

	<b>IOI Corporation Berhad</b>	Doc. Ref. : IOI/P/GP/001
	<b>Grievance Procedure</b>	Rev. No. : 1 Rev Date : 20th Jan 2020

## Introduction:

In its [Sustainable Palm Oil Policy](#) (“SPOP”), IOI Corporation Berhad (“IOI” or “IOI Group”) committed to the implementation of a comprehensive Grievance Procedure covering its palm oil production and sourcing. IOI is committed to an open and transparent approach to resolve outstanding grievances with the involvement of affected stakeholders. IOI will deal with all grievances logged under the Grievance Procedure in a fair and timely manner. The Group will publicly disclose the results of this process.

To ensure effective implementation of this Grievance Procedure and as part of IOI Group’s stakeholder engagement program, IOI will annually review the procedure and consult with stakeholders. If necessary, the procedure may be revised to ensure its continued effectiveness.

IOI has developed this Grievance Procedure in collaboration with both internal and external stakeholders who provided feedback on various aspects of the procedure. This Grievance Procedure deals with many different types of grievances including – but by no means limited to – those that reflect environmental/human and/or labour rights concerns. IOI has aligned the Grievance Procedure with the [UN Guiding principles](#) on business and human rights for effective non-judicial grievance mechanisms.

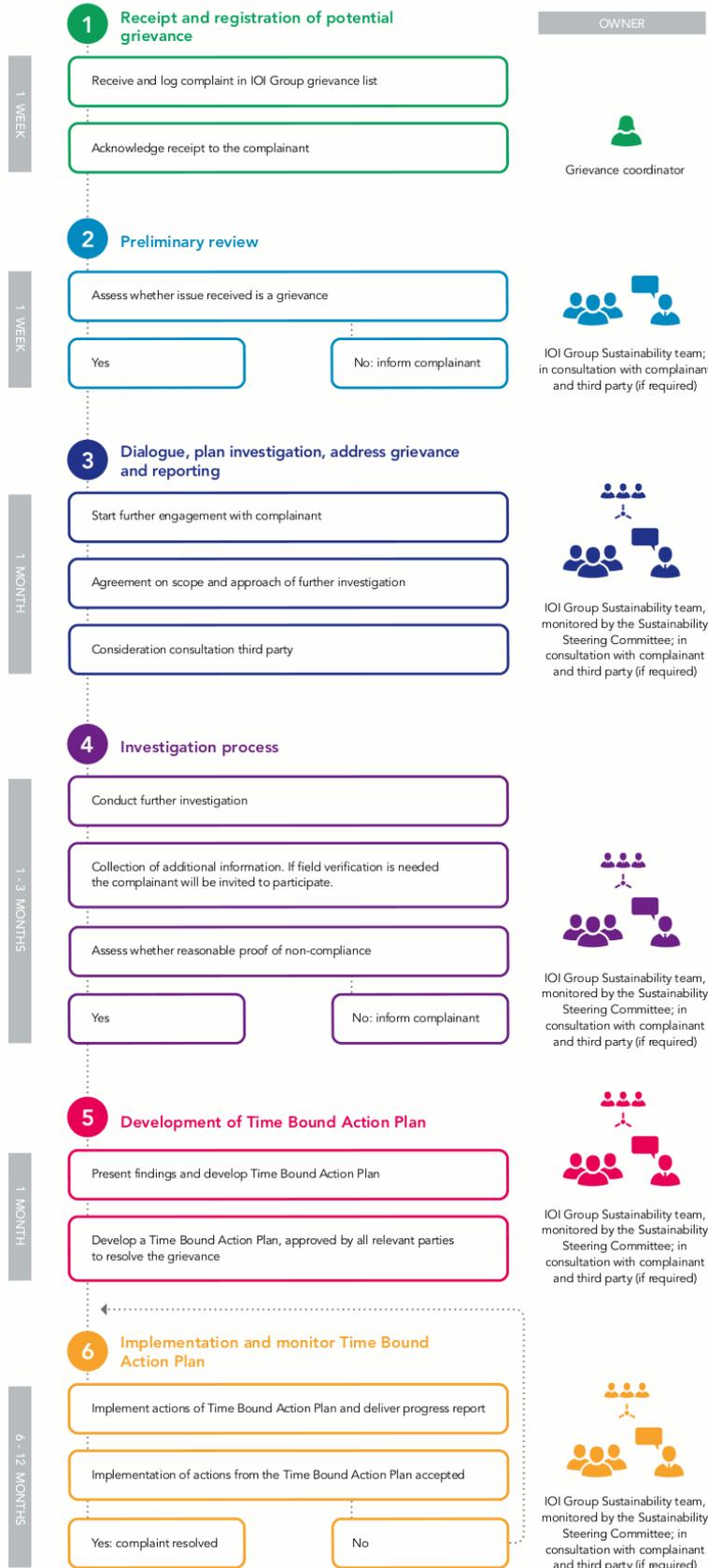
This Grievance Procedure applies to all IOI Group’s plantations, processing and trading operations and all third-party suppliers. IOI encourages all internal and external stakeholders who identify issues or incidents in the IOI Group supply chain that are not in line with the principles stated in the Group’s SPOP, to submit a grievance. IOI also commits to safeguard all stakeholders involved in the grievance process against potential threats, intimidation, violence, or reprisals.

