



## IOI GROUP

### IOI Sustainability Advisory Panel (SAP)

25<sup>th</sup> April 2017

<b>External Attendees</b>	M.R. Chandran (Independent Expert) David McLaughlin (WWF-U.S) Adrian Suharto (Neste Oil) – Observer Johan Verburg (Oxfam) – Observer
<b>IOI Attendees</b>	Dato' Lee Yeow Chor (CEO, IOI Group) Sudhakaran (Head of Plantation, IOI Group) Dr Surina Ismail (Group Head of Sustainability, IOI Group)
<b>Facilitator</b>	Brendan May (Chairman and Founder, Robertsbridge) Rob Bailes (Associate Director, Robertsbridge)

#### SUMMARY OF MEETING NOTES

##### 1. Opening Remarks

Opening remarks were provided by IOI Group CEO, Dato' Lee which included an overview of the company's Vision and Mission. Key points articulated included:

- Acknowledgement that IOI suffered lapses in sustainability particularly in its Indonesian concessions, dating back to 2009/2010 when IOI acquired the concessions – one of the last Malaysian companies to enter Indonesia and thereby had to overcome a steep learning curve.
- A commitment to improve policies and processes where gaps are identified and to learn more from civil society as well as a recognition that IOI needs to communicate better, not just do more and say less.
- A desire for responsible growth, where responsibility means accountability for decision making.

##### 2. Terms of Reference

Draft Terms of Reference (ToR) for the Panel were presented and feedback on the scope, mechanics and objectives were invited. The following points were deliberated upon and agreed:

- The need for the ToR:
  - o To review organisational structure, strategy, responsibilities, resources and internal compliance process underpinning IOI's sustainable palm oil commitments, and to assess their adequacy for delivering on the commitments.
  - o To be clear on the overall strategic objectives for the Panel, which, it was suggested, should be more than just monitoring IOI's progress but to also help transform and provide a critical review and advisory function.
- That issues around suppliers and third-party supply chain should also be included within the Panel scope. Reference was also made to engaging sector peers where needed to address sector wide issues.

- The need for visible and present leadership by IOI's CEO, within the SAP.
- That the SAP should be responsible for overseeing the independent progress evaluation of IOI's Sustainable Palm Oil Policy (SPOP) – as committed to by IOI, in Q2 2018.
- That the SAP should adopt an advisory and oversight role, not a field verification role (although the ToR should allow for field visits and interaction with the field operations)
- That Panel membership should not imply endorsement of the company, nor exploited as such, and that any public communications related to the SAP will require the prior agreement and input of the members.
- The members agreed to sign a Non-Disclosure Agreement (NDA) to encourage the free flow of documents and information between IOI and the Panel.
- That the draft ToR should be revised to reflect the above and then reviewed again by the members. The SAP will be considered officially formed once all members have agreed and signed off the revised ToR. The SAP will then be publically announced.

## 2. Introduction to the Company

Dr Surina Ismail, gave a short verbal overview of the company, its operations and its progress on delivering elements of its [Sustainable Palm Oil Policy](#) (SPOP) via the [Sustainability Implementation Plan](#) (SIP). The following was agreed:

- That IOI would circulate to the Panel:
  - o A more detailed breakdown of certified volumes. This was discussed in relation to the challenges around the uptake of RSPO certified oil. References were also made to both the [Palm Oil Dashboard](#) and the [Grievance list](#) that were publicly available via the IOI website.
  - o Detailed mapping of the origin of its Palm Oil (PO) sourcing by volume. IOI stated that 80% of its total refined oil comes from Malaysia, with 8% originating in Indonesia and 12% Rest of the World (RoW). IOI also indicated that 60% of total PO volume sourced is via traders and 40% is from IOI owned plantations.
  - o Its recent peat exposure analysis as well as measures taken by IOI to protect peatlands within its third-party supply chain including an overview of IOI's exposure (volume distribution) in Malaysia, Indonesia and the RoW.
  - o Documentation relating to progress it has made to address the issues and corrective actions recommended by Finnwatch.

## 3. Future meetings

With regards to future meetings, the following was agreed:

- Panel ToR should allow for a minimum of 2 face-to-face meetings (of 1/2 days each) per year, with webinars/conference calls every 6 months.
- The next face-to-face meeting is proposed for June 16<sup>th</sup>, in London, to coincide with the European RSPO Roundtable event. A preparatory webinar will be scheduled ahead of time to review initial documentation and to prepare the agenda for the London meeting.