



Supplier Code of Conduct

For Intercontinental Specialty Fats Sdn Bhd
and its stakeholders

VERSION 1.2

May 2021



1 Introduction

Intercontinental Specialty Fats Sdn. Bhd. (ISF) is one of the leading palm specialty oils & fats manufacturers with upstream refining and downstream processing facilities with head quarter located in Peninsular Malaysia.

We strive to work with our suppliers to make full use of the opportunities sustainable development offers. This also implies that we expect all of our suppliers to fully comply with applicable laws, environmental, social, and corporate governance standards in the country.

All our suppliers are required to adhere to this Code of Conduct in line with our company policies. ISF will engage with their suppliers on a regular basis to understand progress and level of compliance with our Code of Conduct through a supplier verification program. Should any non-compliance arise, ISF will work together with its suppliers to develop a comprehensive action plan with clear milestones & timelines, to ensure compliance with our Policies and Code of Conduct.

2 Scope

This Supplier Code of Conduct applies to all Suppliers. “Suppliers” refers to any third party that provides goods or services to ISF including, but not limited to, our direct and indirect Suppliers, co-manufacturers and co-packers, labor providers, logistic providers, distributors and licensees including their parent, subsidiary or affiliate entities. Sub-contractors of Suppliers are also expected to adhere to the Supplier Code.

3 Supplier Code of Conduct

a. Legal Compliance

- Suppliers shall comply with all applicable international, national, and local laws and regulations.

b. Environment

- Suppliers shall ensure that it develops and maintains appropriate internal business processes to ensure environmental standards as per the objectives of ISF Sustainability Policies.
- Suppliers shall obtain and maintain legally required environmental permits and registrations while adhering to all operational and reporting requirements.
- Suppliers are required to meet the relevant national laws and current prevailing international standards for environmental protection and minimizing the negative environmental impacts of suppliers’ operations, including monitoring greenhouse gas (GHG) emissions, water usage, and waste.



- Suppliers are encouraged to develop and implement their own No Deforestation, No Peat, and No Exploitation (NDPE) policy and commitments to protecting High Conservation Value and High Carbon Stock areas that is regularly updated, monitored and reported.
- Suppliers shall not use pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat in their operations.

c. Human Rights and Labour

- Suppliers shall develop and implementing a policy that is aligned with the ISF Sustainability Policy which includes commitments to uphold internationally recognized human right following the fundamental principles set forth in the United Nations Universal Declaration of Human Rights, the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, and the United Nations Guiding Principles on Business and Human Rights.
- Suppliers are to implement and communicate a Policy on Human Rights to their workforce and their third-party suppliers, including FFB suppliers, external estates, dealers, and smallholders.
- Suppliers shall not exploit the rights of indigenous peoples and local communities and shall respect the principles of Free, Prior, and Informed Consent (FPIC) to operate on lands on which they hold legal, communal, or customary rights.
- Suppliers shall comply with all applicable labour laws where:
 - Wages and benefits (including overtime hours) are paid promptly and at least the relevant legal minimum wage
 - Regular working hours and overtime hours are consistent with the guidance provided by ILO Convention 1
 - Work schedules are consistent with relevant local legal requirements as well as upholding workers' health and safety with appropriate rest periods
 - Suppliers providing housing to their workers shall ensure that adequate living standards are met, in accordance with national laws and regulations or in their absence, the ILO Guidance on Workers' Housing Recommendation No. 115
- Suppliers shall not employ workers below the minimum age and prohibit any form of child labour as defined in applicable national labour laws and regulations; or by International Labour Organisation (ILO) Convention 138 and 182.
- Suppliers shall not accept any form of human trafficking and forced labour, whereby all workers in their supply chain are employed voluntarily and allowed freedom of movement.
- Suppliers shall grant their employees the right to Freedom of Association and Collective Bargaining following all applicable laws and regulations.
- Suppliers shall maintain a workplace free of all forms of discrimination, intimidation, and harassment and have a suitable grievance mechanism in place to report such incidences.



