# Grievance List Update March 2020

## Preamble:

As stated in IOI Group’s Sustainable Palm Oil Policy, transparency is one of the important elements embedded within our sustainability commitment. Hence, IOI has established Grievance Lists that it publishes and updates regularly on the IOI Group webpage as part of IOI’s commitments in enhancing transparency.

All the gathered and investigated allegations are captured in 2 specific grievances list:

1) Grievances related to Suppliers (Direct and Indirect Suppliers)
2) Grievances related to other issues such as Environmental, Social and Governance.

## Grievances related to issues such as Environmental, Social and Governance.

<table>
<thead>
<tr>
<th>Date logged</th>
<th>Subject</th>
<th>Issue</th>
<th>Actions taken by IOI</th>
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</table>
| 2015        | IOI concessions in Ketapang, West Kalimantan, Indonesia (SNA group: PT BNS, BSS & SKS) | RSPO complaint related to land clearing and illegal planting  
RSPO case tracker: [here](https://www.rspo.org/members/complaints/status-of-complaints/view/80) | Oct 18: IOI is pleased to announce that the RSPO Complaints Panel (CP) has officially closed the complaint case on its plantation subsidiary companies in Ketapang, Indonesia on 12 October 2018. The company would like to further reiterate that it stands by its Sustainable Palm Oil Policy (SPOP) including its NDPE commitments and to continue to be totally committed towards building a traceable, transparent and sustainable palm oil supply chain.  
Details of this case can be found in the RSPO tracker: [https://www.rspo.org/members/complaints/status-of-complaints/view/80](https://www.rspo.org/members/complaints/status-of-complaints/view/80) |
Aug 18: For latest update please see IOI Sustainability Implementation Plan.

July 18: IOI received Map from Badan Pertanahan Nasional (BPN), and the management of PT BNS has identified the official overplanted area. The size of the area is 50 Ha and the management has abandoned the area from any harvesting activities.

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.

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.

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.

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 considered Areal Penggunaan Lain (APL) and not “Hutan Produksi (HP)”.
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<thead>
<tr>
<th>Date</th>
<th>Location</th>
<th>Action/Update</th>
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<tbody>
<tr>
<td>Oct 17</td>
<td></td>
<td>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.</td>
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<td>Aug 17</td>
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<td>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 20(^{th}). See case tracker <a href="https://www.ioigroup.com/Content/S/S_SIP">RSPO</a>.</td>
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<td>Feb 17</td>
<td></td>
<td>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. For information before 2017, please see <a href="https://www.ioigroup.com">here</a>.</td>
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<td>Nov-16</td>
<td>IOI Group estate Pamol Kluang</td>
<td>Labour violations and recommendations as reported by Finnwatch. Finnwatch reports can be found: <a href="https://www.ioigroup.com">here</a>.</td>
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<tr>
<td>Feb 19</td>
<td></td>
<td>For latest update please see IOI Sustainability Implementation Plan here <a href="https://www.ioigroup.com/Content/S/S_SIP">https://www.ioigroup.com/Content/S/S_SIP</a>.</td>
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<td>Feb 18</td>
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<td>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 <a href="https://www.ioigroup.com">here</a>.</td>
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<td>Dec 17</td>
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<td>updated social and labour policies IOI Group can be found: <a href="https://www.ioigroup.com">here</a>.</td>
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<td>Oct 17</td>
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<td>The BSR report is available at the IOI website (<a href="https://www.ioigroup.com/Content/S/S_SIP">BSR Assessment Report</a>) 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.</td>
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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.

June 17: Final assessment reports Proforest and BSR expected in July.

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.

Mar 17: BSR started initial desktop verification of corrective measures taken by IOI following the Finnwatch report.

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.

