

Sustainability Progress Update (IV) (January - April 2020)



HIGHLIGHTS

- ❖ IOI won the National Occupational Safety and Health Award 2019 (Agriculture category) at the National Council for Occupational Safety and Health (NCOSH) Excellence Awards Dinner on 28 February 2020.
- ❖ IOI received certificates of appreciation from Sabah Wildlife Department on its conservation efforts within the Kinabatangan district in 2018/2019.
- ❖ In conjunction with International Women's Day (March 7), IOI launched the Women & Empowerment Committee (WEC) throughout IOI Plantations
- ❖ IOI responded to the Movement Control Order (MCO) during COVID-19 Pandemic through the introduction of standard operating procedures, guidelines and measures to ensure the safety and wellbeing of our employees and family.
- ❖ 6 out of the 9 communities at IOI-Pelita completed the Participatory Mapping process and further plans on the Resolution Process has been formulated.
- ❖ PT Sawit Nabati Agro rehabilitated a buffer zone area at *Cagar Alam Muara Kendawangan* by planting more than 1000 Cashew plant wildlings.
- ❖ The HUTAN-PONGO Alliance completed the preliminary report on Orangutan habitat parameters which will help further collaboration in providing interactive outreach programmes to better facilitate co-existence with Orangutan within IOI Plantations.
- ❖ Unico 3, PT Sukses Karya Sawit and PT Berkas Nabati Sawit Estates initiated trainings on management of peat areas and fire prevention with neighbouring estates and adjacent villagers.
- ❖ The Annual Management Review on sustainability matters for Peninsular Malaysia region was conducted on 20 February 2020 at Gomali Palm Oil Mill.
- ❖ IOI Oleo Sustainability Steering Committee Meeting for 2020 was conducted on 10 March 2020.

Special dedication and thanks to the sacrifices and contributions of all Health workers and front-liners working tirelessly to safeguard our health and sustainable future from the COVID-19 pandemic

1. Sustainability Recognitions

a. National Occupational Safety & Health Award 2019

IOI Baturong 1 Estate in Lahad Datu, Sabah was the winner of the National Occupational Safety and Health Award 2019 (Agriculture Category) that was held at the National Council for Occupational Safety and Health (NCOSH) Excellence Awards Dinner on 28 February 2020. The competition for the top award involved more than 50 reputable companies and was presented by Datuk Amir Omar, Secretary General of the Ministry of Human Resources.

Recognition for this prestigious award was based on the NCOSH evaluation and audits since June 2019 where Baturong 1 Estate received a perfect score of 100% in its Occupational Safety and Health management and created 11 safety innovations to enhance the safety, health and hygiene of the workers in plantation.



IOI Team receiving the award during the ceremony

b. Appreciation from Sabah Wildlife Department (SWD)

Sabah Wildlife Department (Kinabatangan District) held an appreciation ceremony to recognize the contribution from organizations and individuals that had significantly contributed towards conservation efforts within Kinabatangan district in 2018/2019. IOI, through Syarimo Group received 8 certificates of appreciation for its contribution in wildlife conservation active participation in the Honorary Wildlife Warden Programme.



Certificate presentation by SWD to IOI Team

2. Labour and Social

a. Launching of the Women & Empowerment Committee

In conjunction with the International Women's Day on 8 March, 2020, Plantation Units throughout IOI took the opportunity to synchronize the launching of the Women & Empowerment Committee (WEC) at their respective regions (Sabah, Peninsula Malaysia and Ketapang, Indonesia). The WEC aims to provide a platform for women employees to discuss any issues that may affect them, such as sexual harassment, violence towards women, discrimination, women's welfare and workplace related issues as well as to undertake and explore opportunities in empowering women at the workplace.



Preparation for WEC launching gimmick by Mr. Leang Hon Wai and the management team at IOI Ladang Sabah



Group photo of some of the participants at Gomali Palm Oil Mill

The launching event was organized by the regional sustainability teams together with the plantation management and was attended by more than 400 employees and female dependents from plantation units throughout IOI Plantations. Among the activities organized were zumba/aerobic dance, health screening, education on prevention of COVID-19, self-defense demonstration and games to strengthen teamwork among the participants. The launching event also marks the beginning of many more exciting activities that could eventually empower the women in our plantation community, in line with the theme of this year's International Women's Day #EachforEqual.

