



Grievance Procedure

For Intercontinental Specialty Fats Sdn Bhd
and its stakeholders

VERSION 2.0

OCTOBER 2020



1 Introduction

Intercontinental Specialty Fats Sdn Bhd's (ISF) Grievance Procedure formalises the management of grievances from ISF's stakeholders to minimise risks to the business. The grievance process, outlined in the document, provides an avenue for stakeholders to voice their concerns regarding ISF's business operations. We intend to reduce conflicts and strengthen relationships between external stakeholders, while also promoting transparency by defining how grievances will be managed internally. Grievances submitted to ISF are primarily handled by ISF's Sustainability Department which is part of the Commercial and Marketing team.

2 Objectives

ISF aims to deliver prompt and comprehensive responses to the external stakeholder's grievances to prevent disputes wherever possible and resolve any issue relating to the [ISF Sustainable Palm Oil Policy](#). We are committed to ensuring a transparent and open process with a regularly updated grievances log available on [ISF's website](#).

3 Scope

This procedure covers ISF and all its stakeholders, including direct and indirect suppliers, as bounded by ISF's Sustainable Palm Oil Policy. The process involves logging grievances, planning and implementing action plans to verify claims, resolving confirmed issues, reporting results and field assessments, delivering the response to stakeholders, and managing and monitoring any follow-up actions. Any confirmed non-compliance based on the policy will result in a suspension.

Suspended suppliers are considered eligible for reinstatement into ISF's supply chain if they show commitment to amend their practices towards the policy with a time-bound correction action plan. See Sections (7) and (8) for more details on the reinstatement corrective actions.

4 Reference and Document Systems

- ❖ [ISF Sustainable Palm Oil Policy](#)
- ❖ [ISF Supplier Code of Conduct](#)

5 Grievance Channel

Grievances can be submitted through any of the following channels:

By email: sustainability@isfpk.com.my

By telephone: +603-3176 3050; +60-3-3375 8200

By fax: +603- 3176 5933; +60-3-3176 5185

Attention: **Sustainability Department**

Grievances should include the following details:

- ❖ Full Name
- ❖ Company/Organization
- ❖ Address
- ❖ Phone No./Fax No./Email Address
- ❖ Description of the grievance in detail
- ❖ Evidence to support the grievance

Whilst grievances can be made anonymously, providing full contact details enables ISF to better understand and address the concern. In addition to grievances submitted through the official channel above, unofficial issues raised, such as the media and the internet, will be recorded as grievances if they allege a breach of policy by ISF or one of its direct and indirect suppliers.



6 Transparency and Confidentiality

ISF is committed to the transparent handling of grievances. The Sustainability Department will update the status of a complaint, particularly when the complaint is registered, action has been taken and a resolution or outcome is agreed upon. This is regularly done in the grievance log on ISF's website and is accessible by visitors. The Complainant can also contact the Sustainability Department regarding the status of the complaint by writing.

The system allows for a dialogue to remain confidential and for the confidentiality of the Complainant's identity if requested.

7 Definitions and Responsibilities

Procedure Revision

This procedure is reviewed every year to identify and reduce any gaps based on ISF's grievances log to ensure its continued efficacy.

Terms and Definitions

Grievance: a claim of environmental and/or social damage resulting from an organization, in this case ISF's operations. Unresolved grievances can damage an organization's image especially to its stakeholders and customers.

Direct supplier: palm oil mills that supply crude palm oil to ISF.

Indirect supplier: the multiple mills that supply palm kernels to a main kernel crushing plant and delivers the palm kernel oil to ISF.

Third-party: an external party that is invited to investigate or verify environmental or social matters in the grievance that may be out of ISF's expertise.

Action plan: a methodological plan devised to resolve grievance issues and may involve further actions such as field assessments and third-party verifications.

Corrective action: a methodological plan, usually devised under a set of requirements or criteria for the suppliers to resolve their issues regarding non-compliance with ISF's policy.

Time-bound: in this context regarding the action and corrective action plans that are bounded by a specific time or set deadline to ensure issues are resolved effectively and on time.

Responsibility of grievance management

Sustainability Department: the team at ISF that manages its sustainable operations and works closely with the commercial team. They are personnel in-charge of grievance issues at ISF.

Verification Team: a third-party facilitator that may be required to conduct verifications on field or investigation results, if it encompasses that is our of ISF's expertise.



8 Grievance Process Timeline

Process	Responsibility	Time Needed
I: Receive and acknowledgement of grievance claim <ul style="list-style-type: none"> ❖ Potential grievance reported to ISF's Sustainability Department ❖ Grievance raiser will be contacted to acknowledge the claim 	Sustainability	10 days
II: Preliminary review <ul style="list-style-type: none"> ❖ Collect information and assess links between the claim's alleged issues and ISF's policies ❖ Validate the grievance and inform review results to the raiser 	Sustainability	10 days
III: Engagement, dialogue, and investigation <ul style="list-style-type: none"> ❖ Record in the grievance log & engage with relevant parties ❖ If a field verification is necessary, and when relevant and appropriate, the grievance raiser will be invited to participate ❖ A suspension will be considered if the supplier is verified to: <ul style="list-style-type: none"> ▪ Breach or no commitment to environmental and social protocols bound to ISF's policy; ▪ No initiative or action plans to resolve non-compliance; ▪ Repeating the same non-compliance at the same sites 	Sustainability; Verification team; Commercial team	1-3 months
IV: Resolution and Time-bound Action Plan <ul style="list-style-type: none"> ❖ Prepare and implement a time-bound action plan, which includes: <ul style="list-style-type: none"> ▪ Review and amend ISF's policies concerning the grievance; ▪ Conduct risk assessments and explore collaboration options; ▪ Improve procedures and establish supplier managing systems ❖ Communicate outcomes to external stakeholders 	Sustainability Verification team;	1 month
V: On-going monitoring and progress report <ul style="list-style-type: none"> ❖ Implement an action plan and monitor in consultation with external parties until the grievance is successfully resolved ❖ Report progress of outcomes for continuous improvement 	Sustainability; Verification team; Commercial team	6-12 months
VI: Reinstatement of suspended suppliers <ul style="list-style-type: none"> ❖ Suspended suppliers (as per Stage III reasons) will be considered for reinstatement provided that they: <ul style="list-style-type: none"> ▪ Plan and implement a time-bound corrective action plan ▪ Corrective action plan should include: stop-work order on non-compliance and conduct HCV and HCS assessments ▪ Submit a report and monitor the recovery progress 	Sustainability; Verification team;	6-12 months

9 Grievance Mechanism Process Flow

