

Grievance List Update June 2018			
Only cases reported from suppliers that are reported as direct or indirect suppliers in the previous 12 months and have not actively been delisted or from own operations			
Date logged	Subject	Issue	Actions taken by IOI
Sep-16	<p>Eagle High Plantations, indirect via trading partners:</p> <ul style="list-style-type: none"> • Wilmar • Musim Mas • GAR 	<p>Land clearing and no proper FPIC conducted as reported by Greenpeace in “A Deadly Trade Off”</p> <p>Greenpeace report can be found here</p>	<p>Feb-18: For updates see websites of trading partners</p> <p>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</p> <p>Oct-17: IOI LC (now Bunge LC) conducted a site visit to Eagle High’s PT VMA concession upon invitation to understand the situation on the ground.</p> <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: We have informed our trading partners about specific requirements for Eagle High 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, indirect via trading partners:</p> <ul style="list-style-type: none"> • Wilmar 	<p>Land clearing as reported by Greenpeace in “A Deadly Trade Off”</p> <p>Greenpeace report can be found here</p>	<p>Feb-18: See grievance list Wilmar</p> <p>Aug-17: See grievance list Wilmar, 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 will inform our trading partners accordingly.</p> <p>Feb-17: We have informed our 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: direct</p>	<p>Land clearing as reported by Greenpeace in “A Deadly Trade Off” (Group level risk, IOI is not sourcing for the reported areas)</p> <p>Greenpeace report can be found here</p> <p>IOI’s spatial risk analysis classified the supplying mill of TH Plantations as a high priority mill</p>	<p>Feb-18: Position remains unchanged, TH did not share an action plan to address outstanding issues</p> <p>Dec-17: IOI will re-engage with TH in January for progress update</p> <p>Aug-17: Situation remains unchanged</p> <p>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</p>



			<p>is in conflict with IOI’s policy and therefore we continue the suspension of TH plantation from our supply chain</p> <p>Nov-16: TH Plantations invited IOI for mill verification.</p> <p>TH and IOI have scheduled the mill verification for Mar-2017. IOI will contact senior management of TH once the report of the mill verification is available. In this meeting IOI will also address the other issues reported listed in our grievance list as well as milestones for re-engagement.</p> <p>2016: On several occasions, IOI approached TH Plantations for an on-site mill and supply base verification. Since TH Plantations refused to collaborate, IOI decided to phase out TH Plantations from its supply chain.</p>
<p>2015</p>	<p>IOI concessions in Ketapang, West Kalimantan, Indonesia (SNA group: PT BNS, BSS & SKS)</p>	<p>RSPO complaint related to land clearing and illegal planting</p> <p>RSPO case tracker: here</p>	<p>May-18: IOI received a query from Eric Wakker, Aidenvironment on the overplanting allegation against PT BNS. Aidenvironment and IOI have issued a joint statement earlier on 1 December 2016 that confirmed the PT BNS has abandoned the 434 ha of land, cleared and planted between 2010 and 2014, in line with the instruction issued by the Indonesian Ministry of Environment and Forestry (KLHK) until such a time as there are new Ministerial instructions regarding the said land.</p> <p>In November 2017, PT BNS have received a letter from KLHK stating the validity of the Ministerial Decree dated 15 August 1992 that the “the land is</p>



			<p>considered Areal Penggunaan Lain (APL) and not “Hutan Produksi (HP)”.</p> <p>Feb-18: According to the agreed “Term of reference” (ToR) with RSPO, a draft report from RSPO verification visit which ended on 29/1/2018, was to be shared with IOI by 7/2/2018. However, as of 26/2/2018, IOI has yet to receive such draft report from RSPO.</p> <p>Dec-17: Quarterly report on the progress action plan as recommended by RSPO CP has been sent to RSPO in October 2017. Final verification by RSPO CP is expected to be conducted January 2018.</p> <p>Oct-17: IOI continues to implement its action plan (see also the Sustainability Implementation Plan or SIP update) and is ready for another field verification by RSPO. RSPO has yet to confirm the dates.</p> <p>Aug-17: IOI’s action plan following the field verification report of the second RSPO field visit in February, was submitted to the RSPO CP on June 20th. See case tracker RSPO.</p> <p>2017: IOI continues its near real time monitoring program on the Ketapang concessions.</p> <p>Feb-17: RSPO conducted field verification PT BNS and PT SKS, IOI is waiting for the report (including the report on BSS). IOI will continue to implement actions listed in the Sustainable Implementation Plan (SIP) and provide quarterly updates via its website.</p>
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Nov-16	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-18: 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-17: updated social and labour policies IOI Group can be found: here</p> <p>Oct-17: 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-17: 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-17: Final assessment reports Proforest and BSR expected in July.</p> <p>Apr-17: 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-17: BSR started initial desktop verification of corrective measures taken by IOI following the Finnwatch report.</p> <p>Jan-17: 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-17: IOI will implement the recommendations as provided by Finnwatch in their report published Nov 16.</p>
2010	IOI Pelita located in Sarawak, Malaysia	RSPO complaint related to the NCR of communities in Sarawak Dispute Settlement	Feb-18: IOI and Grassroots jointly engaged with RSPO to discuss comments CP on joint action plan. IOI and Grassroots will revise the joint action plan



