

IFFCO is committed to greening the supply chain together with its suppliers and key stakeholders. The implementation of this commitment is ongoing. Along this journey, we recognize that given its size, complexity and challenges in oil palm development, there maybe practices occur in our upstream supplier's operation that are not in compliance with our Sustainability Policy.

IFFCO takes allegation of breach seriously and we will engage with our direct suppliers on issues raised by stakeholders against them both directly or indirectly. The Palm Issues Handling Procedure (PIHP) is in place to guide IFFCO and its Tier 1 suppliers to find resolution of issues which should also lead to supplier excellence.

1. Objectives

The procedure facilitates IFFCO to respond, initiate engagement, and monitor issues and complaints arising within IFFCO's upstream supplier operation. It describes stages of process, actions and decisions taken and communication of progress. It is an open and transparent process, and designed to allow relevant parties understand the expectations for each stage and to diligently work towards finding resolution of issues. The procedure will allow IFFCO to: 1). Engage with Tier 1 and indirect suppliers that have issues raised against them, 2). Assess the degree of the issues and provide guidance on IFFCO expectation on issues handling and management, 3). Communicate on the progress, decision or resolution of the issues.

2. Procedure

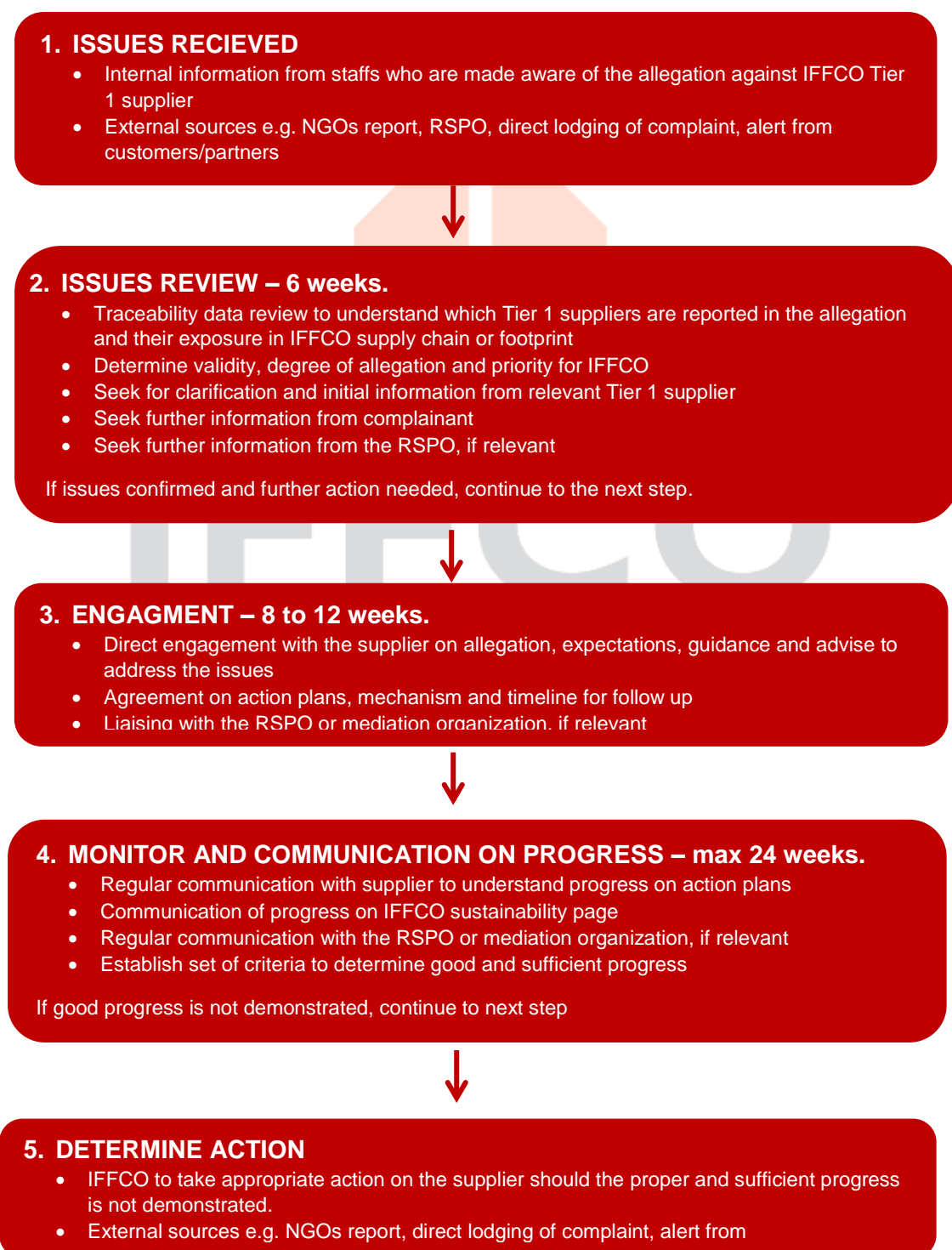
2.1 Scope

Issues are defined as alleged practices in suppliers' upstream operation that do not comply with IFFCO's Group Sustainability Policy, e.g. reports of deforestation, biodiversity loss, or conflict with communities. These reports maybe received from sources such as NGOs, the media, RSPO communication, or other civil society organization, as well as through the internal company network and alert from customers. The procedure is applicable to all production sites (plantation, mills and refineries) that supply IFFCO with CPO or palm derivatives.

The scope of the procedure includes logging or receiving of issues, disseminating of information to the internal issues handling team, obtaining clarification, verification and classification based on established decision-making criteria, engagement and guidance, monitoring and communicating of progress. The procedure is managed by a dedicated team comprised of the procurement department, who are the first point of contact with IFFCO's suppliers, the sustainability team, and when relevant, the implementation partners. Updates and progress reports are provided to senior management for feedback and decision making. IFFCO will also seek for the progress of issues that are handled by organization such as RSPO or mediation organization.

