



# Grievance Procedure

For Intercontinental Specialty Fats Sdn Bhd  
and its stakeholders

**VERSION 2.1**

**OCTOBER 2021**



## 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 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, particularly in Section 3. Violation of "No Deforestation and "No Peat" covers clauses in Section 3.1, while violation of "No Exploitation" covers Section 3.2, bounded by the United Nations Guiding Principles (UNGPs) on business and human rights, and other relevant instruments and frameworks listed.

The procedure involves acknowledging grievances raised, planning and implementing action plans to verify claims, resolving confirmed issues, reporting assessments and results to relevant 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

Since 2021, ISF has established an [online grievance platform](#) where grievances can be submitted via three (3) channels – online webform, traditional mail, and email, phone call, or facsimile (fax). Evidence(s) to support the grievance(s) is essential for ensuring a smooth investigation process for ISF and the responsible parties.

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.

Whilst grievances can be made anonymously, providing full contact details enables ISF to better understand and address the concern. The system allows for a dialogue to remain confidential and for the confidentiality of the Complainant's identity if requested as per [ISF's Sustainable Palm Oil Policy \(Section 3.2\)](#).

## 7 Definitions and Responsibilities

### Procedure Revision

This procedure is reviewed based on the latest developments surrounding relevant policies and regulations 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 deliver 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, the action, and corrective action plans are bounded by a specific time or set deadline to ensure issues are resolved effectively and on time.

### Responsibility for 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.



## 8 Grievance Process Timeline

Process	Responsibility	Duration
<b>I: Receive and acknowledgment of grievance claim</b> <ul style="list-style-type: none"> <li>Potential grievance reported to ISF’s Sustainability Department</li> <li>The grievance raiser will be contacted to acknowledge the claim</li> </ul>	Sustainability	10 days
<b>II: Preliminary review</b> <ul style="list-style-type: none"> <li>Collect information from ISF’s Commercial team and involved parties and assess links between the claimant’s alleged issues and ISF’s policies</li> <li>Validate the grievance and inform review results to the raiser</li> </ul>	Sustainability; Commercial	10 days
<b>III: Engagement, dialogue, and investigation</b> <ul style="list-style-type: none"> <li>Record in the grievance log &amp; engage with relevant parties</li> <li>A suspension will be considered if the supplier is verified to:               <ul style="list-style-type: none"> <li>A breach or no commitment to environmental and social protocols bound to ISF’s policy (as per Section 3 – Scope);</li> <li>No initiative or action plans to resolve non-compliance;</li> <li>Repeating the same non-compliance at the same sites</li> </ul> </li> </ul>	Sustainability; Commercial	1-3 months
<b>IV: Resolution and Time-bound Action Plan</b> <ul style="list-style-type: none"> <li>Prepare and implement a time-bound action plan, which includes:               <ul style="list-style-type: none"> <li>Review and amend ISF’s policies concerning the grievance;</li> <li>Conduct risk assessments and explore collaboration options;</li> <li>Improve procedures and establish supplier managing systems</li> </ul> </li> </ul>	Sustainability	1 month
<b>V: On-going monitoring and progress report</b> <ul style="list-style-type: none"> <li>Implement an action plan and monitor in consultation with external parties until the grievance is successfully resolved</li> <li>Progress reports are accessible with transparent communication on outcomes for continuous improvement</li> </ul>	Sustainability; Commercial	6-12 months
<b>VI: Reinstatement of suspended suppliers</b> <ul style="list-style-type: none"> <li>Suspended suppliers (as per <b>Stage III reasons</b>) will be considered for reinstatement into ISF’s supply chain, provided that they:               <ul style="list-style-type: none"> <li>Plan and implement a time-bound corrective action plan which includes:                   <ul style="list-style-type: none"> <li>The plan should include a stop-work order on non-compliance, HCV and HCS assessments, or forest/peatland restoration by working with relevant stakeholders and communities</li> <li>Resolving issues, including compensation regarding labour rights bounded by clauses stated in Section 3 – Scope</li> <li>Monitor, communicate, and report on the recovery progress</li> </ul> </li> </ul> </li> </ul>	Sustainability; Commercial	6-12 months

## 9 Grievance Mechanism Process Flow

