several attempts to contact this named person alleged to have been involved by the workers through the phone number provided by them but the number was deactivated. IOI is still making attempts to reach out to this person for further investigation.</p> <p>October 14, 2020: IOI had arranged another Zoom call with Finnwatch and the grievance raiser. During the zoom call, although the grievance raiser was not present despite many attempts to contact him, we continued to discuss the issues raised.</p> <p>During the call, supporting documents, photos and videos</p>
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			<p>from internal investigation were shared during and after the call to address the issues of wage disagreement and dissatisfaction regarding the housing facilities. Upon further discussions, allegation on payment being paid to the grievance raiser required further investigation. Unfortunately, due to the conditional movement restriction order imposed by the government as a result of the rising COVID-19 cases, we will probably need a couple more weeks to address this matter.</p> <p>September 11, 2020: IOI arranged a zoom call with Finnwatch to update on the matter of the mistreatment, issuance of PPE, and not allowing to speak to auditors and its subsequent resolution.</p> <p>On the issuance of PPE to the workers, it was well documented that PPEs are issued regularly in accordance with IOI's operating procedure.</p> <p>It was also explained that according to RSPO's audit procedure, a list of all workers has to be shared with the auditor and no restriction is placed to the auditor on who they choose to interview. Thus, the allegation on workers being not allowed to speak with auditors is unfounded.</p> <p>IOI acknowledged there was an incident where an employee mistreated a worker in one of the estates. Official warning was issued and the management also suspended him from promotion, was in fact demoted and his bonus rescinded. The employee had also formally apologized to the worker for the mistreatment.</p> <p>As additional allegations were brought up by the grievance raiser through Finnwatch, IOI is conducting further</p>
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			<p>investigation to address these additional allegations which consist of disagreement in payment of wages, dissatisfaction regarding housing facilities and alleged payment of recruitment fees.</p> <p>We will continue to update the result of investigation and resolution of these matters as soon as possible.</p> <p>August 27, 2020: IOI established communication with Finnwatch after receiving the allegations and immediately formed an internal investigation team to investigate and address the allegations.</p>
Oct 2019	Unico Desa Plantation, Sabah, Malaysia	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 here .	<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. Resolution of this case can be found in the RSPO tracker here.</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</p>



			<p>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>
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: RSPO case tracker.</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"> 1) Community Capacity Building, 2) Community Participatory Mapping, and 3) Negotiations for Final Dispute Settlement. <p>June 12, 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>January 18, 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>October 1, 2018 - 6 out of 9 communities gave their 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>June 30 – July 6, 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] https://www.ioigroup.com/Content/S/S_Background Current progress: [here] https://www.ioigroup.com/Content/S/S_Progress Chronology: [here] https://www.ioigroup.com/Content/S/S_Chronology</p>
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Nov 2016	IOI Group estate Pamol Kluang	<p>Labour violations and recommendations as reported by Finnwatch.</p> <p>Finnwatch reports can be found: here</p>	<p>Feb 2019: For latest update please see IOI Sustainability Implementation Plan here https://www.ioigroup.com/Content/S/S_SIP</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 here</p> <p>Dec 2017: updated social and labour policies IOI Group can be found: here</p> <p>Oct 2017: The BSR report is available at the IOI website (BSR Assessment Report). 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 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</p>
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			<p>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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