



INTERCONTINENTAL SPECIALTY FATS SDN. BHD.
SUSTAINABILITY REPORT 2022-2023



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At ISF, we firmly believe that sustainability is no longer a choice but a requirement that every corporate citizen must uphold.

About this report

[GRI 2-3, 2-16]

This is Intercontinental Specialty Fats Sdn Bhd's (ISF) fourth sustainability report, prepared in accordance with the Global Reporting Initiative (GRI) Standards. GRI disclosures are included throughout the report and referenced under headings or sub-headings as GRI XXX-XX. The full [GRI Content Index](#) can be found on page 77. For the first time, our sustainability report also includes reporting against the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. As we align our commitments with those of our parent company, The Nisshin Oillio Group, Ltd., and endeavour to better understand our climate-related risks and opportunities to satisfy the requirements of the financial community and other stakeholders.



Theme rationale

This report is themed 'Accelerating Climate Action', showcasing ISF's proactive approach to climate change and our unwavering support for a local, regional, national, and global climate action agenda for a greener and more sustainable world. **It is our first sustainability report incorporating the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and Scope 3 greenhouse gas (GHG) emissions along our value chain, as assessed by our independent consultant. As a responsible and forward-thinking organisation, we recognise the urgent need to address the challenges of climate change by adopting impactful initiatives to mitigate climate-related risks and reduce carbon emissions.**

We closely monitor and find ways to reduce emissions at our operations and are expanding our initiatives beyond our four walls. In 2022, we launched a Mangrove Rehabilitation Programme in Sabak Bernam, Selangor, leveraging community-led nature-based solutions (NBS) to support these efforts. We also understand the risks climate change poses to our operations, supply chains, and people and recognise the need to adapt to the resulting physical and transitional changes. To this end, we have assessed these risks and have adopted science-based targets in our expanded approach to sustainability, as detailed in our newly launched Climate Roadmap.



Scope and boundaries

[GRI 2-2, 2-3]

There have been no changes to the scope of our sustainability reporting since the last report. The present report covers the material topics relevant to ISF's operations and facilities in Port Klang and Dengkil, Malaysia. It does not include our Italian refinery or Chinese sales office, which represent less than 5% of our business. This report does not incorporate the sustainability initiatives of our parent company, The Nisshin OilliO Group, Ltd. Unless otherwise stated, **performance data presented here covers a 15-month reporting year from January 2022 to March 2023, reflecting Q1 of 2022 and incorporating our financial year of April 2022 to March 2023 as we shift our sustainability reporting period from the calendar year to our financial year.** Future sustainability reports will cover our financial reporting period from April of one year to March of the next.

Assurance

[GRI 2-5]

We contracted Control Union (Malaysia) Sdn Bhd to provide limited independent assurance on ISF's GHG Inventory emissions against the GHG Protocol: Scope 1 & Scope 2 GHG Inventory Guidance, Corporate Value Chain (Scope 3) Accounting and Reporting Standard & Technical Guidance for Calculating Scope 3 Emissions (version 1.0).

- [Assurance statement](#)

CEO message

[GRI 2-22]



Dear stakeholders,
I am pleased to present our **fourth Sustainability Report** documenting ISF's efforts, achievements, and progress as we pursue our sustainability agenda.

This report is themed **Accelerating Climate Action** because scientific consensus confirms we are facing a global climate crisis demanding immediate action.

ISF has always prioritised minimising our carbon footprint by using energy-efficient technology and renewable energy sources where possible. As of March 2023, 17% of our energy was generated by our solar panels or sourced through the Tenaga Nasional Berhad (TNB) Green Electricity Tariff (GET). We have diverted approximately 1.8 million kilograms of carbon dioxide equivalent (kgCO₂e) since kicking off our reduction initiatives in 2020. We continue to work towards meeting our 34% reduction target by 2030 against our 2019 baseline and have recently established a dedicated committee to help us meet our reduction goals.

We also recognise that climate adaptation plays a central role across the entire palm oil industry. All players in the value chain must prepare for extreme weather events like droughts and floods that can damage palm oil crops, thereby reducing yields, destabilising the palm oil supply, and increasing consumer prices.

In 2022, ISF conducted a comprehensive assessment to understand these climate-related risks and opportunities in line with the Taskforce on Climate related Financial Disclosure (TCFD) and created risk management plans to address 2°C and 4°C average temperature increase scenarios.

Beyond our own gates, ISF has begun considering the environmental impact of activities not within our direct control. In 2022, we assessed and quantified indirect emissions (Scope 3) in our supply chain to determine hot spots and support future climate strategies.

We continue to mitigate climate change impacts using nature-based solutions in wider landscapes, including through our **Mangrove Rehabilitation Programme in Sabak Bernam** with the support of local communities and the Global Environment Centre (GEC). This three-year programme will rehabilitate four hectares of degraded mangrove forest to restore the local water system and sequester atmospheric carbon.

These recent measures have led to the development of an **ISF Climate Action Roadmap in 2023** that will now be our cornerstone guidance on climate mitigation and adaptation measures for the coming years.

Growing demand for sustainability

The worldwide demand for sustainable products is growing. The newly introduced European Union (EU) deforestation regulations require proof that palm oil and palm oil derivatives are legally sourced and deforestation-free. ISF supplies Roundtable on Sustainable Palm Oil (RSPO) certified products and

is ready to help our European customers comply with these new requirements. Our segregated and identity-preserved oils and fat account for more than 85% of our EU sales and fully comply with the new regulations.

Our focus is now on improving the sustainability of the remaining 15%, comprising RSPO-mass balance and conventional products. Knowing the origin of our raw materials is crucial. Through our concerted efforts, traceability to plantation improved significantly in reporting year 2023, from 72.9% and 31.8% to 98.6% and 71.3%, for crude palm oil and crude palm kernel oil, respectively.

