



IOI GROUP

IOI Group Sustainability Implementation Plan

INTRODUCTION

This **Sustainability Implementation Plan (SIP)** serves as a practical working document that puts into practice the aspiration and commitments stated in our IOI Group Sustainability Palm Oil Policy (SPOP). The SIP contains **clear activities, milestones and timelines** for each subject area outlined in the SPOP.

The SIP will be regularly updated over time to reflect stakeholder input and implementation on the ground. We will report on our progress every quarter, beginning in Q4 2016.

Dato' Lee Yeow Chor
Group Chief Executive Officer

Dr. Surina Ismail
Group Head of Sustainability

CONTENTS

EXISTING PLANTATIONS

- RSPO Next
- RSPO Certification
- Labour Rights Monitoring System
- GHG Emissions
- Peatland
- Fire
- Conservation
- Agrochemicals

ADDITIONAL COMMITMENT FOR NEW PLANTINGS

- Peatland
- Ketapang Peatland Landscape
- KPAM
- Peatland Rehabilitation
- Fire prevention

TRACEABLE SUPPLY CHAINS

- Traceability
- Supplier Engagement
- Risk Assessment
- Mill Verification & Monitoring

TRANSPARENCY AND WIDER ENGAGEMENT

- Plantation and Concession Maps
- Grievance mechanism
- IOI - Pelita Sarawak
- Sustainability Advisory Panel
- HCS Convergence
- Dashboard





EXISTING PLANTATIONS

ACTIVITY/MILESTONE	STATUS PER DECEMBER 2017	2017	2018												2019				2020			
			Q4			Q1		Q2		Q3		Q4		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
		OCT	NOV	DEC	JAN	FEB	MAC	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC						
RSPO Next																						
POLICY COMMITMENT:																						
<ul style="list-style-type: none">Committing to implement RSPO NEXT in our Malaysian plantations, commencing end of 2016.																						
Ladang Sabah Mill (RSPO Next)																						
Pukin Mill (RSPO Next)	The first to undergo RSPO NEXT audit - Ladang Sabah Mill - is scheduled to be on the 22 January 2018 for stage 1. Stage 2 is expected to be conducted in March.																					
Syarimo Mill (RSPO Next)																						
Leepang Mill (RSPO Next)																						
RSPO Certification																						
POLICY COMMITMENT:																						
<ul style="list-style-type: none">Certifying the outstanding management units, in Sarawak and Indonesia, in accordance with the published time-boundTo comply with all applicable legislation and codes of practice.																						
Unico Desa Mill (RSPO)	Unico Desa Mill has undergone RSPO certification audit in December 2017.																					
Unico Mill (RSPO)	Unico Mill's audit is scheduled for Q1 2018.																					
Sugut Estate (RSPO)	RSPO certification was successfully obtained in November 2017.	Completed																				
	Training on Audit Compliance of Laws & Legal Requirements in our Indonesian concession was conducted in November 2017 by external experts involving SNA employees as well as to the contractors.	Completed																				
POLICY COMMITMENT:																						
<ul style="list-style-type: none">To comply with all applicable legislation and codes of practice.																						
Certifying all management units for MSPO Certification by 2018	Sakilan, Pamol, and Leepang Group have undergone MSPO audit in November 2018. Expected three more Groups to undergo MSPO audit by Q1 2018.																					



ACTIVITY/MILESTONE	STATUS PER DECEMBER 2017	2017	2018												2019				2020			
		Q4			Q1				Q2				Q3				Q4					
		OCT	NOV	DEC	JAN	FEB	MAC	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Q1	Q2	Q3	Q4		
	Completion of MSPO Standard Awareness Training Course throughout Malaysia in October 2017.		Completed																			

Labour Rights Monitoring System

POLICY COMMITMENT:

- **Implementing a labour rights monitoring system, with the involvement of an external partner to verify labour conditions, compliance with labour policy requirements and improve welfare and working conditions. We will take necessary corrective action to address any identified non-compliances.**
- **Eliminate all forms of illegal, forced, bonded, compulsory or child labour and in particular, follow responsible recruitment practice.**

