



Sustainability Timebound Action Plan

Intercontinental Specialty Fats Sdn Bhd

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

Latest Updated Version

JULY 2025

1 Introduction

Intercontinental Specialty Fats Sdn Bhd (ISF) is committed to practicing sustainable palm oil production and transparency in sharing our progress on implementing these practices through our Timebound Action Plan, in keeping with one of our core values in sustainability. We aim to deliver palm products that are produced in compliance with “No Deforestation, No Peat, and No Exploitation” (NDPE) practices. Our [Sustainability Policy](#) was established in 2017 and updated in 2021 and 2025, respectively, in line with the NDPE commitments within the industry and our supply chain members.

2 Scope

The scope of this Timebound Action Plan covers the entire ISF’s supply chain, including all site-owned operations, direct and indirect suppliers, customers, governments, non-governmental organisations, industry associations, and other stakeholders. Our time-bound strategy and direction are also implemented through coalescing knowledge creation and collaboration with our parent company, The Nisshin OilliO Group, Ltd. This Timebound Action Plan covers all of the following ISF’s sustainability-related commitments and is not restricted to:

- [ISF’s Sustainability Policy](#)
- [ISF’s Labour and Human Rights Policy](#)
- [ISF’s Climate Action Roadmap](#)

3 Roles and Responsibilities

The governance of our policy implementation is derived from our ESG Committee Organisation Chart (refer to [Climate Action – Governance](#)), which consists of ISF’s Board of Directors, the CEO, the Sustainability team, the Commercial team, and supporting roles from the Finance team. All roles and responsibilities of each delegated staff member are assigned according to their relevant competencies and experiences.

Governance	Scope	Designations	Responsibilities	Competencies/ Background
CEO Office	<ul style="list-style-type: none"> • Overall management • Stakeholder engagement 	CEO	<ul style="list-style-type: none"> • Communication with the Board of Directors • Overall supervision of policy implementation and updates 	<ul style="list-style-type: none"> • Corporate management • Chair of ESG Committee
Sustainability	<ul style="list-style-type: none"> • Compliance • Traceability • Grievances • Engagement 	Assistant General Manager	<ul style="list-style-type: none"> • Overall supervision of policy implementation • Policy strategy planning • Stakeholder relations 	<ul style="list-style-type: none"> • Sustainability (ESG) • Auditor experience • Forestry background

Governance	Scope	Designations	Responsibilities	Competencies/ Background
Sustainability	<ul style="list-style-type: none"> • Compliance • Traceability • Grievances • Engagement • Communication 	Executives	<ul style="list-style-type: none"> • Management of supplier information, traceability data, and emissions data • Supplier and customer relations • Supplier and human rights risk monitoring • Grievances monitoring • Media and communications 	<ul style="list-style-type: none"> • Environmental sciences and management • Yearly RSPO and MSPO refresher training
Commercial	<ul style="list-style-type: none"> • Commercial sustainability elements • Stakeholder relations 	Chief Marketing Officer	<ul style="list-style-type: none"> • Overall supervision • Stakeholder relations 	<ul style="list-style-type: none"> • Corporate management • Sales and marketing • International forums and workshops
		Assistant General Manager	<ul style="list-style-type: none"> • Management of responsible sourcing • Stakeholder relations • Supplier compliance 	<ul style="list-style-type: none"> • Sales and marketing • Yearly RSPO and MSPO refresher training
Finance	<ul style="list-style-type: none"> • Finance • Risk management 	Assistant General Manager	<ul style="list-style-type: none"> • Sustainability-related financial matters 	<ul style="list-style-type: none"> • Accounting • Business investment
		Risk Manager	<ul style="list-style-type: none"> • Policy-related risk analysis and monitoring 	<ul style="list-style-type: none"> • Risk management • Corporate strategy
Human Resources Management	<ul style="list-style-type: none"> • Recruitment and onboarding • Human Rights • Training and development • Employee relations • Compliance 	Senior HR Manager and Factory HR Managers (Port Klang and Dengkil)	<ul style="list-style-type: none"> • Ensure compliance with Labour and Human Rights Policy • Refresher training for employees on NDPE • Employee-related grievances • HR Communications 	<ul style="list-style-type: none"> • Human Rights regulations and practices • Regulatory compliance • Communication