Jan 17: IOI will implement the recommendations as provided by Finnwatch in their report published Nov 2016.
<table>
<thead>
<tr>
<th>Year</th>
<th>Location</th>
<th>RSPO complaint related to the NCR of communities in Sarawak Dispute Settlement Facility of the RSPO: <a href="https://www.ioigroup.com/Content/S/S_SIP">RSPO case tracker</a></th>
<th>Updates</th>
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<tr>
<td>2010</td>
<td>IOI Pelita located in Sarawak, Malaysia</td>
<td>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 from IOI here.</td>
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<td>2010</td>
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<td>Feb 18: IOI and Grassroots jointly engaged with RSPO to discuss comments from CP on joint action plan. IOI and Grassroots will revise the joint action plan including the comments of the CP. The CP will review the revised action plan in their 28 March 2018 meeting.</td>
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<td>2010</td>
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<td>Aug 18: For latest update, please see here for update statement.</td>
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<td>2010</td>
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<td>Dec 18: IOI's Stakeholder Engagement team went to Miri to meet with local government representatives to discuss the progress of the IOI Pelita dispute resolution process. IOI team also met with the leaders of the two communities that have not decided yet whether to give their consent for IOI to go ahead with the implementation of the Resolution Plan. The other 7 communities have already agreed to it.</td>
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action plan which is now being reviewed by Pelita. We expect to present the mutually agreed action plan to RSPO in November.

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.

Jun 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.

Apr 17: Grassroots and IOI sent a joint letter to RSPO outlining jointly agreed actions that should result in resolution of the complaint while ensuring that the RSPO principles are upheld and fair process is observed by all parties involved

Mar 17: IOI received letter from coalition of NGOs titled: recommendations to resolve the LTK complaint in compliance with the RSPO P&C including 4 specific short actions IOI should now undertake to resolve this dispute. IOI responded to this letter. The response can be found here.

Jan 17: All Ketua Kampung have submitted additional requests communities to Residen. IOI has received copies.

For information before 2017, please see here.
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| Mar-16   | IOI concession PT KPAM in West Kalimantan, Indonesia                                                                                                                                                                                                                                  | Aug 18   | The investigation by Polres is still on-going.  
June 18: Polres of Ketapang, Kejaksan Negeri Ketapang and Pengadilan Negeri ketapang is still in the process of investigating the encroachment activity that was carried out. The management of PT KPAM has requested BPN (Badan Pertanahan Nasional) to verify all the certificates that were given. PT KPAM has submitted all the evidences showing that PT KPAM has made the compensation to the affected communities before PT KPAM’s plan to developed the area for oil palm is approved and endorsed by Bupati  
May 18: 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.  
Meantime, IOI also received query from Sinarmas on allegation of land clearing in PT KPAM. IOI have explained to Sinarmas that it is the illegal clearing case as mentioned above. Currently, Polres (Kepolisian Resor) is investigating the situation.  
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.  
Feb 18: HCS peer review assessment still in progress.  
Near real time satellite monitoring program |
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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.

Dec 17: IOI submitted HCS assessment for peer review to high carbon stock approach group (see http://highcarbonstock.org/registered-hcsa-assessments/)

IOI continues its near real time monitoring program on the Ketapang concessions.

IOI would like to clarify that the land development activities at PT. KPAM started only in June 2018 after RSPO's approval of New Planting Procedures (NPP) documentation, including HCV, HCS and peat maps. Coinciding with the start of the land development activities, PT. KPAM invited Global Environment Centre-GEC (an organization specializing in peatland management and conservation) and Dr Paramananth (a renowned peat soil expert), to do further studies and ground-truthing between August and November 2018 to verify the exact status and location of any possible additional HCV, HCS or peat areas. This work resulted in the identification of an additional 324ha of HCV, HCS and peat conservation areas.

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.

For information before 2017, please see here.

Apr-19 PT. KPAM, IOI's subsidiary in West Kalimantan, Indonesia

In its February – March 2019 Monitoring Report, Aidenvironment alerted IOI that there could be some peat clearing activity occurring on the IOI’s PT. KPAM concession in South Ketapang, Indonesia, between 2016 and 2018 and more recently from January to March 2019.
areas, which was reported to RSPO as well as a further area of 210 ha of potential peat soil. These areas were mapped and marked as off limit for clearing. The surveys also confirmed that no peatland areas were impacted by the development of KPAM after its start in June 2018, other than an area of less than 1 ha impacted by road construction and subsequently rehabilitated – as reported to RSPO in December 2018.

Having received Aidenvironment’s alert, IOI asked GEC to conduct an analysis of satellite images from March 2019 which confirmed that no area earlier identified as peat, HCV or HCS or potential peat soil had been impacted by land clearing up to March 2019 (see attached image). At the same time, PT. KPAM have conducted a field verification and concluded that no peat areas have been cleared and that the areas cleared were sandy soils.

