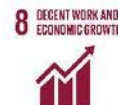# SUSTAINABILITY IMPLEMENTATION PLAN

Foreword

This Sustainability Implementation Plan (SIP) serves as a **practical working document** that puts into practice the aspiration and commitments stated in IOI Corporation Berhad (IOIC)'s Sustainable Palm Oil Policy (SPOP). The SIP contains the issues and targets for each subject area outlined in the SPOP and is regularly updated over time to reflect stakeholders' input and implementation progress on the ground.

We have been reporting our progress since Q3 2016 and have been reviewing our implementation plans bi-annually from 2019 onwards to better represent our current progress as well as to add new activities related to any new commitments in our on-going sustainability journey. In 2019, an external verification of the implementation of IOIC's SPOP and related commitments was conducted. A report was published along with IOIC's Management Response (MR) to both the findings of the verification exercise as well as the way forward in addressing the gaps identified in the report. This current SIP reflects to the progress reported from Jan 2020 to June 2020.

Dato' Lee Yeow Chor
Group Managing Director and Chief Executive

Dr Surina Ismail Group
Group Head of Sustainability

COMMITMENT #1: HUMAN RIGHTS AND WORKING CONDITIONS

ISSUES	TARGETS	PROGRESS
1. System for monitoring of human rights and labour conditions	Finalise labour rights monitoring checklist and integrate into the internal audit checklist by August 2019. Full monitoring on human rights & labour condition to complete in Q1 2020.	Completed since June 2019. Actual implementation based on the checklist for PT SNA was conducted in early 2020 and the identified gaps are being addressed, albeit with some delays due to the COVID-19 pandemic.
2. Workers' understanding of labour rights	Establish training program on social/labour awareness by August 2019. Frequency of at least twice a year.	Established since September 2019. The training program was extended to PT SNA in Q2 2020 but some of the trainings have been rescheduled due to COVID-19 pandemic.

COMMITMENT #2: HCV IDENTIFICATION AND MANAGEMENT

ISSUES	TARGETS	PROGRESS
1. HCV identification and assessment	To ensure that all HCV assessment templates for IOI plantations are based on the latest HCV Resource Network (HCVRN) common guidance for HCV identification by Q1 2020. In-house HCV assessments based on the latest HCVRN common guidance for HCV identification to be completed by March 2020.	As of June 2020, all of IOI plantation areas have undergone in-house HCV assessment according to the latest HCV templates based on the HCVRN guidelines.
2. Landscape Level Approach (LLA) for existing plantations - Bukit Leelau Mini LLA	Activities on rehabilitation of forest reserves and its buffer zones, fire prevention and empowerment programmes for the *Orang Asli* to be completed by Q1 2020.	Activities planned for has fully completed by November 2019. Currently IOI is collaborating further with the community in maintenance and monitoring of the constructed canal blockings and rehabilitated areas.

SUSTAINABLE DEVELOPMENT GOALS
adopted by IOI

2 ZERO HUNGER 8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION 15 LIFE ON LAND 17 PARTNERSHIPS FOR THE GOALS

3.	Collaboration work with relevant stakeholders as part of HCV management	A project proposal with the NGOs Hutan & PONGO to be finalised by October 2019 and the research activities to start in November 2019. Project may eventually expand to other types of umbrella species such as elephant, clouded leopard, etc.	Preliminary report on the visit has been shared in March 2020. Further discussions between IOI Sustainability Team and Hutan took place in June 2020. Subsequent plans for the project are as follows: 1. Due to COVID-19 pandemic, on-site visit to resume tentatively in August 2020. 2. The next on-site visit is the steep hills at our Morisem Estates. 3. Engagement on awareness with local estate communities. 4. Analysis of feedback received from workers towards human-wildlife relationship in their workplace.
4.	Consolidation of HCV data as part of centralised data management	Centralised depository server at the HQ level to be ready in January 2020. Centralised system management with consolidation of HCV data to be completed by March 2020.	Centralised depository server has been fully established and tested in March 2020. Centralised system management with consolidation of HCV data completed on March 2020
5.	Buffer zone rehabilitation	Rehabilitation mapping and the SOPs for buffer zone rehabilitation to be completed by Q1 2020. Buffer zone rehabilitation program during replanting to be developed and implementation to be started by June 2020.	Guidance on buffer zone rehabilitation to be incorporated into the Biodiversity & Conservation Guideline. Development of the guideline is in progress and expected to be completed by October 2020.

COMMITMENT #3: IOI-PELITA RESOLUTION

ISSUES	TARGETS	PROGRESS
1. IOI-Pelita resolution plan	Stage 1 – July 2019 Stage 2 – December 2019 Stage 3 – June 2020	Stage 2: 3D Community Participatory Mapping, is still in progress and expected to be completed by October 2020. By mid-March 2020, six out of nine affected communities had their surveys done. Unfortunately, the Community Participatory Mapping process had to be put on hold due to COVID-19 pandemic. The process is resumed at the end of June 2020.

SUSTAINABLE DEVELOPMENT G⊙ALS
adopted by IOI

2 ZERO HUNGER   8 DECENT WORK AND ECONOMIC GROWTH   12 RESPONSIBLE CONSUMPTION AND PRODUCTION   13 CLIMATE ACTION   15 LIFE ON LAND   17 PARTNERSHIPS FOR THE GOALS

COMMITMENT #4: KETAPANG PEATLAND MANAGEMENT

ISSUES	TARGETS	PROGRESS
1. *South Ketapang Landscape Initiative*	1st year targets to be met by December 2019	For this reporting period, PT SNA worked with neighboring villages and government agencies responsible for fire prevention to develop action plans and necessary capacity to prepare for the dry season, expected to start in September 2020. A Fire Outbreak Preparedness Plan was developed which identifies 7 high-risk zones and outlines root causes, remedial actions, stakeholders to be involved, equipment and resources, etc.

COMMITMENT #5: THIRD-PARTY SUPPLIERS

ISSUES	TARGETS	PROGRESS
1. *Supply chain compliance program*	Timeline for completion of the collaboration programme: 18 months	IOI continues to utilise Earthworm Foundation's (EF) Tools for Transformation (T4T) for supplier's engagement in Sabah. 98% of mills supplying to IOI Edible Oils completed their self-assessment through T4T and 43% of the suppliers have prepared action plans on gaps identified. In March 2020, IOI and EF conducted a session with Tanah Emas Mill on children in plantation, human rights and workers' welfare. We also conducted a session on NDPE with IOI's mills and estates in Peninsular Malaysia.
2. *Group-level risk assessment*	Monthly reports and when critical changes have been detected	IOI continues to monitor its supply base through Aidenvironment/Earth Equalizer's land use change surveillance system. Details of the engagement and its progress are available in IOI's grievance register *here*.

COMMITMENT #6: MANAGEMENT SYSTEMS

ISSUES	TARGETS	PROGRESS
1. *Centralised management system*	SAP system to go live in stages, starting in Q3 2019.	As of June 2020, SAP system has gone live at 45 operating units in Peninsular Malaysia and Sabah. The system is scheduled to be fully implemented in other operating units by February 2021.
2. *Standardised documentation and monitoring system*	Group-level standardised documentation and monitoring system for Sustainability team to start in October 2019.	IOI has implemented document control for all existing documents at the HQ and operating units based on ISO 9001:2015 system since April 2020.

SUSTAINABLE DEVELOPMENT GOALS
adopted by IOI

2 ZERO HUNGER | 8 DECENT WORK AND ECONOMIC GROWTH | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 13 CLIMATE ACTION | 15 LIFE ON LAND | 17 PARTNERSHIPS FOR THE GOALS