ISF is committed to collaborating closely with suppliers, industry partners, and relevant authorities. Open dialogue and unified action will be key to addressing traceability barriers for FFB dealers, ensuring a steady, sustainable supply for the EU, and reducing the financial burden of the new requirements on existing suppliers.

ISF also applauds the financial industry's growing commitment to sustainability. In 2021, we secured our first sustainability-linked loan from Sumitomo Mitsui Banking Corporation (SMBC) Malaysia.

In 2023, ISF became the first Japanese company and foreign multinational to participate in CIMB Malaysia's prestigious Sustainability-Linked Treasury Programme.

We see these investment vehicles as excellent drivers for embedding sustainability KPIs into our operations that guide positive environmental and societal impacts for the company. The success of these loans has encouraged us to envision converting all existing financial facilities into sustainability-linked financing in the coming years.

Labour rights and automation

Our journey is not without its challenges. The international community continues to shine a spotlight on labour rights in Malaysia, and like other companies, ISF faced labour shortages at our operations.

To curb any potential risk of human rights breaches when hiring new foreign workers, we fully comply with internationally recognised worker rights standards.

We introduced a dedicated Labour and Human Rights Policy in 2022 and a new Migrant Worker Ethical Recruitment Guideline and Procedures.

These supplement our existing No Exploitation commitments in our Sustainability Policy.

At the same time, ISF is exploring automation and digitalisation to reduce our dependency on manual and heavy labour, including automated packing systems and cloud-based IT services. We intend to upskill and reskill workers made redundant by these changes so they remain in our employ and continue contributing to the company.

Concluding remarks

I am proud of our sustainability achievements to date and look forward to furthering our strengthened commitments to reducing emissions, investing in more sustainable technologies, fostering new partnerships, and pursuing transparent reporting.

To conclude, I'd like to share the words of Japanese playwright and screenwriter Sô Kuramoto, who once told me: "We do not own the Earth but are borrowing it from our descendants and must leave them a clean planet." I am 100% committed to this vision.

Takashi Ishigami
ISF CEO

2022–2023 highlights

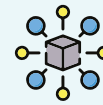
STRENGTHENED GOVERNANCE



Secured sustainability-linked treasury programme in Feb 2023



Completed TCFD assessment



Developed flood risk and response plan

CERTIFICATION AND MARKETPLACE



- 100% RSPO-certified since 2011
- 100% ISCC-certified since 2012
- 100% MSPO-certified since 2019



More than 85% customer satisfaction rate

TRACEABILITY AND SUPPLIER ENGAGEMENT

98.63%

CPO traceable to plantation, up from 72.9% In 2021

71.3%

CPKO traceable to plantation

62%

FFB sourced from direct supplying mills ‘delivering’ on their no deforestation and no peat commitments (Self-reported based on NDPE IRF)

>50%

Suppliers RSPO certified

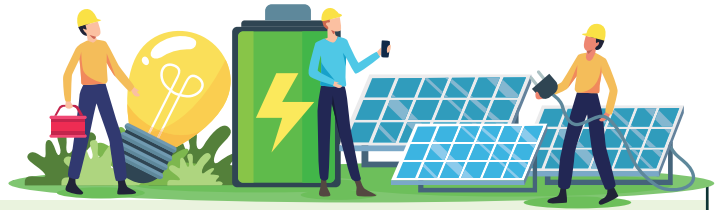
100%

Direct suppliers MSPO certified



Launched new sustainability questionnaire

And require all non-rspo certified suppliers & conventional suppliers to complete this survey.



ENVIRONMENTAL PERFORMANCE



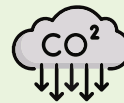
Completed TCFD scenario analysis published statement of support for TCFD



Secured Malaysia Renewable Energy Certificate (mREC)



Completed scope 3 emissions assessment



Reduced GHG emission intensity by 14.2%* against 2019 baseline



Reduced energy consumption intensity by 7% and water consumption intensity by 3.5% against 2019 baseline



Subscribed to >16,300,000 kWh of Green Electricity Tariff (GET), Offsetting >11 million kgCO₂e



Increased solar electricity generated by more than 83% compared to 2021



Developed new climate roadmap

*In the printed version of the report, the GHG emission intensity for reporting year 2023 is calculated using location-based Scope 2 emissions data.

OUR WORKFORCE



Published new labour and human rights policy



Developed new ethical recruitment guidelines and procedures for migrant workers



Updated employee benefits policy in line with employment act/new Sedex requirements

COMMUNITIES











Continued programme at Sabak Bernam with Global Environment Centre (GEC), with 81% survival rate



Planted **2,500** mangrove saplings as part of the mangrove rehabilitation programme

Targets and progress

Year	Target	Contributing to SDGs	Status as of March 2023 ¹ , unless otherwise stated
2025	Achieve 100% traceability to plantation for CPO and CPKO		On track and made significant progress: Traceability to plantation improved significantly from 72.9% to 98.6% for CPO and 31.8% to 71.3% for CPKO.
Ongoing	Continuously engage with suppliers on Sustainable Palm Oil Policy requirements		Achieved
Ongoing	Maintain zero environmental legal non-compliances		Achieved
2030	Reduce GHG emissions (Scope 1 and 2) by 34%, against the 2019 baseline of 161,374,814 kgCO ₂ e		Increased but on track: Absolute Scope 1 and 2 GHG emissions in calendar year 2022 were 174,571,948 kgCO ₂ e, 8.2% higher than the 2019 baseline.
Ongoing	Maintain energy consumption intensity below 2.83 GJ/MT, i.e., 10% below our 2019 baseline		Need improvement: Our energy consumption intensity was 2.93 GJ/MT
2030	Reduce water consumption intensity by 10% against the 2019 baseline		Decreased and on track: We reduced water consumption intensity by 3.5% against our 2019 baseline.
2030	Reduce waste intensity by 10% against the 2019 baseline		Increased but on track: Our 2022 waste intensity was 18% lower than in 2021 but 5% higher than our 2019 baseline. We continue to explore methods and options to minimise waste production and reach our 2030 target.
Ongoing	Zero fatalities		Achieved
Ongoing	Zero accidents		Needs improvement: 8 accidents recorded.
2023	Establish a programme that is inclusive of smallholders and uptakes their oil into the ISF supply chain		On track: Signed an MoU for a new smallholder engagement programme in partnership with our customers and suppliers. We will provide more details in future reports.