When a grievance against a supplier of IOI Group is submitted, IOI will pro-actively engage with both the respective supplier and the grievance raiser, in order to resolve the issues in accordance with this Procedure. Grievances related to IOI Group’s plantations may be addressed through a local, culturally appropriate grievance procedure at estate level, derived from this Group Grievance Procedure, unless a community or their representative has opted to follow this overall Group Grievance Procedure. Suppliers are encouraged to design their own grievance procedure in accordance with the requirements as listed in Annex 1.

IOI monitors media reported claims and/or grievances as well as NGO reports with regard to potential suppliers of IOI Group via IOI’s “Sustainability Alert System”. On a regular basis, these alerts are communicated to the Grievance Coordinator, who will then inform the relevant team within IOI Group Sustainability Department, for their review and further action.

IOI Group acknowledges that the Roundtable on Sustainable Palm Oil (RSPO) maintains a grievance process to which IOI Group has an existing commitment. If a grievance is raised within the RSPO grievance framework, IOI Group will follow the RSPO process. Yet, the ambitious scope of IOI Group’s SPOP requires a more dynamic approach to stakeholder engagement and transparency.

Process Flow



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## **Grievances process:**

### 1. Receipt and registration of potential grievance

Anyone can submit a grievance verbally or via a letter or e-mail to the Grievance Coordinator:

*E-mail:* [grievance@ioigroup.com](mailto:grievance@ioigroup.com)

*By telephone to:* +603 8947 8701

*In writing to:* IOI Corporation Berhad, Level 27, IOI City Tower Two, Lebuhr IRC, IOI Resort City, 62502 Putrajaya, Malaysia

Attention: Sustainability Department (Grievance Coordinator)

The complainant will receive an acknowledgement of the receipt. In cases where more information is required to start the investigation, the Grievance Coordinator shall contact the complainant for additional information.

### 2. Preliminary review

Review whether there is reasonable evidence of non-compliance with the commitments in the IOI Group's policies through a comparison of the claimed grievance against the requirements of IOI Group's SPOP. The Grievance Coordinator will document relevant information about policy breaches, as well as evidence provided by the complainant and other stakeholders, in a publicly available online Grievance list.

### 3. Dialogue, plan investigation, address grievance and reporting

The engagements will include interviews and dialogues. The Sustainability Department will lead the engagement. Where necessary, the IOI Group Sustainability Steering Committee (GSSC) will monitor the investigation process and provide support when needed. In complex cases, it might be necessary to involve third-party expert resources.

- a) In case the grievance concerns one of IOI Group's own operations: the relevant team within IOI Group Sustainability Department will instruct the relevant operations to take the necessary actions to address the identified grievances.
- b) In case the grievance concerns individual third-party mills, sourced directly by IOI Group, the relevant team within IOI Group Sustainability Department will engage directly with the respective management of that third-party mill.
- c) In case the grievance concerns one of IOI Group's indirectly sourced third-party mills, the relevant team within IOI Group Sustainability Department will engage directly with the respective third-party supplier.

### 4. Investigation process

After the initial engagement process with the supplier it can be decided that further field-investigation is necessary. If required, a verification team will conduct additional meetings and / or a field visit.

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#### 5. Development of Time Bound Action Plan

The relevant team within IOI Group Sustainability Department will present the findings of the investigation to the parties involved. The parties involved will jointly develop a Time Bound Action Plan to resolve the issue. Through dialogue, the parties involved will reach agreement on the actions and timings in the Time Bound Action. If agreed between the parties, the Grievance Coordinator will publish the Time Bound Action Plan on the online Grievance list.

#### 6. Implementation and Monitoring of the Time Bound Action Plan

The supplier will implement the actions listed in the Time Bound Action Plan to resolve the grievance.

The supplier in question will report progress on the Time Bound Action Plan. The relevant team within IOI, together with the complainant, will monitor and discuss the reported progress. For complex cases it might be necessary to involve a third-party to assess the outcome.

In cases where suppliers fail to solve egregious cases or refuse to cooperate, IOI will warn the supplier that the Group will terminate their supplier status. If suppliers are still unwilling to cooperate or do not improve their practices after the first warning, the supply agreement will be terminated.

Once the parties involved have accepted the implementation of the time bound action plan, the case is closed.

IOI Group will continuously assess the effectiveness of the grievance mechanism in consultation with third parties. Once IOI has identified any necessary changes in company practices and the working of the grievance mechanism, IOI will implement these changes.

#### **Transparency and Confidentiality**

IOI Group is committed to the transparent handling of grievances. The Grievance Coordinator will update the online Grievance List quarterly on the status of the complaints, in particular when the complaint is registered, when any action is taken and when an outcome is agreed upon. Grievance raisers can also contact the Grievance Coordinator for inquiries regarding the status of the case (by email / in writing).

The system allows for dialogue to remain confidential and for the confidentiality of the complainant's identity where requested.

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## General terms & definitions

*IOI Group Sustainable Palm Oil Policy (SPOP):* You can access the document [here](#).

*Grievance:* in this context, a grievance is defined as a problem, complaint or concern of an individual or group associated with the implementation of IOI Group’s SPOP across the Group’s supply chain. Anyone can raise a grievance, verbally, or via an email or letter and should include:

- The name and contact point of the grievance raiser
- An explanation of the grievance along with available supportive evidence.

Preferably, the language of the complaint is in English. If the complainant is not proficient in English, the complainant can also write in the complainants’ native language and IOI Group will ensure proper translation is done

*Grievance raiser:* “complainant” all internal and external stakeholders who identify issues or incidents in the IOI Group’s supply chain that are not in line with the principles of the Group’s SPOP. The complainant can choose a representative to file the complaint and engage in dialogue.

*Grievance Coordinator:* The Grievance Coordinator of IOI Group is responsible for managing the entire grievance process. The Coordinator is in charge of receiving, recording and continuous updating of the grievance status in the online Grievance List.

*Suppliers:* suppliers to IOI Group include, but are not limited to, individual 3<sup>rd</sup> party palm oil mills and palm oil crushers and/or their parent companies, 3<sup>rd</sup> party suppliers.

*Group Sustainability Department:* The Group Sustainability Department of IOI Group is led by the Group Head of Sustainability. The Department works closely with the relevant Sustainability teams from the Group’s Plantation division, estates, and operating centers, as well as the Commodity Marketing department and Stakeholder Engagement department.

*Group Sustainability Steering Committee (GSSC):* this committee is responsible for monitoring the Grievance Procedure and provide support where needed. The membership of the Committee comprised of the Group Chief Executive Officer, Group Chief Financial Officer, and Heads of the Operating Divisions, Group Head of Sustainability, and Senior Management from Group Support Functions as determined by the Chairman of the Committee.

*Verification team:* if required during the investigation process, a verification team will conduct a field visit. The verification team shall be comprised of relevant team within IOI Group Sustainability Department, the complainant, and a third-party, if required.

*Third-party:* if required during the process, IOI and the complainant can agree to involve a neutral third-party facilitator, mediator or specific social, environmental expert, particularly where issues are complex or multiple groups are involved.

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## Annex I: Requirements for third-party suppliers' grievance mechanisms

The IOI Group SPOP includes an element that requires suppliers to “resolve complaints and conflicts effectively and responsibly through an open, transparent, consultative process that is agreed upon by all the stakeholders involved.” IOI Group compiled, in addition to the grievance mechanism, a list of standard requirements for the grievance mechanisms of suppliers. These requirements will serve as a benchmark for suppliers' grievance procedures and will assist IOI Group in determining their effectiveness. The UN has developed a set of requirements based on the UN Guiding Principles on business and human rights for effective non-judicial grievance mechanisms. A grievance mechanism should ensure:

- *Legitimacy*: The grievance raiser and other stakeholders should be involved in the grievance process to ensure its credibility
- *Accessibility*: The grievance mechanism should be known to all stakeholder groups for who they are intended. In particular, affected communities and workers should be informed about the process. Assistance should be provided to illiterate workers to enable them to access the procedure.
- *Predictability*: the procedure should be clear for all stakeholders and an indicative time-frame for the grievance process should be designed.
- *Equitability*: Aggrieved parties should have access to information, advice and expertise.
- *Transparency*: complainants should be informed about the status of their grievance as often as possible and information about the performance of the mechanism should be made public.
- *Rights compatibility*: outcomes and actions should accord with internationally recognized human rights.
- *Grievances are resolved through dialogue*: throughout the grievance process dialogue should be the means to resolve grievances.
- *The mechanism is a process of continuous learning*: lessons should be drawn from the functioning of the grievance mechanism to prevent future grievances and improve the mechanism.

IOI will ensure that suppliers are in compliant with these requirements. IOI will inform its suppliers about the requirements and request its suppliers take steps to develop a grievance mechanism in line with the requirements. The relevant team within IOI Group will monitor suppliers' compliance with the requirements through field verifications of the SPOP.

**Revised January 2020**