It is understood that the discrepancy is probably related to the fact that Aidenvironment has based its analysis on the publication Maps of Peatland Distribution and Carbon Content in Kalimantan 2000-2002, developed by the Bogor Soil Research Centre and Wetlands International. They were mainly prepared from analysis of relatively low resolution Landsat Satellite Images from years 2000-2002 supported by results of earlier surveys in parts of Kalimantan. These maps erroneously mapped much of the KPAM concession area as peat. This contrasts with maps published in 2017 by the Ministry of Environment and Forestry and the Peatland Restoration Agency of the Government of Indonesia which show little or no peat in KPAM. In addition,
<table>
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<tbody>
<tr>
<td>Apr-19</td>
<td>Complaint from Sabah Environment Action Group (SEAG)</td>
<td>Alleged illegal dumping of deoiled bleaching earth (DOBE) in Lahad Datu, Sabah</td>
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<td>Feb 20: IOIEO has conducted a detailed investigation on the allegation by SEAG. Evidences provided by Gamalux Oils Sdn Bhd indicated that valid approvals were given by Jabatan Pertanian Sabah, Majlis Daerah Lahad Datu and Jabatan Alam Sekitar Sabah for the company to perform disposal of DOBE at the alleged site. IOIEO did not find any evidence that Gamalux Oils Sdn Bhd breached any of our group’s sustainability policy or legal compliance related to their service on DOBE disposal.</td>
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<td>May 19: IOI Edible Oils Sdn Bhd (IOIEO) responded formally to SEAG and will continue to engage with Gamalux and other stakeholders, and will monitor the progress and outcome closely.</td>
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<td>Apr 19: Gamalux arranged meetings with SEAG &amp; Department of Environment (DOE).</td>
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<td>Mar 19: IOIEO requested an update from Gamalux. Gamalux reached out to SEAG again to seek for further clarification.</td>
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the peat configuration in South Ketapang is unique in the sense that it is not in the usual form of peat domes but rather peat valleys, which makes accurate satellite identification more difficult.

Going forward, IOI will continue to use the maps recently produced by GEC and Dr. Paramananthan, as well as our own HCV, HCS and peat maps to guide our planting on PT KPAM land.
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| Oct-19 | Unico Desa Plantation, Sabah, Malaysia | On behalf of Sri Ganda villagers, a local NGO had submitted grievance to RSPO complaints system to voice their dissatisfaction of the existing water supply facility provided by Unico Desa Plantation in May 2019. The progress of the proposal by the Unico Desa management on construction of water catchment area was agreed upon by the village of Kampung Sri Ganda during the latest meeting dated 23 Aug 2019. Evidences provided by the Unico Desa management indicated that the village has accepted the construction proposal and the project is steadily progressing according to the plan. Furthermore, this issue has been reclassified as request from villager instead of complaint case as the

Feb 19: EcoOils received a response from SEAG and stating that they are aware EcoOils is not responsible for the illegal dumping of DOBE.

(NOTE: In 2018/2019, IOIEO team conducted an audit on EcoOils and Gamalux. IOIEO only renewed their contracts when the audit result is satisfactory and in compliance with the legal requirements as well as other good practices. The contract agreement also stated that all parties must adhere to all relevant legal requirements.)

Feb 19: IOI received a complaint from SEAG, stating that the DOBE was illegally disposed at various location.

IOIEO had immediately contacted the waste buyers (Gamalux and EcoOils), to verify the complaint.

Both EcoOils and Gamalux have provided their legal permits from DOE and clarified that all disposal is at designated locations pre-approved by the Ministry. EcoOils and Gamalux have both written a response letter to SEAG on 28 January 2019 and 4 February 2019 respectively.
case can be found here.

complaint panel did not find any breach of rules from the issue.

This complaint has officially closed by the RSPO complaints panel on 17 Feb 2020.

Aug 19: Management of Unico Desa Plantation organized a meeting with the village representatives and mutually agreed on a time-bound action plan until 2020 to develop a new water supply facility for the villagers. Unico Desa Plantation will be the sole financier and implementor of the project as part of the corporate social responsibility (CSR) for the local community.

July 19: Unico Desa Plantation management had the first meeting with village representatives to discuss on the issue.

June 19: The case had been officially logged in the RSPO complaints system.