- Suppliers shall have fair and equal treatment in accordance with legal requirements for all permanent, temporary, and contract workers, in which all hiring and employment decisions are based exclusively on the worker's skill, experience, and performance.

d. Health and Safety

- Suppliers shall provide all employees with a safe and healthy working environment, that includes appropriate controls, safety procedures, preventative maintenance, and protective equipment. Practices shall comply be in line with all relevant local and national laws, codes, and regulations.
- Suppliers shall provide accident insurance for all workers covering medical treatment for work-related illness and injury; and compensation for work-related illness and injury causing death or permanent disability.

e. Food Safety, Quality and Traceability

- All products and services delivered by the supplier must meet or exceed food safety and quality, legal, and procedural standards required by applicable law and ISF requirements.
- Suppliers of raw material shall provide traceability records & information of the material along the upstream supply chain when requested.

f. Anti-Corruption

- Suppliers shall be aware, understand and comply with the ISF's Anti-Bribery and Corruption Policy.
- Suppliers shall work against corruption and prohibit bribery, kickbacks, and other unethical business practices.
- Suppliers shall promptly report through ISF's Whistleblowing Channel, any real and/or suspected misconducts or violations to the ISF's Anti-Bribery and Corruption Policy and/or any applicable laws and regulatory requirements on anti-corruption.

g. Conflict of Interest

- Suppliers shall avoid conflict of interests when dealing with or for ISF.
- Suppliers who find themselves in an actual or potential conflict of interest shall disclose it to ISF immediately.



h. Fair Competition

- Suppliers shall not use illegal or unethical methods to compete in the market or collude with other Suppliers in business dealings with ISF.
- Suppliers shall comply with all applicable competition and anti-trust laws that govern the countries in which they operate.

i. Proprietary Information and Confidential Information

- Suppliers with access to ISF's Proprietary Information and Confidential Information shall use such information for the purposes authorised by ISF only.
- Suppliers shall not communicate or disclose such information in any manner to any third parties without prior written consent from ISF.
- Suppliers shall continue to preserve the Proprietary Information and Confidential Information of ISF even after their contractual obligations to conduct work for ISF have been completed or ceased to take effect, unless such disclosure is required by any order of any court of competent jurisdiction or competent judicial, governmental or regulatory authority.

j. Data Protection

- It is the Suppliers' obligation to ensure appropriate measures are taken when dealing with personal data in terms of collection, processing, disclosure, retention, and security of personal data.

k. Grievance management

- ISF has established a Grievance Procedure as a reference for management and staff of ISF to handle any grievance or report of misconduct from any external parties, concerning the implementation of ISF's Policies.
- ISF will promptly investigate reported violations of the ISF Supplier Code of Conduct, and take corrective actions, where required, to address the issues.

l. Supplier Engagement and Verification

- ISF will carry out verification of supplier operations in accordance with requirements set out in this document and company policies.



- These verification audits will be carried out by ISF or a third party appointed by ISF. ISF will monitor supplier performance against the standards set out above by incorporating this code in its contractual agreements with suppliers.
- If an audit of a supplier reveals that they do not comply with the standards set out in this code, ISF will work with the supplier to identify the cause of the shortfall and provide the supplier with an opportunity to rectify the problem within three months from the date of audit.
- With an extensive and varied supply chain, ISF acknowledges that some suppliers will need support to improve standards. However, if a supplier has refused to implement corrective actions to address problems and audits reveal consistent non-compliance with this code, ISF may elect to suspend working with the supplier until the supplier can illustrate compliance with this code.

Takashi Ishigami
Chief Executive Officer

Date: 4th May 2021

Acknowledgment:

Please complete the fields below and return to your ISF representative.

We hereby confirm receive, understand and accept the contents of the Code.

Company:

Authorised Signatory or
Legal Representative:

Designation:

Signature:

Company Stamp

Date:
