

IOI Plantation Zero Burning Policy

- 1. As stated in IOI Group's Sustainable Palm Oil Policy (SPOP), IOI commits to be a leading corporation in its core businesses, and a leader in integrating the highest sustainability standards into our business practices. Specifically, IOI Group is committed to the sustainable management of its oil palm plantations and to the implementation of responsible, global palm oil supply chains.
- 2. This Zero Burning Policy (the "Policy") further amplifies our commitment towards zero burning practices across our estates, as part of our efforts in protecting the environment and combating haze problem.
- 3. IOI commits to comply with all applicable legislation and codes of practice. This Policy is based on the fundamentals laid out in the Malaysian Environment Quality Act 1974 (EQA 1974) and Guidelines for the Implementation of the ASEAN Policy on Zero Burning, which IOI commits to adhere to.
- 4. According to the EQA 1974, "open burning" is defined as any fire, combustion or smoldering that occurs in the open air and which is not directed there through a chimney or stack. As prohibited by law, no person shall cause or allow open burning on any premises and subjected to legal action if found guilty.
- 5. Where burning is necessary, IOI will follow the rules in EQA 1974, specifically on Section 29A (Prohibition on open burning) and 29AA (Exclusion from "open burning"), as well as Section 6 of the Guidelines for the Implementation of the ASEAN Policy on Zero Burning (Alternative Approaches to the Zero Burning Technique).
- 6. IOI will cooperate fully with authorised parties and assist them in their inspection of all our operating areas. IOI will deploy resources and work closely with the Malaysian and Indonesian government and all relevant parties such as civil society organisations, local communities and other growers at a landscape level to prevent and put out any fire within our plantations.
- 7. This Policy is further strengthened by IOI's commitment on no deforestation and protection of High Conservation Value (HCV) areas as well as no deforestation of High Carbon Stock (HCS) forests, using the revised High Carbon Stock Approach. IOI is also committed to no development of peatlands regardless of depth, and protection of peatlands through water management and fire preventions.
- 8. IOI will provide training to its workers on fire prevention and techniques to put out fire. In addition, IOI will also inform our contractors and smallholders on this Policy. Action will be taken against any party who is found to be in non-compliant to this Policy, including termination of business contract, dismissal from job, and/or handover to local authorities, where applicable.

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NB Sudhakaran Plantation Director May 2018