2.2 Process

When allegation against Tier 1 supplier is received or made known to IFFCO, it is registered in the IFFCO system as Issues. IFFCO's traceability data is then compared to ascertain the level of exposure of the specific supplier in IFFCO supply chain or footprint. The Issues is classified based on criteria to determine validity, priority to IFFCO, and degree of the allegation. IFFCO will seek clarification and further information from the reported Tier 1 and indirect suppliers on the subject of the issues, before further engagement is to take place to encourage development of action plans to address the issues along with timeline. The process is summarised in the flowchart below:



3. Criteria for decision making

Issues are evaluated and assessed against a set of criteria for decision making. These criteria are used to determine the validity of the complaints, the degree of significance of the issues, the priority rating for IFFCO, and assessment of whether good and sufficient progress is demonstrated. The procedure facilitates a fair and systematic handling of complaints, and for IFFCO to take informed and necessary action in line with IFFCO's sustainability policy and exposure of the supplier and issues at hand.

4. Re-entry to the supply chain

This procedure sets requirement for IFFCO and its direct suspended suppliers to work towards re-entry into the supply chain. For environmental non-compliant, the minimum requirement includes:

- a. Commitment to adhere to NDPE policy
- b. Disclosure of concession map boundaries and list of subsidiary companies
- c. Planted areas and areas of remaining forest and peat
- d. Commitment to conservation and/or restoration where relevant. It is encouraged that the commitment is connected to support and contribute to a multi-stakeholder landscape-level sustainability initiative

5. Issues Submission

Issues can be expressed and addressed to Head of Sustainability at sustainability@iffco.com, and should include provisions of the following information:

- Full Name
- Name of Organization (if any)
- Job Title
- Address
- Phone No./Email Address (at least one contact point)
- Description of the issues in detail
- Evidences to support the issues

6. Contact

For further information about IFFCO Palm Oil Issues Handling Procedure, progress of specific issue or information on sustainability of IFFCO, please contact: sustainability@iffco.com