4 Timebound Action Plan

Responsible Sourcing				
Category	Target/Strategy	KPI	Target Year	Progress
No Deforestation and No Peat (NDP)	Achieve zero net deforestation and zero conversion of all natural ecosystems in our supply chain based on our definition of "verified deforestation and peat destruction free" (VDF)	Achieve 100% "Delivering" status in NDPE IRF for CPO suppliers	2025	Verified 100 % "Delivering" status (June 2025)
		Achieve 100% "Delivering" status in NDPE IRF for CPKO suppliers	2030	Verified 93% "Delivering" status (June 2025)
Certification	Supplier certification	Achieve 100% suppliers RSPO or MSPO-certified	Achieved and ongoing	100% of suppliers are RSPO or MSPO-certified
	Certified Sustainable Palm Oil Sourcing	Achieve 100% certified oil sourcing (RSPO/ MSPO)	2025	68% RSPO and MSPO certified oil sourced
Traceability	Traceability to Mill	Achieve 100%	Achieved and ongoing	100% Traceability to Mill since 2018
	Traceability to Plantations	Achieve 100%	2025	100% for CPO 99% for CPKO
Supplier Commitments	Include clauses of environmental and human rights requirements on direct supplier contracts	Sustainability Policy and Human Rights Policy are included in supplier contracts	Achieved and ongoing	100% of ISF's direct suppliers acknowledged and were compliant
Supplier Training	Training regarding responsible sourcing via supplier onboarding, site visits, and workshops	Achieve 100% direct suppliers trained on Sustainability (NDPE) elements	Achieved and ongoing	100 of % direct (CPO and CPKO) suppliers trained
Grievance Management	Tracking all grievances of assessed suppliers engaged in corrective actions or capacity building	100% tracking of assessed suppliers logged in grievance cases	Ongoing	100% of assessed suppliers engaged in corrective actions

Labour & Human Rights				
Category	Target/Strategy	KPI	Target Year	Progress
Human Rights Commitments	Commitment to respect all workers' rights covering our ISF facilities, suppliers, and in the supply chain with continuous monitoring plans	Maintain zero human rights non-compliance with regular planned audits and inspections	In progress	Improvement on accommodation and welfare of foreign workers underway in May 2025
Human Rights Due Diligence (HRDD)	Ensure 100% of own operations are assessed with HRDD	Conduct a third-party assessment of own operations (SEDEX)	Ongoing	Audit completed for ISF's facilities in 2024 and all NCs are closed in 2025
Ethical Recruitment	Implement an ethical recruitment system within our operations	Review recruitment procedure of local and foreign workers within ISF's facilities	Ongoing	Improvement of Dengkil workers' accommodations in early 2025
Health and Safety	Target of zero accidents in specific man-hours	Achieve 3 million man-hours with zero accidents	In progress	Achieved 2.3 million man-hours as of May 2025
Supplier Engagement & Stakeholder Collaboration				
Mill engagement based on risk assessment	Yearly engagement of all high-risk and medium/standard risk mills for NDPE compliance	Engage at least 50% of high-risk and medium/standard risk mills	Ongoing	No high-risk mills identified, 2 (55%) medium-risk mills engaged as of June 2025
Policy & Code of Conduct	Ensure all new and existing direct suppliers comply with ISF's Policy and Code of Conduct	Achieve 100% compliance from ISF's direct suppliers	Ongoing	100% of ISF's direct suppliers acknowledged and were compliant
Communication on NDPE policy and Sustainability Assessment	Yearly sustainability assessment and engagement of suppliers' progress on NDPE commitments	100% direct suppliers	Completed	100% of direct suppliers completed the 2024 Supplier Sustainability Questionnaire