		<p>Facility of the RSPO: RSPO case-tracker.</p>	<p>including the comments of the CP. The CP will review the revised action plan in their 28th March 2018 meeting.</p> <p>Dec-17: The finalized action plan has been sent to RSPO. Some of the activities has been started and conducted on the ground, such as Corporate Social Responsibility (CSR) in several areas namely Long Tuyut, Long Teran Batu, and Long Tabing. The translation of this document is in the final stage and will be shared with the local communities and stakeholders in second week of December 2017. IOI will not divest its share in IOI-Pelita as per statement IOI (here)</p> <p>Oct -17: IOI and Grassroots have worked on a joint action plan which is now being reviewed by Pelita. We expect to present the mutually agreed action plan to RSPO in November</p> <p>Aug-17: A joint verification visit, IOI-Grassroots-RSPO (observer) to the local community at IOI-Pelita plantation in Sarawak was conducted from 3-7 July 2017. IOI, Grassroots and RSPO discussed action plans as a way forward to address the land disputes with communities. Joint Action Plan is submitted to RSPO for review by Complaints Panel.</p> <p>June-17: RSPO CP acknowledged the letter sent by IOI and Grassroots (both available via RSPO case tracker). RSPO is agreeable to the recommendations made on the mediation process. IOI and Grassroots will continue to work on the jointly agreed actions to expedite the process.</p>
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			<p>improved proposal has been put forward to the involved community representatives for reviewing by the communities. A follow up meeting is scheduled.</p> <p>2015: An effort by the state government of Sarawak to resolve the issues; all parties agreed to this government initiative. In November 2015 a meeting held between the state government, IOI and the community in which an offer was made for compensation. The community did not accept the offer. A second mediation meeting was held in December. An independent observer from RSPO attended this second mediation meeting and submitted a report to the RSPO secretariat. Meetings were held in collaboration and support of RSPO with various NGOs, the most significant being the Meditation by Mr. Tim Ofor from Pax Populus Australia in December 2011. Other reports on this matter includes Marcus Colchester Report of July 2013 and Ramy Bulan Report 2012/2015.</p> <p>Despite the Appeals Proceeding and the subsequent decision of the Courts of Appeal and Federal Court, IOI and the LTK community continue to engage in dialogue to seek solutions beyond the jurisdiction of the legal system.</p> <p>In April 2013, the Court of Appeal reversed the High Court decision stating that there was no evidence to support the claim for NCR over the 2 land parcels within IOI Pelita Provisional Lease. In July 2013, the Federal Court had further dismissed the LTK Community’s application to appeal against the Court of Appeal’s findings.</p>
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<p>Nov-16</p>	<p>Wilmar</p> <ul style="list-style-type: none"> • PT Daya Labuhan Indah • PT Perkebunan Milano 	<p>Human and labor rights violations as reported by Amnesty International</p>	<p>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.</p>

		<p>The report from Amnesty International can be found: here</p>	<p>Mar-17: Wilmar to update IOI on BSR assessment</p> <p>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>
Mar-16	IOI concession PT KPAM in West Kalimantan, Indonesia	Illegal road construction	<p>May 2018: The investigator team from Polres Ketapang received a report on land intrusion/illegal clearing. Following rounds of questioning from witnesses, the police have arrested an individual responsible for the illegal clearing. The site is now blocked with police lines.</p> <p>May-18: IOI received query from Sinarmas on allegation of land clearing by PT KPAM. NPP submission was approved by RSPO on 13 May 2018. Illegal activities were found by our Sustainability Team and reported to Polres in April 2018. Currently Polres (Kepolisian Resor) is investigating the situation.</p> <p>Feb-18: HCS peer review assessment still in progress. Near real time satellite monitoring program continues and detected no deforestation and fires within the concession. PT KPAM employs a team of 5 full time fire and patrol staffs to monitor any illegal activity.</p> <p>Dec-17: IOI submitted HCS assessment for peer review to high carbon stock approach group (see http://highcarbonstock.org/registered-hcsassessments/)</p> <p>IOI continues its near real time monitoring program on the Ketapang concessions.</p>



			<p>Sep-17: Another report was filed when IOI found that the illegal road construction activities had resumed. These activities ceased in December 2017 after Polres had asked them to vacate the area.</p> <p>Nov-16: land clearing spotted outside top-end PT KPAM (outside IOI concession boundary). This development is not an IOI development.</p> <p>Oct-16: Despite IOI Group's efforts to halt the activities and reports to the local authorities, activities and entries nonetheless have persisted. Therefore, IOI Group highlighted the issue in the NPP procedure to the RSPO secretariat. The locals diverted the road to an area outside the IOI concession boundaries.</p> <p>June-16, Nicko Arywibowo (Legal Manager of SNA) reported both to the RSPO and the Polres that illegal road construction activities by third parties were found but subsequently stopped after the report was filed.</p> <p>Apr-16: IOI Group discovered trespassers and unauthorized activities by 3rd Parties in PT KPAM via satellite images provided by Satelligence (near real time monitoring program). On-site verification confirmed illegal activities in form of road construction by locals. This was reported to RSPO.</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 Bunge Loders Crokiaan (Bunge LC) thru IOI 	Alleged deforestation in PT PBP	<p>June 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>plantations in Malaysia, PT PBP does not supply into Bunge LC's supply chain</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>
<p>Dec-17</p>	<p>NPC Resources, PT Sumber Alam Selaras (PT SAS), Indonesia</p> <p>• NPC is a direct supplier of Bunge Loders Croklaan (Bunge LC) thru IOI plantations in Malaysia, PT SAS does not supply into Bunge LC's supply chain</p>	<p>Alleged deforestation in PT SAS</p>	<p>June 18: NPC has informed IOI that their consultant 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 – December 2017 and January 2018. The IOI commercial team contacted NPC and requested an immediate stop clearing as well as an action plan to deal with allegations and other policy gaps. NPC informed us 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</p>



			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.
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