¹ Charts and data in this report reflect a 15-month period comprising Q1 of 2022 and our financial year of April 2022 to March 2023.

Who we are

About ISF

[GRI 2-1, 2-6, 204-1]

Established in 1980, Intercontinental Specialty Fats Sdn Bhd (ISF) is a private company and a member of The Nisshin Oillio Group, Ltd., Japan's largest vegetable oil company. ISF is a leader in the specialty fats industry with headquarters in Port Klang, Malaysia. We operate two state-of-the-art palm oil refineries in the country (Port Klang and Dengkil) and an adjacent research and development (R&D) centre in Port Klang. We also operate a refinery in Italy that caters to our European customers and a sales and distribution office in Shanghai, China².

ISF produces and distributes a wide range of bulk and packed specialty fats and oils. Around 94% of our sold production comprises refined, bleached, and deodorised (RBD) bulk palm, olein and stearin oils. Another 6% comprises packed cocoa butter alternatives, dairy fat replacements, margarine, and other fats.

We source more than 99% of our raw materials – crude palm oil (CPO) and crude palm kernel oil (CPKO) – from

local suppliers and process them at our Malaysian facilities to cater to customers and applications in various industries (see [Responsible sourcing and supplier engagement](#)), including chocolate and confectionery, bakery, frying, plant-based dairy alternatives, and other food and non-food applications.

From January 2022 to March 2023, we processed 710,116 tonnes (MT) of CPO and CPKO and sold 730,960 MT of product in more than 50 countries. Our main markets are Asia and Europe, representing 48% and 41% of product sales, respectively. Other markets include the Americas, Africa, and Oceania, representing 11%.

ISF produces and delivers innovative, high-quality, sustainable products that meet evolving global standards and consumer needs. We have earned a strong reputation as a reliable partner in the food manufacturing industry. Visit our [website](#) for detailed information on ISF's product offerings and applications.



Chocolate and confectionery

Our confectionery fats are used to create chocolate, compound chocolate, filling and spreads in a wide range of tastes, textures and forms, with positive impacts on health, product shelf life, and cost efficiency.



Bakery

Our range of specialty oils and fats in the form of margarine, shortening, and butter oil substitutes are used in a myriad of bakery products.



Other Food Applications

Our specialty fats deliver unique solutions in a multitude of food applications with specific functionalities to guarantee process efficiency



Frying

We offer a range of highly stable specialty oils for frying applications that meet versatile needs in performance and taste, and solutions for specific customer requirements.



Non-Food Applications

We offer a wide range of specialty fats for non-food products, including candles, animal feed, and soap.



