



## ISF Sustainability Palm Oil Policy Implementation Roadmap

### 1. Introduction

Since our [Sustainability Palm Oil Policy](#) was published in December 2017, we have worked to improve sustainability throughout our operations as well as those of our third-party suppliers. We aim to deliver palm products that are produced in accordance with “No Deforestation, No Peat and No Exploitation” (NDPE) practices. ISF commits to a traceable, transparent and sustainable palm oil supply chain that:

- Protects high conservation value (HCV) areas, high carbon stock (HCS) forests and peatlands regardless of depth
- Respects and upholds the rights of workers, indigenous peoples and local communities
- Support smallholders to become part of our supply chain
- Upholds high standards of transparency through reporting of traceability, time-bound implementation plans, resolving grievances and achieving third-party verified policy compliance

Our time-bound roadmap outlines the pillars that have been the foundation of our sustainable palm oil policy, guiding its implementation and delivering impact: traceability, supplier engagement, sustainable operation and smallholder programs.

We have gained a wide range of experience in implementing our policy for achieving impact. We remain fully committed to the Roundtable on Sustainable Palm Oil (RSPO) as essential to transforming the palm oil sector. We are working with our consultant Proforest to implement our policy commitments.

### 2. Scope

This policy applies to all the physical palm oil products that ISF trades and processes. We work with our direct and indirect suppliers across all their operations, smallholders, customers, governments, non-governmental organizations, industry associations and other stakeholders to implement this policy and continuously drive compliance.

The policy also implemented through coalescent knowledge creation and collaborative effort in line with headquarters- Nisshin OilliO sustainability’s strategy and direction.

### 3. Policy Implementation Plan

Action Plan	Strategy	KPI	Target Date
Transparency	Mill list shall incorporate palm oil and palm kernel oil suppliers	Publish all mill list	June 2019
	Display the supply chain information through dashboard	Publish the dashboard on the website on quarterly basics	June 2019

	Publish regular reports, including an annual report, on key metrics, time-bound implementation plans, progress and impacts.	<ul style="list-style-type: none"> <li>Update the progress report on six monthly basics</li> <li>Sustainability Reporting</li> </ul>	Feb 2020
<b>Verification</b>	Risk profiling of all supplier conducted through desktop and geospatial by Proforest	<ul style="list-style-type: none"> <li>Supplier risk profile</li> <li>% of supply chain covered by satellite and/or radar monitoring</li> <li>number of field verifications of compliance with NDPE requirements</li> <li>Workshop to communicate</li> <li>GFW Assessment Result</li> </ul>	Dec 2019
	Use satellite and radar technology to monitor deforestation, burning, peat and verify compliance		
	Conduct stakeholder consultations to verify supplier compliance		
<b>Traceability</b> a) Collect plantation data from suppliers b) Risk assessment & prioritisation c) Encourage disclosure of concession maps	Traceability to mill by 2020- Direct suppliers	100% traceability to mill level	June 2019
	Traceability to plantation by 2020- indirect suppliers	On-going reporting on the traceability to plantation level (risk-based approach to traceability for indirect suppliers)	Dec 2020
<b>Grievances</b> a) Implement grievance process with suppliers b) Engage at supplier group level	Establish grievances SOP and the list	Publish the grievances SOP and list on the website	June 2019
<b>Supplier Engagement</b>	<ul style="list-style-type: none"> <li>Direct and indirect suppliers compliant with No Deforestation, No</li> </ul>	a. Organize supplier Engagement workshop	Dec 2019

	Peat and No Exploitation (NDPE) policy <ul style="list-style-type: none"> <li>• NDPE modules for capacity building of suppliers</li> </ul>	b. Number of suppliers has signed of ISF's code of conduct or own establish NDPE policy	
<b>Smallholder Inclusiveness</b>	<ul style="list-style-type: none"> <li>• Identify the suitable smallholder group which can deliver their FFB to our suppliers</li> <li>• Supporting the smallholder through collaboration with supplier</li> </ul>	a. Number of smallholders supported by ISF's program b. Volume of PO enter into ISF's supply chain	June 2020
<b>Certified Sustainable Palm Oil</b>	<ul style="list-style-type: none"> <li>• All the supplier shall be at least MSPO and/or RSPO certified</li> </ul>	Tier one supplier MSPO and/or RSPO Certification Status	Dec 2020

ISF continue to adjust the strategies based on what we learn during implementation. We measure and regularly report our progress ([Palm Sustainability Dashboard](#)).

Prepared by Nov 2019

### **About Intercontinental Specialty Fats Sdn Bhd**

ISF is one of the world's leading specialty fats and oils manufacturers. Since entering the global food production industry in 1980, we have expanded our network to over 50 countries, across 6 continents. As a strong believer in sustainable palm oil production, ISF is an industry-certified manufacturer deeply committed to a policy of environmentally sound production process. We have been a member of the Roundtable on Sustainable Palm Oil (RSPO) since 2004.

ISF's headquarters is located in Port Klang, Malaysia, where we also maintain a Research & Development (R&D) Centre, with refineries in Port Klang and Dengkil. In addition to ISF's own expertise and experience, we draw on the proficiency and technical capabilities of the Nisshin OilliO Group Ltd, our parent company which is the largest vegetable oil manufacturer in Japan.