



Grievance Procedure

Intercontinental Specialty Fats Sdn Bhd

[A member of The Nisshin OilliO Group Ltd., Japan]

VERSION 3.0

MAY 2025



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 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 and Communication Department and working closely with the Commercial and Marketing team.

2 Objectives

ISF aims to deliver prompt and comprehensive responses to the external stakeholders' grievances to prevent disputes wherever possible and resolve any issues relating to the [ISF Sustainability Policy](#) and [Supplier Code of Conduct](#). 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-owned facilities, operations, and all its stakeholders in the supply chain, including direct and indirect suppliers that supply crude palm oil (CPO) and crude palm kernel oil (CPKO), their associated Group and Parent Companies, as bound by ISF's Sustainability Policy. Grievance cases covered in this procedure and on ISF's Grievance Log are primarily focused on suppliers' violation cases concerning NDPE compliance, including deforestation, peat development, human rights, ethical recruitment, and land rights issues. The grievance process involves verifying grievance claims, logging grievances, resolving confirmed issues, reporting engagement outcomes to stakeholders, and managing and monitoring any follow-up actions.

Any confirmed and verified non-compliance based on the policy and external sources provided by the media, NGO reports, and industry peers will result in a suspension. Suspended suppliers are considered eligible for reinstatement into ISF's supply chain if they show a commitment to amend their practices towards the policy with a time-bound correction action plan. See Sections (8) and (9) for more details on the full grievance process flow and reinstatement corrective actions.

4 Grievance Channels

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

Attention: **Sustainability and Communication Department**



Grievances should include the following details:

- Full Name
- Company/Organisation name
- Address
- Phone No./Email Address/Any other contact medium
- 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, after verification with industry peers and credible reports.

Internal grievances for ISF's staff and workers, and cases other than NDPE violation cases, are submitted through a different channel on ISF's [Corporate Governance](#) page.

5 Transparency and Confidentiality

ISF is committed to the transparent handling of grievances. The Sustainability and Communication 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 to visitors. The Complainant can also contact the Sustainability and Communication 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 as per [ISF's Sustainability Policy \(Section 3.2\)](#).

6 Definitions and Responsibilities

Grievance status definitions

The statuses of logged grievance cases on [ISF's grievance page](#) are defined as follows:

Grievance status	Definition
Closed (Resolved)	Resolved with continued purchase
Closed (No Further Purchase)	Resolved with no further purchase from the supplier
Suspended	Suspended via ISF's direct supplier
Monitoring	Monitoring of the implementation of action plans, remediation, etc.
Investigation	Under the progress of engagement and investigation



Terms and Definitions

Grievance	A claim of environmental and/or social non-compliance resulting from an entity, in this case, ISF's operations and third-party suppliers.
Direct supplier	Palm oil mills that supply CPO and palm kernel crushers that supply CPKO to ISF.
Indirect supplier	Multiple sources that supply palm kernels to the main kernel crushing plant that supplies CPKO to ISF, including palm oil mills, dealers, and smallholders.
Second/Third-party	An external party that is invited to investigate or verify environmental or social matters in the grievance that may be beyond ISF's expertise.
Action plan/ Corrective action	A methodological plan devised under a set of requirements to resolve non-compliance issues and may involve further actions such as field and third-party assessments.
Remediation/ Compensation	Actions that help resolve the grievance issue, depending on the non-compliance raised (e.g., forest/peatland restoration or compensation of recruitment fees).
Time-bound	Action and corrective action plans are bounded by a specific time or set deadline to ensure issues are resolved effectively and on time.

Roles and Responsibilities

Sustainability and Communication Department: The team that manages its sustainable operations and works closely with the Commercial and Marketing team. They are the personnel in charge of grievance issues at ISF and also provide updates to ISF's Parent Company.

Commercial and Marketing team: Works closely with the Sustainability and Communication Department, primarily on supplier and customer communications concerning compliance, requirements, and updates on mutual grievance cases involving industry peers.

7 Communication and Review

ISF's grievance mechanism, including this procedure (subject to update), and corporate governance are communicated to all of ISF's employees and workers in yearly refresher training. All other stakeholders (primarily ISF's parent company, direct suppliers, and customers) are briefed on the grievance mechanism upon procedure updates and site visits.

Being the subsidiary of The Nisshin OilliO Group Ltd., our parent company reviews the procedure and the grievance cases half-yearly to ensure consistency in monitoring and updates, as many of ISF's direct suppliers serve as our parent company's indirect suppliers (if there are active grievance cases involved).

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

8 Grievance Process Timeline

Process	Responsibility	Duration
I: Receive and acknowledgment of the grievance claim <ul style="list-style-type: none"> Potential grievance reported to ISF's Sustainability Department The 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 claimant's alleged issues, ISF's policies, mutual cases, and verify with industry peers Validate the grievance and inform the reviewed results to the raiser 	Sustainability	10 days
III: Engagement, dialogue, and investigation <ul style="list-style-type: none"> Record in the grievance log and engage with relevant parties – the grievance raiser will be invited to participate if a field verification is needed A suspension will be considered if the supplier is confirmed to: <ul style="list-style-type: none"> A breach or no commitment to environmental and social protocols bound to ISF's policy (as per Section 3 – Scope); No initiative or action plans to resolve the non-compliance; Repeating the same non-compliance at the same sites. 	Sustainability; 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 management systems 	Sustainability Commercial team; Stakeholders	1 month
V: Ongoing 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 Commercial team; Stakeholders	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 The plan should include: stop-work order on non-compliance, HCV and HCS assessments, compensation, and forest/peatland restoration by working with relevant stakeholders and communities Resolving issues, including compensation regarding labour rights bound by clauses stated in Section 3 – Scope Monitor, communicate, and report on the recovery progress 	Sustainability Commercial team; Stakeholders	6-12 months

9 Grievance Mechanism Process Flow