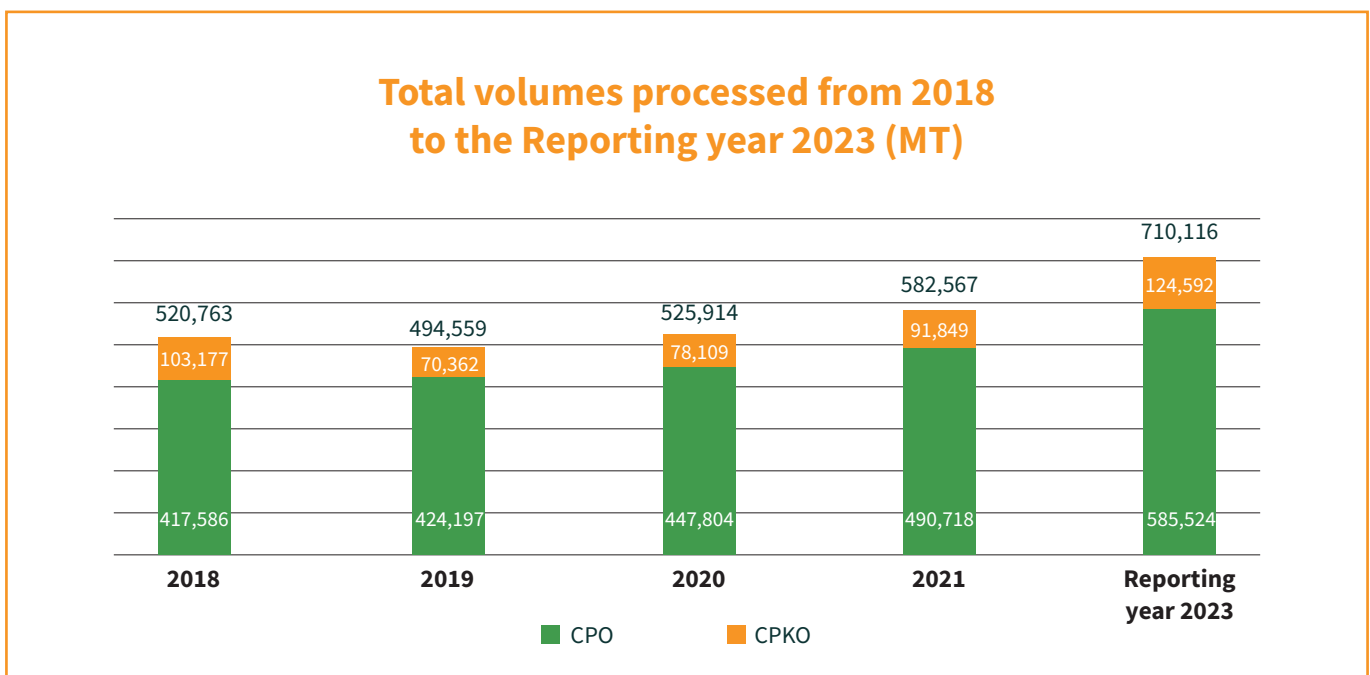
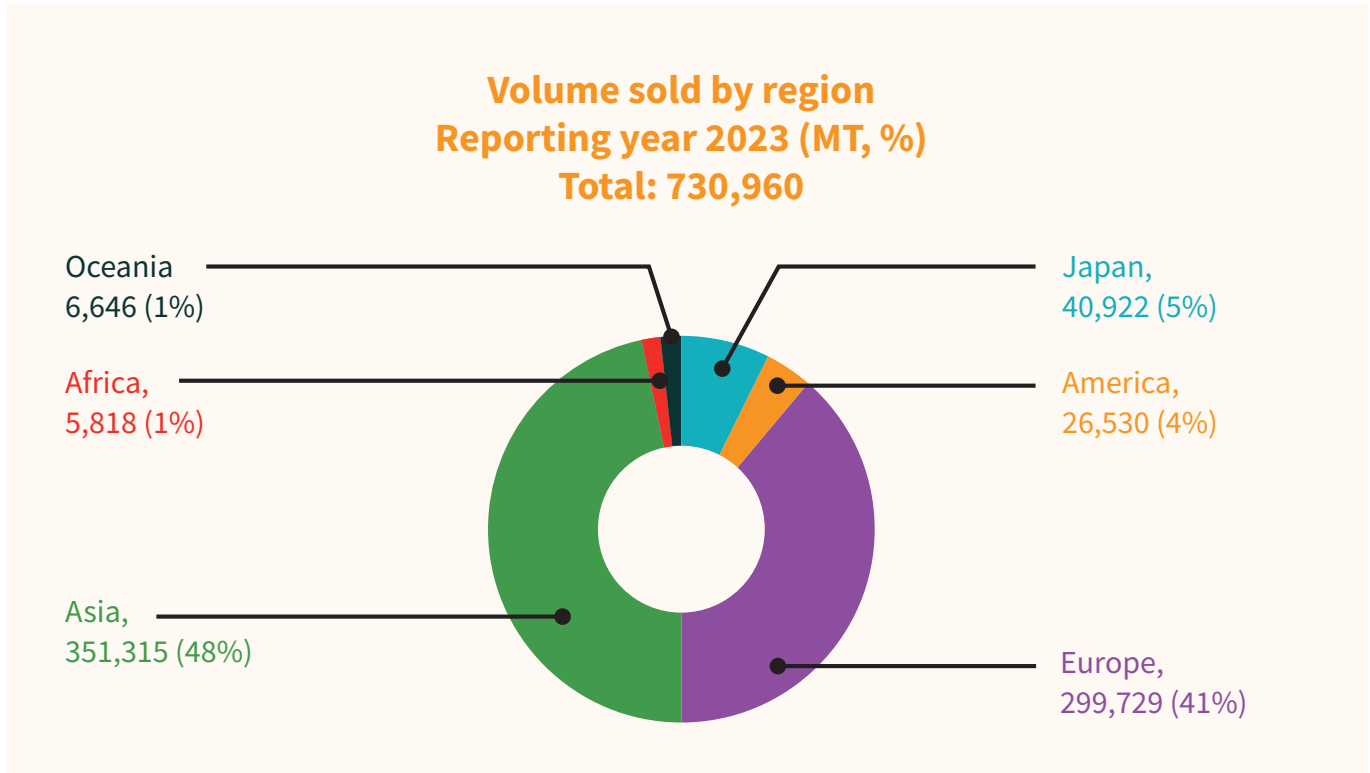
Plant-Based Dairy Alternative

Our range of plant-based specialty oils and fats work in dairy products (creamer, condensed milk, and cultured dairy products), ice cream, and whipped cream topping and as a sustainable, healthier, and cost-effective choices.

² Our operations in Italy and China represent less than 5% of our business and are outside the scope of this report.