b. Movement Control Order (MCO) during COVID-19 Pandemic

Since cases of Covid-19 were initially detected within the region, IOI has actively provided awareness trainings on COVID-19 pandemic to the employees as early as 7 March, 2020. On 18 March, the Malaysian government initiated a Movement Controlled Order (MCO) as a preventive measure in

response to the pandemic. During the MCO, the safety and wellbeing of our workforce and their family remained our utmost concern. IOI management introduced several measures such as procedures on compulsory body temperature monitoring, self-distancing measures, employee's movement monitoring, etc. A guideline on self-quarantine for new foreign employees and procedure on handling potential employee with COVID-19 symptoms were also introduced. The management also ensured that employees continue to receive their salary regardless of whether operation was suspended due to the MCO. Food security was also safeguarded by ensuring sufficient food supply at the stores operating within the plantations.

c. IOI-Pelita Land Dispute Resolution Process

Another 4 Community Participatory Maps was completed this quarter which brings the total of completed maps to 6 out of 9 communities. CICOM, a local NGO, had to put its further mapping efforts on hold in mid-March due to the COVID-19 outbreak and the MCO issued by the Malaysian Government. In January to mid-March period, IOI held many direct discussions with the community leaders, local government, State of Sarawak representatives, CICOM, Grassroots and Dr Ramy Bulan, the Resolution Process Facilitator. In the course of these meetings, Terms of Reference for Stage 3 of the Resolution Plan (Negotiations for the Final Settlement) have been formulated and endorsed by all stakeholders. Furthermore, IOI developed an Informational Brochure and a Flow Chart, both describing the negotiation process in an easy to understand way, to assist community leaders in explaining the negotiation process to the community members. Stage 3 of the Resolution Plan will commence as soon as the Community Participatory Mapping is finalized.

3. Environment

a. South Ketapang Landscape Initiative

The South Ketapang Landscape Initiative partners – IOI, Earthqualizer and Global Environment Centre – agreed that in 2020 it will be IOI who will drive the Fire Prevention and Control, Community Development and Conservation activities within its immediate landscape, and continue engaging local communities, government agencies and neighbouring timber plantations, to build up on last year's momentum. IOI and its Indonesian subsidiary PT Sawit Nabati Agro (SNA) will also cooperate with other landscape initiatives taking place in the Ketapang Regency, such as IDH's jurisdictional Production, Protection, Inclusion (PPI) Compact, to ensure a broader impact.

b. Collaboration with HUTAN - PONGO Alliance

After the preliminary visit in December 2019, the group completed a report describing the Orangutan habitat, key tree species, types of forest cover as well as explanations on the classes of Orangutan nest, its morphology, and behavior. The researchers had also collected preliminary data from the study site including its geo-coordinates and had identified potential Orangutan hotspots. This information can help further our collaboration in providing interactive outreach programmes to better facilitate co-existence with the Orangutan within IOI Plantations.



Researcher from PONGO Alliance collecting information along the buffer zone

c. Buffer Zone Rehabilitation Programme at Cagar Alam Muara Kendawangan



Students planting Cashew plant at the buffer zone

As part of the commitment to preserve and rehabilitate High Conservation Value areas, PT SNA had organized a buffer zone rehabilitation programme at *Cagar Alam Muara Kendawangan*. The programme involved participation from IOI's employees as well as teachers and students from Kendawangan school SMAN 2. More than 1000 Cashew plant wildings (*Anacardium occidentale*) was successfully planted along the buffer zone.

Apart from the main objective of rehabilitation, the management managed to cultivate awareness on the importance of preserving buffer zone to the students as well as a means to generate alternative income to the community from Cashew nuts harvesting.

d. Training on Management of Peat Area and Fire Prevention

Realizing the importance of managing existing peat area and preventing potential fire outbreak, Unico 3 Estate in Sabah proactively initiated a training programme focusing on these areas. Aside from IOI's own employees, IOI invited the neighbouring estates and adjacent villagers to take part and collaborate in these collective efforts. The training covers all best management practices in peat management such as water level management, monitoring and fire preventive measures such as the establishment of Fire Danger Rating System (FDRS), firefighting equipment and safety measures.



Demonstration of firefighting equipment in Unico 3 Estate

During the same period, PT Sukses Karya Sawit (SKS) and PT Berkat Nabati Sawit (BNS) jointly conducted fire prevention and management training. This training was attended by field assistants and the fire-fighting team and part of their skills improvement in mitigating potential fire incident.

e. Emergency Response Team (ERT) Competition



Participants performing the challenges given at the ERT competition

IOI Edible Oils Sdn Bhd (IOIEO) and IOI Bio-Energy (IBE) co-organized an inter-department Emergency Response Team Competition on 7 March 2020. Six teams comprised of 14 members from single or combined departments took part in the competition that evaluated their emergency response preparedness and response in the event of an emergency. The competition includes application of fire-fighting skills such as fire hydrant-canvas hose-nozzle assembly, fire extinguishing, Iron Man challenge and Self-Contained Breathing Apparatus (SCBA) challenge. This event clearly lifted team spirit and loyalty among the

employees. QA/PKDF Team eventually emerged as the victor after fierce challenges from other teams who had equally performed well.