Develop internal monitoring system and commence internal audits	The implementation of internal monitoring system such as a (i) foreign workers' recruitment guideline and procedures include no-recruitment fee policy, (ii) minimum wage policy and (iii) freedom of association policy have started from Q4 2017, after the policies were publicly launched in October 2017. The announcement from the CEO, and the above	Ongoing with continuous monitoring																		
Strengthening the commitment towards responsible recruitment practices.	policies can be accessed from http://www.ioigroup.com/Content/NEWS/NewsroomDetails?intNewsID=856	Completed																		
Circulation and socialisation session	Alert all recruitment agencies used by IOI Group of their obligations to comply with IOI Group's requirements for responsible recruitment practice. Set out corrective actions where necessary.	Completed																		
Develop internal monitoring system and commence internal audits	Internal monitoring system has taken place to monitor the implementation of the respective policies introduced in Q3 2017 by assigning personnel to handle specifically on the monitoring of compliances. The program has started from Q4 2017.	Completed with continuous monitoring																		
The estates are given a revised timeline for full implementation of new guidelines and policies introduced in October 2017. The monitoring is measured by milestone achievement for each region of IOI Plantation as follows;	The system will be improvised during the time of implementation. Full implementation to take place as scheduled.																			
i) Peninsular Malaysia:																				
ii) Sandakan:																				
iii) Lahad Datu:																				



ACTIVITY/MILESTONE	STATUS PER DECEMBER 2017	2017	2018												2019				2020						
		Q4			Q1			Q2			Q3			Q4			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
		OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC									
Appoint external partner to support with standardization and improvement of Labour Rights processes and systems.	A training and workshop session was conducted by BSR in October 2017. The session enabled the participants from the estate management to better understand issues on the ground and provided recommendations to rectify ongoing issues.	Completed																							
	Finnwatch has conducted a visit to two estates in Sandakan namely Moynod and Luangmanis estates in December 2017. Purpose of the visit is to conduct assessment based on the compliance of labour and social rights of the estates workers.																								
Implement corrective actions including improved SOPs.	BSR's report on labour practices in our Sabah estate is available on our website http://www.ioigroup.com/Content/S/PDF/BSR%20Summary%20Report.pdf	Completed																							

Human Rights and Workplace

POLICY COMMITMENT:

- Uphold the right to freedom of association and recognize the right to collective bargaining and allow trade unions to have access to our workers.
- No retention of workers' passports/identity documents or withholding of workers' wages other than that prescribed by law.
- Pay all workers the statutory monthly minimum wage and overtime compensation, in accordance with the current labour regulations.
- Provide fair and equal employment opportunities for all employees, regardless of race, nationality, religion or gender.
- Promote a safe and healthy working environment that is free of sexual harassment.
- Provide adequate equipment and training on the implementation of health and safety policies.
- Provide training and development to employees to ensure achievement of their full potential.

Elimination of withholding workers' passport practice.	Workers' passports have been fully returned to respective owners in all IOI plantations and mills. Locker system was also installed in the estates.	Completed																			
Translations of Policies in various languages of the workers	Policies in Bahasa Malaysia, English & Bahasa Indonesia are available. Policies in Bangladeshi & Tagalog are in the process to be translated.																				



ACTIVITY/MILESTONE	STATUS PER DECEMBER 2017	2017	2018												2019				2020			
		OCT	Q4 NOV DEC	JAN	Q1 FEB	MAC	APR	Q2 MAY	JUN	JUL	Q3 AUG	SEP	OCT	Q4 NOV DEC	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Training and development of employee for year 2017	<p>1. "Train the Trainer (TTT)" program To ensure all translators be competent, IOI plantation plans to conduct internal "Train the Trainer (TTT)" program to the translators. The training will be conducted to selected senior workers.</p> <p>2. Training on labour policies Training on policies and the implementation of minimum wage was conducted at Syarimo 3 Estate in Lahad Datu in October 2017.</p> <p>3. Training on Labour Ordinance A training by the State Labour Department on the Sabah Labour Ordinance was held in Sandakan in November 2017.</p>																					

GHG Emissions

POLICY COMMITMENT:

- Implementation of programmes to progressively reduce GHG emissions, recycle/reuse palm biomass and generate renewable energy by methane capturing.