Category	Target/Strategy	KPI	Target Year	Progress
Communication on NDPE policy and Sustainability Assessment	Yearly sustainability assessment and engagement of suppliers' progress on NDPE commitments	>50% indirect suppliers	2025	52% engagement via KCP suppliers and workshops
On-site audit	Targeted % of direct suppliers covered by a sustainability on-site audit	20% of direct suppliers audited on sustainability	In progress	10% (2 suppliers) completed as of June 2025
Smallholder Inclusiveness	Collaborating with stakeholders to support independent smallholders in the supply chain to achieve RSPO certification	4 independent smallholders to receive funding and technical support for the programme	Completed	4 independent smallholders are RSPO-certified with planned expansion
Corporate Governance				
Business Ethics and Code of Conduct Training	Ensure all employees are trained on ISF's Business Ethics and compliance	100% of ISF's employees are trained on ISF's Business Ethics	Completed	100% of ISF's employees completed the Compliance Challenge on ISF's Business Ethics (2025)
Whistleblower Reporting	Ensure all whistleblower reports are tracked	100% of ISF's whistleblowing cases tracked	Ongoing	No whistleblower reports in 2025
Greenhouse Gas Emissions				
Scope 1 & 2 emissions	Collaborate with third-party suppliers in Scope 1 & 2 GHG emissions reduction	Engage with at least 50% suppliers on potential initiatives	Ongoing	Engagement via 2024 Supplier Sustainability Questionnaire
Scope 3 emissions	Collect and compute baseline Scope 3 data	Collaboration for scope 3 reduction	Ongoing	Engagement via 2024 Supplier Sustainability Questionnaire

Climate Action				
Category	Target/Strategy	KPI	Target Year	Progress
Energy	Improve the energy efficiency of ISF’s operations	Reduce 10% energy consumption intensity by 2030	In progress	A dedicated task force is established in February 2025
Water	Improve the water consumption management of ISF’s operations	Reduce 10% water consumption intensity by 2030	In progress	
Biodiversity				
Biodiversity	Nature-based solutions	Mangrove planting	Achieved and monitoring	8,000 trees planted Currently in the monitoring phase

5 Stakeholder engagement table

Consistent with our Sustainability Policy, on which our Timebound Action Plan is based, the following stakeholder groups featured in the table have either directly or indirectly influenced the strategy and KPI of the action plan. The stakeholder engagement table is updated monthly along with the Timebound Action Plan.

Stakeholder Group	Scope and intentions	Engagement frequency	Latest Engagement	Date/Year
Certification bodies	<ul style="list-style-type: none"> • Compliance with certification standards • Roundtable meetings • Site and data audits 	Ongoing/ When required	<ul style="list-style-type: none"> • Traceability, NDPE IRF, and GHG audit 	June 2025
Employees	<ul style="list-style-type: none"> • Engagement • Training and development • Welfare • Health and Safety 	Ongoing/ When required	<ul style="list-style-type: none"> • ISF Double Badminton Tournament (Port Klang Factory) 	July 2025
Customers	<ul style="list-style-type: none"> • Update on compliance • Food safety and requirements 	Ongoing/ When required	<ul style="list-style-type: none"> • Customer visit • Online engagement and discussion 	May 2025

Stakeholder Group	Scope and intentions	Engagement frequency	Latest Engagement	Date/Year
Parent company/ Shareholders	<ul style="list-style-type: none"> • Update on targets and progress • Strategy and business planning 	Monthly	<ul style="list-style-type: none"> • Monthly meeting 	June 2025
Direct suppliers (Tier 1 – palm oil mills and kernel crushers)	<ul style="list-style-type: none"> • Compliance with the latest requirements (NDPE and EUDR) • Traceability and grievances • Multi-stakeholder collaborations 	Ongoing/ When required	<ul style="list-style-type: none"> • Site visit and audit • Supplier sustainability questionnaire • TTP data collection • SIA stakeholder engagement 	May 2025
Indirect suppliers (Tiers 2 & 3 – palm kernel mills, estates, smallholders, dealers)	<ul style="list-style-type: none"> • Compliance with the latest requirements (NDPE and EUDR) • Traceability and grievances 	Ongoing/ When required	<ul style="list-style-type: none"> • TTP data collection • NDPE compliance monitoring 	April 2025
Industrial partners and government bodies	<ul style="list-style-type: none"> • Palm Oil Collaboration Group (POCG) • Collaboration workshops and multi-stakeholder events 	Monthly	<ul style="list-style-type: none"> • Online meetings and engagements on NDPE and EUDR requirement updates (customers) • POCG April online engagement 	June 2025
Non-governmental organisations (NGOs)	<ul style="list-style-type: none"> • Updates on policies and supply chain requirements • Environmental and social initiatives (labour practices) 	Monthly	<ul style="list-style-type: none"> • Visit to the potential mangrove planting site with GEC 	July 2025

The above time-bound action plan is updated and accurate as of **July 2025** by ISF's Sustainability team. For extended information, please visit our [website](#) regarding our [Sustainability Policy](#) and [Traceability](#).