4. Transparency and Wider Engagement

a. Progress of Suppliers Policy Compliance and Engagements

The Year 1 results from IOI Edible Oil Sdn Bhd (IOIEO)'s supply base on the self-assessment using Tools for Transformation (T4T) has been reviewed. The T4T data analysis evaluates the submissions and report the findings base on fourteen Key Performing Indicators (KPIs) that are pertinent to the delivery of NDPE. The first updates covering four of the KPIs, i) Policy, ii) Forced Labour, iii) Grievance Mechanism and iv) No Deforestation can be found per link below:

<https://www.ioigroup.com/Content/MEDIA/NewsroomDetails?intNewsID=991>



Group photo at Tanah Emas Mill

IOI together with our buyer, Reckitt Benckiser conducted an intensive focus session on the No exploitation requirement under NDPE with Tanah Emas Mill in Sabah. IOI's Responsible Sourcing team was on site with Earthworm Foundation trainers to deliver the programme to the staff and management from mill, internal estates, external suppliers which included smallholders and small producers. Full details can be found below:

<https://www.ioigroup.com/Content/MEDIA/NewsroomDetails.aspx?intNewsID=993>

IOI's Responsible Sourcing Team jointly conducted a responsible production and NDPE compliance training with the IOI's Peninsular Malaysia regional sustainability team at Gomali Oil Mill. The training is part of IOI's engagement and monitoring of suppliers, both external and internal suppliers, to ensure that the supply chain is consistently meeting the NDPE requirements.

<https://www.ioigroup.com/Content/MEDIA/NewsroomDetails?intNewsID=994>

b. IOIEO-IBE-IOI Sabah Mills Meeting

IOIEO hosted the Annual IOIEO – IBE – IOI Sabah Mills Meeting on 21st February 2020. The annual meeting was initiated since Year 2018 as an avenue for Mill Managers, Mill Controller and M&E Department to gather and discuss prevailing issues relevant to regional palm industry. Subjects discussed in the recent meeting include COVID-19 Prevention and Control, Sustainability and Supply Chain Certifications, progress on T4T assessment, quality ranking and improvement, Logistic Security enhancements etc. Opinions and feedback from different levels of supply chain were discussed to enhance understanding on stakeholders' requirements. All the participating mills were reminded and guided to complete their respective T4T assessment. Meanwhile, IOIEO's 3rd party suppliers are being engaged at the same time to complete this year's T4T exercise.

c. Sustainability Management Review Meeting for Peninsular Malaysia Region

IOI conducted its 2nd sustainability management review meeting for Peninsular Malaysia on 20 February 2020. The meeting was attended by the Plantation Director, Group Head of Sustainability, senior plantation management team, central and regional sustainability teams, safety & health team and other key employees from the headquarters, mills, and estates in Peninsular Malaysia. Among the key topics discussed were socialization on new and revised sustainability-related policies and guidelines, potential group-level project on Climate Change Action Initiative and introduction on the newly developed documentation control system.



Sustainability management review meeting with Peninsular Malaysia Team

Aside from matters highlighted on past sustainability certification audits, the meeting also focused on experience learned from other regions such as foreign workers minimum wages, workers' recruitment process, safety & health initiatives, and various group level projects. The meeting also served as a platform for the operating units to provide feedback to the management team, to identify gaps in implementation and ways to improve IOI's sustainability practices and operations.

d. IOI Oleo's Sustainability Steering Committee Meeting 2020

On 10th March 2020, IOI Oleo's Sustainability Steering Committee (SSC) which comprises of Executive Director, Chief Operating Officers (COO) from respective sites, head and deputy head of Sustainability held a meeting to review and discuss the sustainability performance against targets and goals, policies, resources, major projects and latest developments.

The COOs had shared with the committee key environmental projects that had been implemented and planned in respective site in order to progressively reduce the company's potential impact on environment. Among the sustainability projects reviewed were the performance of the new power co-generation plant in reducing CO₂ emission, greenhouse gas reduction from solar panels installed in IOI Acidchem, and initiatives to reduce the company's water withdrawal by recycling waste water through the Reverse Osmosis Plant.

IOI Oleo Executive Director Mr. Tan Kean Hua calls for unwavering support and deliberate strategy from the committee towards meeting the group's sustainability commitments by empowering People, conserving Planet and enabling Prosperity.