Who we are

Business overview

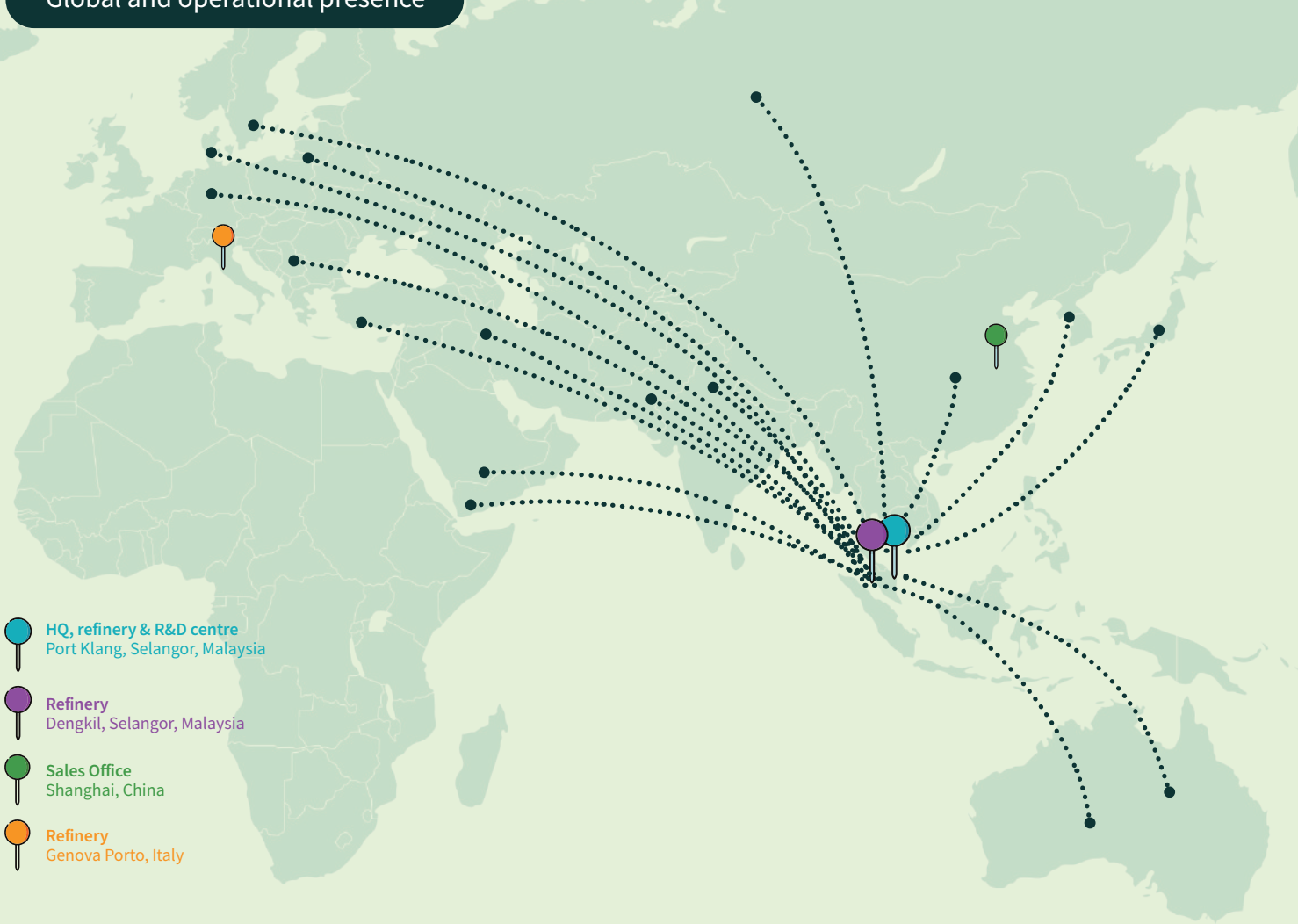


Note:

1. Reporting year 2023 encompasses 15 months of data, comprising Q1 of 2022 and our 2023 financial year (January 2022 to March 2023).

Our operations

Global and operational presence



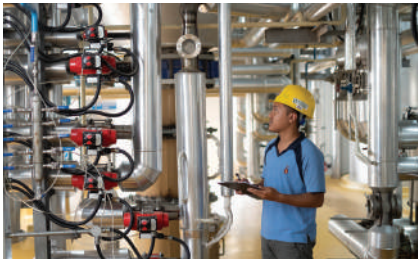
Supplying to more than

50

COUNTRIES

Combined annual refining capacity

750,000 MT



Total employees

645

Reporting year 2023 volume processed

710,116 MT

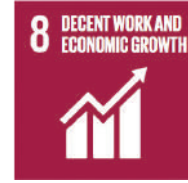
(82% CPO and 18% CPKO)

Reporting year 2023 total volume sold

730,960 MT

Note: This report covers our Malaysian operations only. For more information about all our operations, visit our [website](#).

Our approach to sustainability



ISF recognises the long-term environmental and social impacts of palm oil production and our considerable role in developing the sector sustainably and inclusively. Sustainability is a pillar of our core values for healthier palm oil products, and we incorporate it into our operations and partnerships with suppliers. Our commitment to sustainability is guided by our [Sustainable Palm Oil Policy](#), which was updated in 2021.

In October 2022, we launched our new Labour and Human Rights Policy and accompanying Migrant Worker Ethical Recruitment Guidelines and Procedures to further uphold our commitment to human rights and ethical recruitment practices across our operations and supply chain (see [Our People](#)).

We communicate our current policies to our employees, suppliers, contractors, and all relevant stakeholders through employee orientations, email, and during stakeholder briefings and meetings. Our sustainability measures underpin our dedicated policies on food safety management and the environment and can be found on our [website](#).