Develop a transparent GHG reduction strategy for IOI Group; including clear saving targets.	<p>GHG reduction plan has been drafted by Sustainability Coordinator and being reviewed internally. The plan will be implemented and monitored.</p> <p>The baseline target for GHG emissions is based on the ISCC-EU requirement which is confirmed by certification body continuously on ISCC audit yearly.</p>																				
Monitor and Report GHG emissions of IOI Group.	The data on GHG emissions is currently being reported and monitored only at individual operating unit and was reported in IOI Sustainability Report 2017.	Ongoing with continuous monitoring																			
Study and analysis of methane reduction.	Ongoing research by IOI research personnel with various analysis on methane reduction procedure tested in various IOI's POMs in Peninsular Malaysia.	Ongoing																			
Reduce GHG at all IOI mills through the installation of Biogas capturing systems by 2020 (subject to new technologies).	<p>IOI has successfully commissioned two biogas plants, with capturing systems, in two palm oil mills in 2014 and 2015 respectively.</p> <p>A biogas capturing plant will start operating in Q2 2018.</p> <p>Two additional plants will be constructed in 2018.</p> <p>All mills are planned to be equipped with methane capture equipment in stages in tandem with available proven technology.</p>																				



ACTIVITY/MILESTONE	STATUS PER DECEMBER 2017	2017	2018												2019				2020					
		Q4			Q1				Q2				Q3				Q4							
		OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Peatland																								
POLICY COMMITMENT:																								
For existing plantations on peat, appropriate management using Best Management Practices, as defined in the RSPO P&C and the RSPO manual on Best Management Practices for existing oil palm cultivation on peat. Where areas are identified as unsuitable for oil palm replanting, based on drainability assessments or other reasons, plans will be developed for the appropriate management of such areas, which could include rehabilitation.																								
Implementation of enhanced management practices (where required).	Implementation of GEC recommendations for Peat Management plan on PT BSS is continuously being carried out with currently 80 canal blocks have been installed at 35 locations in PT BSS. Watergates have been installed to maintain the water levels in the peat areas.	Completed																						
	Completion of Standard Operating Procedures (SOPs) documents and finalization of Integrated Management Plan (IMPs). Socialization of SOPs and IMPs will be conducted in Q1 2018.																							
Assessments of peatland prior to any proposed replanting and modified management of peatland if not replanted (one year prior to scheduled replanting).	Completion of drainability assessment throughout Malaysia. Reports of assessment for three estates were completed. Pending report from one more estate.																							
Enhancing capacity building in Best Management Practices for existing oil palm cultivation on peat for 2017	A Peatland Water Management training was conducted in October 2017 for PT BNS and PT SKS.																							
Fire																								
POLICY COMMITMENT:																								
• Enforcement of IOI Group’s no-burning policy.																								
Review of fire prevention and control capacity in IOI Group.	IOI has fire prevention programs in place. The fire prevention document guidance has been shared with BOMBA Malaysia for peer review.																							
Upgrading internal capacity and training (annually).	Technical Training on Fire Emergency Response was conducted in Ketapang in October 2017. The training was attended by Estate Managers, Sustainability Personnel and Workers.	Ongoing																						
Conservation																								
POLICY COMMITMENT:																								
Identification and protection of High Conservation Value (HCV) areas, no deforestation and protection of HCS areas.																								



