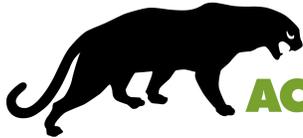


GREENPEACE



Forest
Peoples
Programme



**RAINFOREST
ACTION NETWORK**

 **grassroots**

Policy and Implementation Milestones for IOI Group May 2017

1. Revise IOI Group's Sustainable Palm Oil Policy (SPOP) in May 2017

IOI Group's revised Sustainable Palm Oil Policy should include commitments to the following requirements for its own operations and those of its suppliers:

- Application of the revised High Carbon Stock Approach (HCSA) methodology and its associated social requirements;
- IOI's stated commitment not to charge recruitment fees, including by subcontractors and labour brokers in receiving and sending countries;
- An updated Freedom of Association clause stating that trade unions can freely enter IOI estates;
- A deadline for returning all workers' passports;
- A commitment to pay all workers the statutory monthly minimum wage, regardless of production quotas or hours worked;
- Compensation for overtime work at the legally mandated rate, and;
- A commitment to adopt and implement the Free and Fair Labor Principles.

It is critical that IOI publishes the revised policy in May 2017 and communicates its updated requirements to suppliers, including direct & indirect third-party suppliers along with the expectation that all suppliers are to comply.

2. Transparent disclosure of findings of field assessments, progress on achieving compliance and forward looking work plans on an ongoing basis

1. Published the scope, methodology and full results of the labor audits conducted by Business for Social Responsibility of IOI's Peninsular Malaysia and Sabah plantations, and revised standard operating procedures to address any identified gaps or issues.

2. Publish a revised work plan for the landscape approach in Ketapang that aligns the approach with the standards of the Palm Oil Innovation Group and incorporates the results of LiDAR analysis.
3. Publish the mutually agreed action plan encompassing revised mediation, community support, respect of customary rights, that is in full conformance to RSPO standards and has been developed with participation of NGOs, the Long Teran Kanan communities and stakeholders.
4. Develop and publish a work plan for the implementation of IOI's no recruitment fees policy in receiving and sending countries and its deadline for returning all workers' passports.
5. Publish and seek input on the methodology that IOI plans to use to conduct "an independent verification of the implementation of its Sustainable Palm Oil Policy, and the commitments stated above, in the second quarter of 2018."

3. Verifiable actions for demonstrating progress on non-compliance in IOI's operations

- **Verifiable actions for demonstrating progress on working in good faith to resolve grievance between IOI-Pelita and the Long Teran Kanan longhouse communities and stakeholders**

2-month milestones

1. IOI shares field assessment report with Grassroots as promised.
2. Review and verification by Grassroots via a joint field visit
3. New action plan developed in partnership with Grassroots reflecting review of IOI assessment, RSPO/CP views and community aspirations encompassing revised mediation, community support, respect of customary rights, and in full conformance to RSPO standards.
4. Establish a fair and impartial mediation panel that is mutually agreed with the communities of Long Teran Kanan to oversee the satisfactory resolution of the social conflict with IOI-Pelita with new Terms of Reference to reflect FPIC and customary rights, and expanded mediation into a panel.
5. Agreement on the community support and capacity building plan. (This plan has already been proposed to RSPO)
6. IOI, Grassroots, supporting NGOs and relevant stakeholders in consultation with communities draft a new timeline, deliverables and milestones for the entire grievance resolution process.

6-month milestones

- Mediation process demonstrates compliance to RSPO requirements for protection of customary rights, FPIC, representation, and free from external influence.
- Identify community members who have been affected and are due compensation for the initial loss of land and the ongoing use of their land for oil palm plantations.
- The community is able to make decisions through an informed process and take responsibility for ensuring they are provided with information on the settlement offer in ways that allows them to understand it.
- Compensation, remedy mechanism and modality established with FPIC.
- Work with the community to identify and draw up maps for each landowner's area(s), and jointly approach the Sarawak state government to request those areas are excised from their PL to provide better security for the community's land rights.

Note: These milestones are dependent upon agreement of a new action plan (item 3 above) and subject to revision via the process to develop a timeline including deliverables and milestones for the grievance resolution process with affected communities, IOI, Grassroots, supporting NGOs and relevant stakeholders (item 6 above).

- **Verifiable actions for demonstrating progress on addressing non-compliance on labor rights requirements**
 - All workers have been provided with secure lockers and all passports have been returned by deadline set in updated SPOP released in May 2017.
 - No fees are being charged to workers, including via subcontractors and labor brokers in sending as well as receiving countries.
 - Minimum wage (and possible overtime compensation) is being paid to all workers, regardless of production quotas or hours worked.
- **Verifiable actions for demonstrating progress on addressing non-compliance by third-party suppliers**
 - Identify and execute intervention priorities in relation to third-party supply chain in peat landscapes, based on mill analysis and engagement with the relevant trading partners.
 - Identify and execute intervention priorities in relation to third-party supply chains with active deforestation, based on supply chain analysis and engagement with the relevant trading partners.
 - Identify and execute intervention priorities for resolving social conflicts, securing land rights or ending violence, intimidation and the ongoing abuse of human rights
 - Updated the public grievance list to incorporate the findings of third-party supplier analysis, including time-bound conditions for each non-compliant company, and list the excluded suppliers that are unwilling or unable to meet those deadlines.