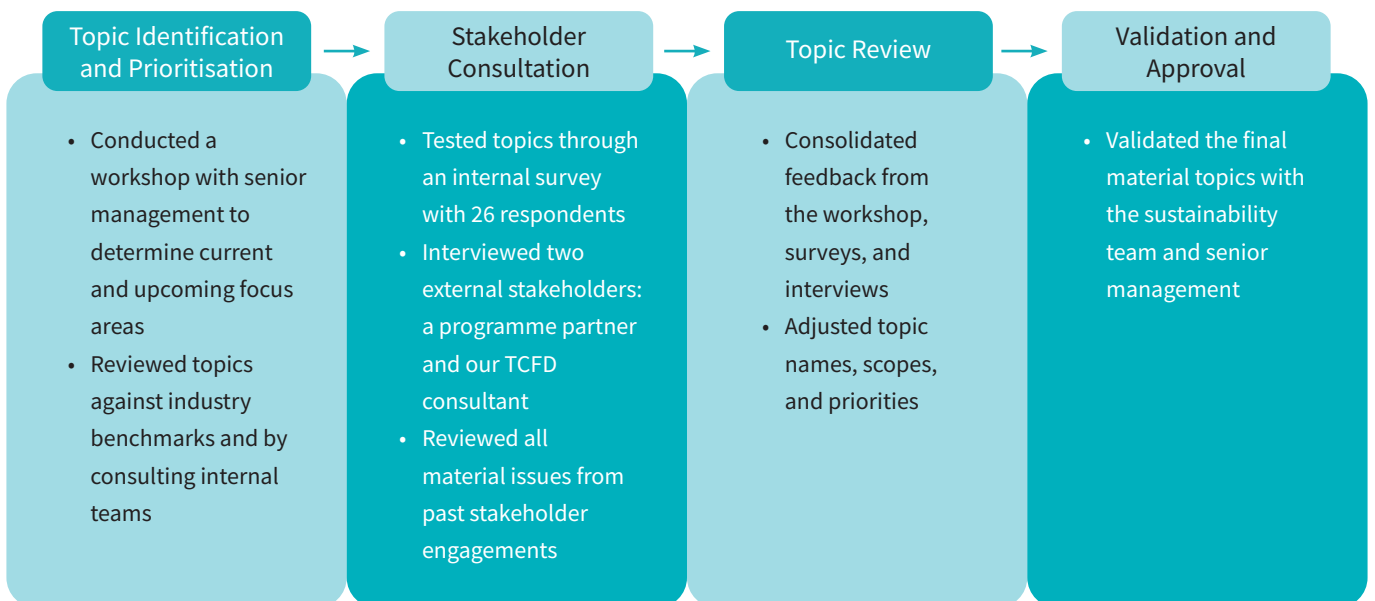
Materiality assessment 2023

[GRI 3-1, 3-2]

Our reporting covers the material topics most relevant to our business and stakeholders. In January 2023, we conducted a comprehensive review of our material issues. It is our second materiality assessment since our initial assessment conducted in 2019.



Overview of the materiality assessment process



Changes to material topics

<p>Revised topics (merged or changed)</p>	<p>Legal and regulatory compliance merges and updates ‘Legal commitment and compliance’ and ‘Sustainability certifications’ Traceability merges ‘Traceability to mill’ and ‘Traceability to plantation’ Labour rights replaces ‘Child labour’ Profit and cost-saving merges previous standalone topics, ‘Profit’, ‘Cost saving’, and ‘Economic performance’ Food safety and quality merges previous standalone topics, ‘Food safety and quality’ and ‘Customer service/responsiveness’ Energy management and renewable energy merges previous standalone topics, ‘Energy saving’, ‘GHG emissions’, and ‘Green energy (solar)’</p>
<p>Updated topic names</p>	<p>Water management updates ‘Water’ Ethics and anti-corruption updates ‘Anti-corruption’ Supplier management and engagement updates ‘Supplier awareness & engagement’ Smallholder inclusion updates ‘Smallholder inclusiveness’ Operational productivity updates ‘Productivity’ Talent retention updates ‘Worker retention’</p>
<p>New topics in matrix</p>	<ul style="list-style-type: none"> • Climate adaptation and mitigation • Waste management • Occupational safety and health • Diversity and inclusion • Corporate communications • Stakeholder engagement • Policy and management systems • Raw material supply • Carbon tax • Continuous improvement • Globalisation/business expansion • R&D and innovation
<p>Re-ordered topics</p>	<ul style="list-style-type: none"> ↑ Ethics and anti-corruption (external) ↑ Labour rights (↑ internal and external) ↑ ↓ Smallholder inclusion (↑ internal, ↓ external) ↓ Energy management (external) ↓ Supplier management and engagement (internal and external) ↓ Talent retention (internal) ↓ Corporate social responsibility (CSR) (external) ↓ Water (internal) ↓ Profit and cost-saving (external)

Note: this is the first time that Occupational safety and health has been included as a material topic, but it has always been a critical focus area for ISF. See Appendix ([ISF Material topics](#)) for topic definitions.

Materiality matrix 2023



Corporate and sustainability governance

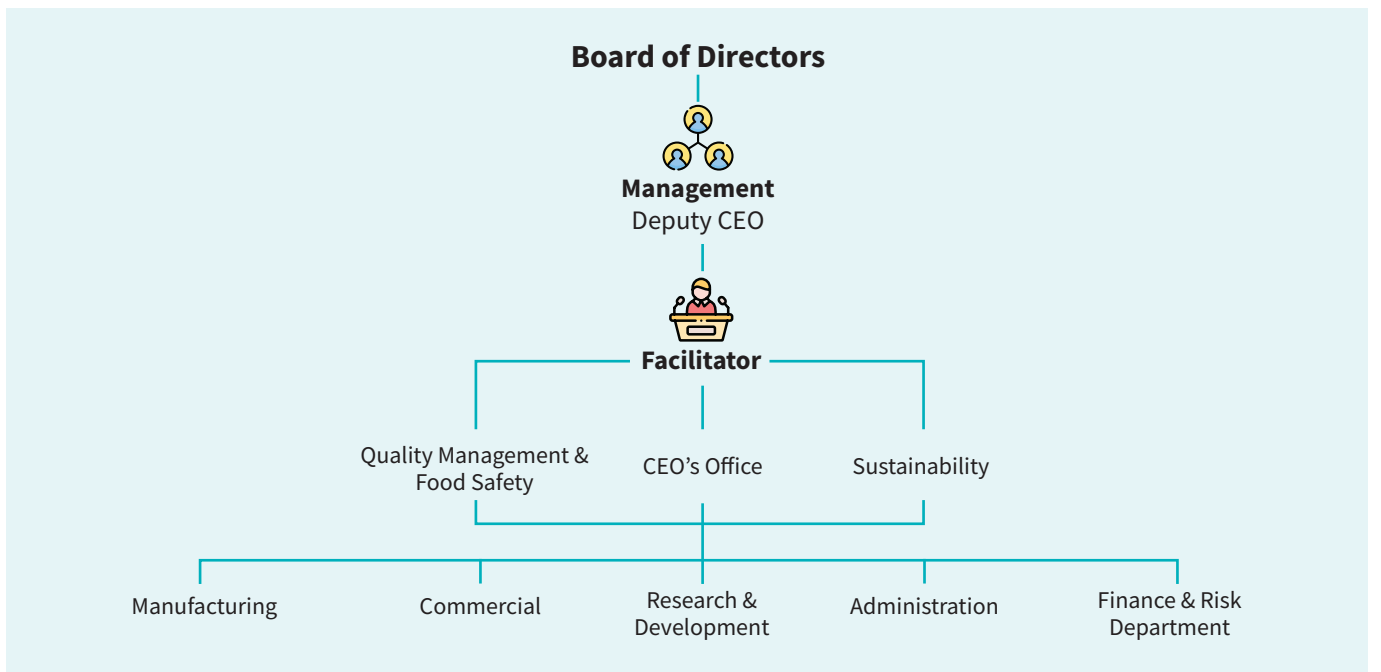
[GRI 2-9, 2-10, 2-11, 2-12, 2-13, 2-14, 2-15, 2-16, 2-17, 2-23, 2-24, 3-3]