ACTIVITY/MILESTONE	STATUS PER DECEMBER 2017	2017		2018												2019				2020				
		Q4			Q1			Q2			Q3			Q4			Q1		Q2		Q3		Q4	
		OCT	NOV	DEC	JAN	FEB	MAC	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Integration and remapping of HCV, HCS and Peat areas where possible; followed by Review and enhancement of management and monitoring plans for all HCV and HCS areas under IOI group (ensuring active rather than passive management).	Software and equipment for SMART patrolling have been purchased by SNA group in order to provide comprehensive data. For this quarter, a SMART patrolling was conducted in December 2017 in PT BSS.																							
Rehabilitation of degraded HCV areas.	<p>The rehabilitation of degraded HCV areas is on-going and will be subjected to frequent monitoring.</p> <p>The rehabilitation program in identified area in Sg. Buluh, Muara Kendawangan is on-going and will be done in stages due to the complexity of topographic area and extensive area to cover.</p>	Ongoing																						
Capacity building to improve protection of High Conservation Value (HCV) areas, no deforestation and protection of HCS areas for 2017	<p>1. Management on High Conservation Value training was conducted by consultants. Participants including estate employees of PT SKS and PT BNS, as well as local communities.</p> <p>2. A Rehabilitation Conservation Area training was held for PT SKS and PT BNS in November 2017 to improve the understanding on rehabilitation in degraded area among the staff members and workers.</p> <p>3. A training on HCV Awareness was conducted for Syarmo 1 Estate and Unico 1 Estate in Lahad Datu, Sabah in October 2017.</p>																							

Agrochemicals (IMPLEMENTATION COMPLETED - end 2011)

POLICY COMMITMENT:

- **No use of Paraquat and pesticides that are categorised as World Health Organisation Class 1A or 1B.**



ACTIVITY/MILESTONE	STATUS PER DECEMBER 2017		2017												2018				2019				2020			
			Q4		Q1		Q2		Q3		Q4					Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
			OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC									
ADDITIONAL COMMITMENT FOR NEW PLANTINGS																										
Peatland																										
POLICY COMMITMENT:																										
<ul style="list-style-type: none">No development of peatlands regardless of depth, and protection of peat lands through water management and fire prevention.																										
Prepare new Peatland Protection Policy for IOI Group to include peatlands in existing concessions, new concessions, landscapes around concessions and supplier practices.	Currently, the Peatland Protection Policy is still being reviewed by GEC in order to be finalised. The policy covers peatland management in existing IOI plantations, new concessions and landscapes around concession and supplier practices.																									
Implementation of peatland protection policy across IOI Group.	The peatland protection policy is being reviewed by external stakeholders to ensure that industry’s best practices like RSPO BMP on peat are adhered to.																									
Ketapang Peatland Landscape																										
POLICY COMMITMENT:																										
We will develop a plan for peatland management and protection for the landscape in and around our four Ketapang concessions in West Kalimantan, in partnership with the affected stakeholders, in order to ensure optimum outcomes. This will involve mapping all peat lands in our Ketapang concessions and developing and implementing a plan for peatland protection, and the rehabilitation of peatland degraded by clearance or drainage or, where not possible, compensating an area of land equivalent to what has been degraded.																										
Peatland landscape plan initiated with guidance from GEC and involvement of stakeholders.	GEC has provided the Ketapang Peatland Landscape Plan to IOI. Currently, SPO team in Indonesia and HQ have drafted a concept note for implementation. Some works in the peatland landscape have already started.		Completed																							
	On-going stakeholder engagement.																									
IOI will engage stakeholders in the immediate vicinity of the SNA Group subsidiaries to jointly develop and implement landscape approaches that contribute to effective fire prevention and mitigation and peat and biodiversity conservation.	Continuous engagement initiatives with the local communities and local government agencies to monitor illegal logging, illegal hunting and fire patrol.																									



ACTIVITY/MILESTONE	STATUS PER DECEMBER 2017	2017	2018												2019				2020					
		Q4			Q1			Q2			Q3			Q4			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
		OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC								
Mapping of peatlands in concession and adjacent areas, including LiDAR mapping in collaboration with APP and Deltares.	The report is currently under review by APP and is expected to be delivered in Q1 2018.																							
Mapping the current peat distribution, peat types and peat properties in PT BSS, PT SKS and PT BNS to ensure compliance with recent laws and regulations	Completion of peat re-mapping by external consultant for PT SKS. Mapping for PT BSS and PT BNS will start in Q1 2018.																							
Assessment of management issues and challenges.	A Sustainability Capacity Audit undertaken by GEC was completed in October 2017 at PT SNA. The audit reviewed a broad range of issue related to plantation and conservation area management and sustainability.																							
Develop framework of Ketapang Peatland Landscape Plan with internal and external stakeholders	1.Meeting with Aidenvironment Two meetings with Aidenvironment in Ketapang were held in October and November in Ketapang to further discuss on potential landscape approach 2. Meetings with various stakeholders Multi-stakeholders meetings were held between 27 th November to 1 st December 2017 in Indonesia involving NGOs to further discuss projects related to Ketapang Peatland Landscape Plan.																							
Peatland landscape plan adopted and implemented.	Framework in developing stage.																							

KPAM

POLICY COMMITMENT:

- We commit to using the HCS Approach for our last wholly unplanted concession, KPAM.**

Initial review against policy commitments on HCV/HCS and Peat (Proforest).

Completed

Undertake HCS assessment, utilising the latest HCSA converged methodology, by approved HCSA practitioner. This will contribute to the programme of field trials for HCSA.

The HCS assessment using latest HCSA converged methodology is in final process and it will be reviewed by peer reviewer as recommended by HCSA panel. The peer review is expected to be completed in Q1 2018.

Peer review by stakeholders

In October 2017, Proforest completed the peer review on the HCV assessment report for PT. KPAM. High Conservation Value Assessment Report for PT. KPAM was submitted to HCVRN on 20 November 2017.

Final report

Final report is completed and IOI received the letter of satisfactory from HCVRN on the HCV Assessment Report on 24th November 2017.



ACTIVITY/MILESTONE	STATUS PER DECEMBER 2017	2017	2018												2019				2020					
		Q4			Q1			Q2			Q3			Q4		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
		OCT	NOV	DEC	JAN	FEB	MAC	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC								
Peatland Rehabilitation																								
POLICY COMMITMENT:																								
<ul style="list-style-type: none">We confirm our commitment to developing and implementing best practice on peatland remediation, rehabilitation and where necessary, compensation measures, in our Ketapang development in West Kalimantan.																								
Revised 3-year plan (2016-18) for rehabilitation of peatland in NE portion of BSS. Specific rehabilitation measures at BSS will be integrated within the overall Ketapang peatland management plan.		Ongoing with continuous monitoring																						
	Rehabilitation program for a portion of area in PT BSS and PT SKS is ongoing.																							
Continuous monitoring of progress in Ketapang Peatland rehabilitation	Continuous monitoring on the implementation through Integrated Management Plan monthly reporting on the rehabilitation progress. Mortality of the trees is recorded and transplant is being done in supply areas. Besides that, monitoring on the growth and increase ground cover are well monitored using internal drone.	Ongoing with continuous monitoring																						
Implement and complete rehabilitation plan for BSS.	The Integrated Management Plan for rehabilitation in PT BSS are already implemented and being continuously monitored by the sustainability team.	Ongoing with continuous monitoring																						
BSS shallow peatland plan is implemented and completed.	Completed with continuous monitoring	Ongoing with continuous monitoring																						
Plan for SKS/BNS to be implemented.	The implementation works are in progress.	Ongoing																						
Plan prepared for the rehabilitation of peatlands in adjacent landscape (part of landscape plan).	Integrated Management Plan, 'Rencana Pengelolaan dan Pemantauan Konservasi Terintegrasi (KKT) for PT BSS, SKS and BNS' is being finalized and reviewed.																							
Rehabilitation to be initiated.	Completed with continuous monitoring	Completed with continuous monitoring																						
Sustainability initiatives through Community Empowerment by Ecotourism Activities	To conserve the environment and preserve the livelihood of the local communities, few ecotourism activities plan to be carried out in IOI Ketapang (Birding, Dayak Community Festival and Culture, Safari and etc) in Ketapang, Indonesia.																							



