



Responsible Operating Principles

December 2014

IOI Loders Croklaan

*Let's create
together*



IOI GROUP

Responsible Operating Principles

Presentation outline

1. Code of Conduct
2. Sustainable Palm Oil Policy
3. Sustainable Shea Sourcing Practices
4. Responsible Use of Resources
5. Social Responsibility
6. Governance



1. Code of Business Conduct & Ethics

- The IOI Loders Croklaan Global Code of Conduct can be found at: <http://europe.croklaan.com/our-company/values/>
- The IOI Loders Croklaan Global Code of Conduct is based on the IOI Group Code of Business Conduct & Ethics.
- The IOI Loders Croklaan Global Code of Conduct was first communicated and published in April 2014.



2. Sustainable Palm Oil Policy

- The Sustainable Palm Oil Policy can be found at croklaan.com
- The Sustainable Palm Oil Policy was introduced in November 2014 and supersedes the Sustainable Palm Oil Sourcing Practices.
- The Sustainable Palm Oil Policy includes the following key commitments:
 - ✓ To accelerate the journey to **no deforestation** through the conservation of High Carbon Stock (HCS) Forests, High Conservation Value (HCV) Forests and the protection of peat areas regardless of depth
 - ✓ To build **a traceable and transparent supply chain**
 - ✓ To **respect the rights** of employees in the palm oil industry, indigenous peoples and local communities
 - ✓ To increase the focus on driving beneficial economic change and to ensure a **positive social impact** on people and communities

The IOI Group Sustainability Policy Statement can be found at ioigroup.com

3. Sustainable Shea Sourcing Practices

- The Sustainable Shea Sourcing Practices can be found at <http://europe.croklaan.com/taking-responsibility/shear/>.
- The Sustainable Shea Sourcing Practices were first published in April 2014.



4. Our Guiding Principles: Reduce, Reuse, Recycle

In all that we do, we strive to **minimize** the use of natural resources and limit the amount of waste produced. Whatever waste is produced often has a value and can be **reused** or **recycled** in other processes. Our ambition is 'zero waste to landfill'. At the regional level, projects are in place or will be initiated to achieve the goals we have set for the resources we use.

We will measure our performance using the following indicators:

- o Electricity consumption in kWh per ton produced
- o Gas consumption in MJ per ton produced
- o Water consumption in m³ per ton produced
- o Waste going to landfill as the percentage of the total waste produced



5. Social Responsibility

1. Human and Worker Rights

- We support and respect the protection of human and worker rights in accordance with the *Universal Declaration of Human Rights* and the *International Labor Organization's fundamental conventions*. We uphold the freedom of association and the effective recognition of the right to collective bargaining. We eliminate all forms of forced and compulsory labor, we refrain from child labor and we eliminate discrimination in respect of employment and occupation.
- We expect our business partners to do the same and, when involved in the production of Palm Oil, to comply with the RSPO P&C and our 'Sustainable Palm Oil policy'.



5. Social responsibility

2. Talent Management

We are committed to the success and **development of our employees** and believe that our employees can and will make a difference. We provide an environment which fosters the collaborative development of responsible leaders.

Activities to support employee development:

- Selection and promotion processes supported by assessments
- Organizational and succession planning – regional and global
 - Including a percentage goal of key positions filled internally
- Personal development plan for all employees
 - Open two-way dialogue between managers and employees
- Individual development planning
 - Mentoring
 - Special projects – regional and global
 - Longer term global assignments
 - Job shadowing and rotation
 - Outside training courses
 - University tuition reimbursement



4. Social responsibility

3. Safety

Safety First. At IOI Loders Croklaan we are committed to creating a safe and healthy work environment for all of our employees.

Actions:

- At the global level, safety parameters are aligned and measured. Targets have been set for:
 - LTA (loss time accident)
 - TIR (total incident rate)
- Best practices related to Safety management are shared and learnings implemented.



6. Governance

- The IOI Loders Croklaan Responsible Operating Principles are set by senior management including our Group CEO and confirmed by the IOI Loders Croklaan Executive Committee. The Principles reflect the way we operate our business on a day to day basis.
- To stay focused, we are committed to reporting progress on our Responsible Operating Principles. We have joined various certification programs and participate in the Carbon Disclosure Project. We submit ourselves to both internal and external audits to review if we adhere to the set of criteria linked to the various certification programs.
- IOI Loders Croklaan will continue to consult external stakeholders to review our Responsible Operating Principles and to conduct an analysis of potential risks associated with the regions and mills from which we source palm oil.



6. Governance

Actions

- Progress report '*Responsible operating principles*' including reduce, reuse, recycle update -annual.
- Implementation progress report '*Sustainable Palm Oil Policy*' including traceability update -quarterly.
- Sustainable palm Oil Sourcing Committee (governance of sustainable sourcing practices) -quarterly meetings.
- Carbon disclosure report (scope 1 & 2) -annual.
- Sustainability targets available in time bound action plan -quarterly.
- Talent management Review (Committee: CEO IOI and CEO IOI-LC, COOs & global HR) -annual.
- Intercompany benchmarking of our plants and set targets for best practice -annual.
- Employee engagement survey (HR) -annual.

Relevant memberships, participations and certification bodies:

- RSPO
- ISCC
- SEDEX
- ISO
- FSCC