To strengthen governance at ISF, we back our environmental, social, and governance (ESG) initiatives with effective leadership, specifically in our day-to-day operations. The Board of Directors and senior executives, including our Chief Executive Officer (CEO), oversee ISF company strategies, including ESG matters. The Board comprises nine experienced professionals, all male, Japanese, and over the age of 50.

The ISF Sustainability Team oversees day-to-day sustainability measures. The team is part of our Trading and Marketing Division and is led by the Chief Marketing Officer (CMO), who directly reports to the CEO. Reporting to the CMO means the sustainability and commercial teams work closely together to understand mutual needs and requirements, embedding sustainable practices in our business decisions. We prioritise sustainability topics by engaging with our partners and responding to customer needs and critical issues raised through multi-stakeholder initiatives.

We established a joint ESG Committee in 2021 to implement our sustainability policies and measure progress across the Group. In 2023, we restructured our ESG Committee to include Board-level oversight. The committee comprises key senior managers and executives across all divisions/ departments and reports directly to the Deputy Chief Executive Officer (DCEO), who reports to the Board of Directors. The ESG Committee meets quarterly or more frequently, as necessary.

In February 2023, we set up a dedicated Decarbonisation Committee focusing on energy saving and carbon reduction that reports to our ESG committee. Their scope of work currently covers our Dengkil operations but will be expanded to our Port Klang operations in the near future (see [Carbon Footprint](#) section for details.)



Although we operate independently, our sustainability efforts are integrated, aligned with, and guided by the group goals of our parent company, The Nisshin OilliO Group, Ltd. We are exploring further synergies between ISF and The Nisshin OilliO Group, Ltd. and leveraging our respective strengths to work towards common objectives, improve the cohesion of our reports, and better respond to stakeholder expectations.



Securing sustainable financing

In February 2023, ISF achieved a significant milestone, securing our participation in CIMB's Sustainability-Linked Treasury Programme, demonstrating our steadfast dedication to embedding sustainability initiatives into our fiscal strategies under the guidance of our Finance Department.

This programme is aligned with CIMB Group's strategic vision under their Forward23+ strategic plan, and our participation will allow ISF to establish a direct link between our sustainability goals and financial incentives. ISF will be eligible for a rebate by meeting customised sustainability performance targets (SPTs) aligned with our business profile and sustainability goals. These targets were independently and rigorously verified by a third party to ensure the credibility and transparency of the programme.

The Sustainability-Linked Treasury Programme holds immense potential for ISF. It supports and expedites our sustainability ambitions and supports our long-term financial hedging requirements. We will continue to partner with CIMB to accelerate our sustainability journey.

ISF is the first Japanese and non-Malaysian multinational company to join this innovative programme.

Ethics and conduct

[GRI 2-25, 2-26, 3-3]

ISF upholds the highest ethical standards in conducting business with our customers, suppliers, governments, civil society, and other stakeholders. Our Ethical Policy and Anti-Bribery and Corruption Policy guide our actions and are available to all employees. Our Whistleblowing Policy provides channels to report concerns in good faith, ensuring all claims are thoroughly and impartially investigated and whistleblowers are protected. Our grievance procedure for external stakeholders allows parties outside the company to raise concerns about our organisation and supply chain.

- See section on Grievance management or visit our website for more details.



Risks mitigation

ISF's Risk Management Department oversees group-level risk management programs on strategy, finance, operations, compliance, and sustainability. Our Enterprise Risk Management (ERM) Framework complies with ISO:31000 2018 guidelines and implements a risk escalation structure to ensure the timely communication of risks to our management team. We maintain a comprehensive risk register, classifying risks and assigning them to relevant individuals for management.

We regularly monitor sustainability risks, update our mitigation plans every six months through risk reviews and discussions with our Sustainability Department, and regularly follow up on identified impacts at various company levels, including the Board of Directors.

- Please refer to pages 17 and 18 of our 2021 [Sustainability Report](#) for more information.