ACTIVITY/MILESTONE	STATUS PER DECEMBER 2017	2017	2018												2019				2020					
		Q4			Q1				Q2				Q3				Q4							
		OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Fire prevention																								
POLICY COMMITMENT:																								
<ul style="list-style-type: none">We will develop and implement a fire prevention and rapid response programme, consisting of active measures to prevent fires in IOI’s new developments and adjacent lands, and to respond rapidly to any fires if necessary. The peatland management plan will be an important factor in mitigating fire risk.																								
Develop enhanced fire prevention and mitigation programmes within (including conservation areas) and around concessions.	The fire prevention document guidance has been shared with Natural Resources Conservation Agency (BKSDA) of Indonesia for peer review.																							
Engage local communities and other neighbouring estates and government agencies towards a partnership in fire prevention outside concessions boundaries by raising awareness and training.	Ongoing joint patrolling																							
Signing of MoU with Balai Konservasi Sumber Daya Alam (BKSDA) as partner to work on action plan on fire prevention.	Completed																							

TRACEABLE SUPPLY CHAINS

Traceability

POLICY COMMITMENT:

- Our goal is to ensure that all volumes of palm oil and palm oil fractions will be 100% traceable to mills by the end of 2016 while palm kernel oil volumes will be traceable to crushers by end 2016 and to the mills by end 2018; this will be extended towards 100% traceable to plantation by the end of 2020.**

Traceability target PO to Mill (100%)	Traceability data is reported via the IOI Palm Oil Dashboard at http://www.ioigroup.com/Content/S/S_Dashboard																				
Traceability target PK to Crusher (100%)	Traceability data is reported via the IOI Palm Oil Dashboard at http://www.ioigroup.com/Content/S/S_Dashboard																				
Traceability target PK to Mill (100%)	Traceability data is reported via the IOI Palm Oil Dashboard at http://www.ioigroup.com/Content/S/S_Dashboard																				
Traceability target PO to Plantation (100%)	Traceability data is reported via the IOI Palm Oil Dashboard at http://www.ioigroup.com/Content/S/S_Dashboard																				
Traceability target PK to Plantation (100%)	Traceability data is reported via the IOI Palm Oil Dashboard at http://www.ioigroup.com/Content/S/S_Dashboard																				



ACTIVITY/MILESTONE	STATUS PER DECEMBER 2017	2017	2018												2019				2020						
		Q4			Q1				Q2			Q3			Q4		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
		OCT	NOV	DEC	JAN	FEB	MAC	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC									
Supplier Engagement																									
POLICY COMMITMENT:																									
<ul style="list-style-type: none">We will actively promote and support the transformation of the palm oil supply chain through a process of supplier engagement. We will continue to engage with key suppliers to promote our policy commitments and build capacity of mills and supplier companies to ensure compliance.																									
Webinar/training on new policy requirements to all direct suppliers.	Capacity building workshops are ongoing (with Proforest).	Ongoing																							
Review of all direct suppliers' sustainability commitments against IOI policy requirements.	Ongoing	Ongoing																							
Group level risk review of upstream companies in IOI supply base.	Internal and external capacity is being added to execute group level risk assessments. Collaboration with external service providers started Intelligence reports on several high-risk suppliers (group level) are available and required action has been taken / will be taken	Ongoing																							
Continuous Supplier Engagement in order to collaborate on prioritisation of interventions such as verification.	Agenda for supplier engagement activities will be published via the newly launched IOI Palm Oil Dashboard. Assessments and workshops ongoing	Ongoing																							
Prepare guideline for "Sustainable Practices in the Supply Chain" for suppliers.		Ongoing																							
Provide guidance to suppliers on peatland protection requirements and management requirements for existing plantations on peat.	Supplier assessment and supplier workshop are ongoing and is reported on IOI Palm Oil Dashboard. http://www.ioigroup.com/content/s/s_dashboard	Ongoing																							
Review and engage with large suppliers on their practices with respect to peatlands on their plantations.	IOI has prioritized peatland landscapes in the supply base including third party suppliers. The supplier engagement and training on best practices for existing planting on peat training initiative has been started. More workshops to follow (also reported via IOI Palm Oil Dashboard). The summary on the supplier engagement workshop can be found at: http://www.ioigroup.com/Content/S/PDF/Supplier%20Technical%20Workshop.pdf	Ongoing																							
Develop guidelines for suppliers on requirements for HCV and HCS areas.	Peat rehabilitation and conservation projects are being prepared within two landscapes in Peninsular Malaysia																								
	IOI HCV/HCS internal documents will be shared during organised workshop.	Ongoing																							
	IOI is co-funding a HCV assessment for a supplier. Scoping assessment already completed in August. Full assessment will be conducted in January 2018.																								
Review supplier practice for HCV and HCS areas to ensure adherence to IOI Policy.	Supplier assessment and supplier workshop are ongoing and reported on IOI Palm Oil Dashboard.	Ongoing																							



ACTIVITY/MILESTONE	STATUS PER DECEMBER 2017	2017	2018												2019				2020					
		Q4			Q1			Q2			Q3			Q4			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
		OCT	NOV	DEC	JAN	FEB	MAC	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC								
Guidance to suppliers on requirements for zero burning, fire prevention and control, and monitoring tools including GFW.	Coordinated workshops conducted by collaboration within IOI Group to the suppliers.	Ongoing																						
Review of supplier practice on zero burning, fire prevention and control.	Coordinated workshops conducted by collaboration within IOI Group to the suppliers.	Ongoing																						
	IOI is monitoring high fire risk areas with near real-time monitoring satellite service provider on a fortnightly basis.																							

Risk Assessment

POLICY COMMITMENT:

- We will risk assess all palm oil supplier mills using tools such as the spatial data and remote sensing information made available by the World Resource Institute's (WRI) Global Forest Watch (GFW) platform, together with stakeholder alerts, in order to facilitate monitoring of the palm oil supply chain to establish priorities for conducting mill-level verification assessments.

Weekly Internal Mill Alert System.	Ongoing	Ongoing																			
New mills risk assessed every quarter by implementation partner- ensure inclusion of mills supplying to all IOI divisions.		Ongoing																			
All mills will be risk assessed every 2 years.	Completed FY16/17 supplier risk assessment expected end of October 2017	Ongoing																			
Annual Traceability report at group level.	Traceability data is reported via the IOI Palm Oil Dashboard at http://www.ioigroup.com/Content/S/S_Dashboard	Ongoing																			

Mill Verification & Monitoring

POLICY COMMITMENT:

- We are implementing a programme of mill-level verification assessments within our supplier base, in order to verify compliance with our Sustainable Palm Oil Policy. We expect all our third-party suppliers of palm oil products to adhere to commitments in this Sustainability Policy.

Policy communication: building internal capacity.	Ongoing, reported via IOI Palm Oil Dashboard: http://www.ioigroup.com/Content/S/PDF/Supplier%20Technical%20Workshop.pdf	Ongoing																			
Finalisation of procedure for execution of 3 step approach.	Near real time monitoring program for Sabah and Peninsular Malaysia is active. In addition, supplier intelligence program at group level is ongoing. Reports on several suppliers (group level) are available and further action will be taken.	Ongoing																			



ACTIVITY/MILESTONE	STATUS PER DECEMBER 2017	2017	2018												2019				2020						
		Q4			Q1			Q2			Q3			Q4		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
		OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV									DEC	
Programme of mill workshops for direct supplier mills.	The agenda for supplier engagement moments can be viewed via IOI Palm Oil Dashboard: http://www.ioigroup.com/Content/S/S_Dashboard	Ongoing																							
Engage with key traders to establish industry convergence on the TWG’s verification indicators and methodology, as already adopted by IOILC.	To be executed monthly	Ongoing																							
Minimum 10 new mill assessments a year with implementation partner.	Reported via the IOI Palm Oil Dashboard at http://www.ioigroup.com/Content/S/S_Dashboard . Suppliers workshops addressing key findings of earlier supplier assessments are becoming more important in ensuring supplier are complying with our policy	Ongoing																							
Actively participate in industry initiatives to fast forward the development of a platform/way to share results from the mill assessments.	IOI’s concession map can be viewed via respective website of World Research Institute (WRI) and Global Forest Watch (GFW)	Ongoing																							
Time Bound Action Plan covering all suppliers that has been assessed from the engagement process.	Reported via the IOI Palm Oil Dashboard at http://www.ioigroup.com/Content/S/S_Dashboard	Ongoing																							
Suppliers to demonstrate progress of implementation from gaps found during the mill assessment.	Reported via the IOI Palm Oil Dashboard at http://www.ioigroup.com/Content/S/S_Dashboard	Ongoing																							
Yearly follow up visit to supplier's mill and supply base.	Ongoing	Ongoing																							



ACTIVITY/MILESTONE	STATUS PER DECEMBER 2017												2018												2019				2020			
	Q4			Q1			Q2			Q3			Q4			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4									
	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC																	
TRANSPARENCY AND WIDER ENGAGEMENT																																
Plantation and Concession Maps																																
(IMPLEMENTATION COMPLETED – Q1 2017)																																
POLICY COMMITMENT:																																
<ul style="list-style-type: none">Making maps of all IOI plantations publicly available, subject to any legal restrictions.																																
Grievance mechanism (IMPLEMENTATION COMPLETED – Q4 2016)																																
POLICY COMMITMENT:																																
<ul style="list-style-type: none">Improving IOI Group’s complaints handling capacity and procedures, and implementing a comprehensive grievance procedure covering our palm oil production and sourcing.																																
IOI - Pelita Sarawak																																
POLICY COMMITMENT:																																
<ul style="list-style-type: none">An open and transparent approach to resolving outstanding grievances with the involvement of affected stakeholders, including successfully concluding the mediation process with the affected longhouse communities in Sarawak, to the satisfaction of all parties.																																
Conduct meetings with affected communities in the presence of residents of Miri to discuss land /land use offers to settle dispute.	A district level stakeholders consultation has been conducted in Miri town by the local authorities involving local communities and other stakeholders in November 2017. One of the issues discussed was about the land dispute issue in Tinjar.																															
	Meeting with affected communities in PELITA conducted on weekly basis by IOI’s Community Communication Officer to update on the resolution progress.																															
	Ongoing process on development of compensation mechanism based on the current documented claims remained to the community.																															
Progress updates on the resolution to be published regularly via the Grievance mechanism to ensure transparency in resolving this issue.	Updated Grievance list: http://www.ioigroup.com/Content/S/PDF/Grievance List.pdf or via the IOI Palm Oil Dashboard at http://www.ioigroup.com/Content/S/S_Dashboard												Ongoing																			



ACTIVITY/MILESTONE	STATUS PER DECEMBER 2017	2017	2018												2019				2020					
		Q4			Q1			Q2			Q3			Q4			Q1	Q2	Q3	Q4				
		OCT	NOV	DEC	JAN	FEB	MAC	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC								
Setting stage for engagement and negotiation of dispute resolution	Ongoing works with relevant stakeholders such as NGO and local authorities to develop a platform of communications with the communities.																							
	Drafting of Area Development Committee (ADC) Term of Reference (ToR) focusing on local community engagement.																							
	Ongoing CSR activities to be conducted with the respective villages. Update on the CSR activity in Long Tuyut; road repairs had been completed in several areas. Meanwhile Long Teran Kanan the roadworks is still ongoing.																							
	Action Plan formulated and developed with Grassroots. The document was submitted to RSPO in November before the next RSPO Complaint Panel meeting on December 19, 2017																							

Sustainability Advisory Panel

POLICY COMMITMENT:

- Follow a multi-stakeholder approach as the right way forward to transform the palm oil sector. We will work with various stakeholders including our suppliers, customers, non-governmental organisations (NGOs), governments and independent verification bodies to implement our Policy.

SAP formed and to meet and monitor the SIP.	Following by a tele-conference on 20 September 2017, the next face to face meeting was scheduled to be on 27 November 2017.																				
	Selection of qualified candidates to undertake the work																				
Independent Verification of IOI's Sustainability Commitments	Approval of candidate and start of work																				

HCS Convergence (IMPLEMENTATION COMPLETED – Q2 2017)

POLICY COMMITMENT:

- Follow a multi-stakeholder approach as the right way forward to transform the palm oil sector.

Dashboard (IMPLEMENTATION COMPLETED – Q4 2016)

POLICY COMMITMENT:

- Launching a public reporting system (company dashboard) to communicate traceability information, progress on resolution of outstanding complaints and updates on supplier engagement and verification.



2 FEBRUARY 2018