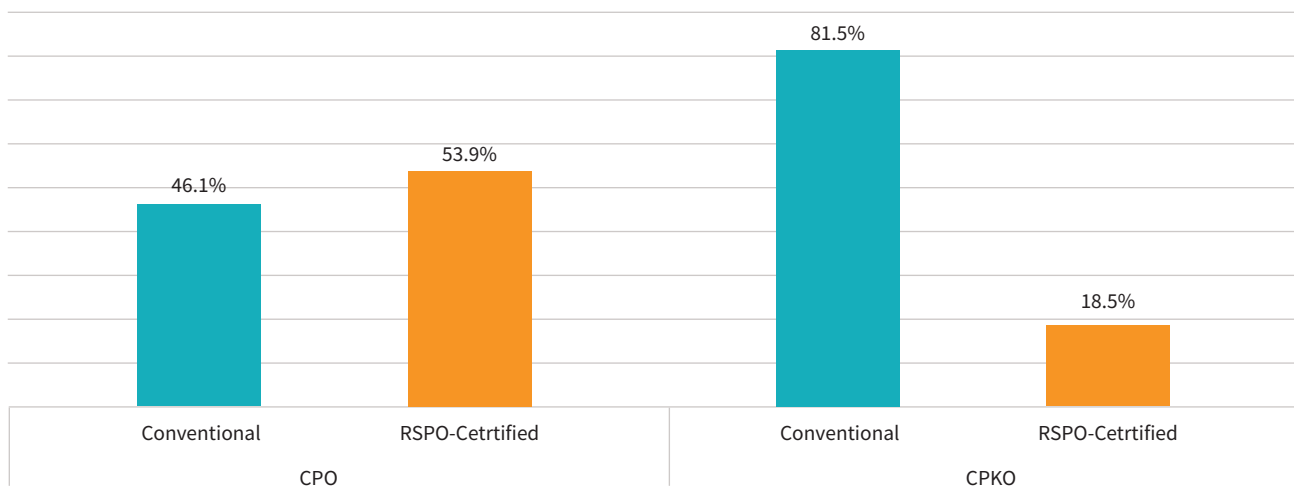
Sustainability certification and compliance

[GRI 3-3]

One of ISF's top priorities is adhering to industry-leading sustainability standards and certification schemes to independently assure our customers and stakeholders of sustainable practices across our operations. **Our operations are 100% certified against the Roundtable on Sustainable Palm Oil (RSPO), Malaysian Sustainable Palm Oil (MSPO), and International Sustainability and Carbon Certification (ISCC) standards.** We are committed to the RSPO Shared Responsibility principles, support the adoption of certified palm oil products, and actively promote MSPO-certified palm oil products to customers in the global market.

To meet market demands and requirements, we process and trade certified sustainable palm oil raw materials and products using the Segregated and Identity Preserved (SG/IP) and the Mass Balance (MB) supply chain models. In reporting year 2023, 53.9% of our sourced CPO and 18.5% of CPKO were RSPO-certified, with more than 99% sold through the SG/IP model. Only 5,015 tonnes (MT) of CPKO was sold through the MB model.

Conventional and RSPO-certified raw material sourced by product Reporting year 2023 (% of total volume)



Note: Reporting year 2023 encompasses 15 months of data, comprising Q1 of 2022 and our 2023 financial year (January 2022 to March 2023).

In addition, we recognise the proposed EU Directive on corporate sustainability due diligence obliging companies to demonstrate environmental and human rights protections throughout their global supply chains. ISF is well equipped to comply with this directive as most of our supply to Europe comprises RSPO SG/IP volumes. Given the RSPO's central role in developing and implementing global sustainability standards for the industry, the organisation is well-positioned to facilitate compliance with the proposed EU directive by all its supply chain actors, including our RSPO-certified suppliers.

We will also maintain an open dialogue with our customers and partners on including MB volumes and conventional products in complying with the proposed directive.

Contributing to the SDGs

As a private company, we contribute to the United Nations’ Sustainable Development Goals (SDGs). We identified the following five goals our business could have an impact upon and contribute to:



In 2023, we mapped the relevant SDG targets against our revised material topics to reflect the areas in which we can make the greatest impact. By focusing on these goals and aligning our strategy and targets, we aim to create sustainable value and contribute to shared outcomes with other stakeholders. To prepare this report, we aligned the SDGs to our material topics and relevant targets.

- [ISF’s SDG contributions](#)

Stakeholder engagement and transparency

[GRI 2-28, 2-29, 3-3]

We determine our key stakeholders based on their influence on and relevance to ISF and our impact on them. We maintain transparency by informing them about sustainability-related matters through various engagement initiatives.

Stakeholder engagement approaches



The palm oil industry must counter misconceptions and misinformation regarding its environmental impact and social practices. ISF’s corporate communications showcase our responsible practices and sustainability efforts to build trust, manage our reputation, and engage stakeholders.

We also work with industry partners and participate in key multi-stakeholder initiatives to further our sustainability agenda. Additional details about some of these partnerships are presented throughout the report.



Notable partnerships in reporting year 2023:

Programme	Partners
Labour Transformation Programme (LTP)	Partnership with Earthworm Foundation (EF), Kulim (Malaysia) Berhad, and Ferrero International S.A. (concluded in October 2022) See our: <ul style="list-style-type: none"> • 2021 Sustainability Report • Labour Transformation Programme
Mangrove Rehabilitation Programme	Partnership with environmental NGO, Global Environment Centre <ul style="list-style-type: none"> • See Community section
Sustainability-Linked Treasury Programme	Participation in CIMB's Sustainability-Linked Treasury Programme <ul style="list-style-type: none"> • See Securing sustainable finance

- See list of [partnerships and collaborations](#) on our website.

Sustainability ratings and benchmarks

ISF subscribes to several sustainability rating schemes, including the CDP global disclosure system, which evaluates companies' environmental performance and transparency.

Since 2019, we have submitted our annual data to the CDP Forests programme within the scope of its global environmental disclosure system that measures and manages deforestation risks and opportunities. In 2022, we received a B rating, which is higher than the regional C average for Asia. Our rating within the Food & Beverage Processing sector is also above the industry average. These ratings help us benchmark our performance against industry peers and identify areas of improvement.

Furthermore, we voluntarily submit CDP Climate Change assessments to better understand our standing among our peers.

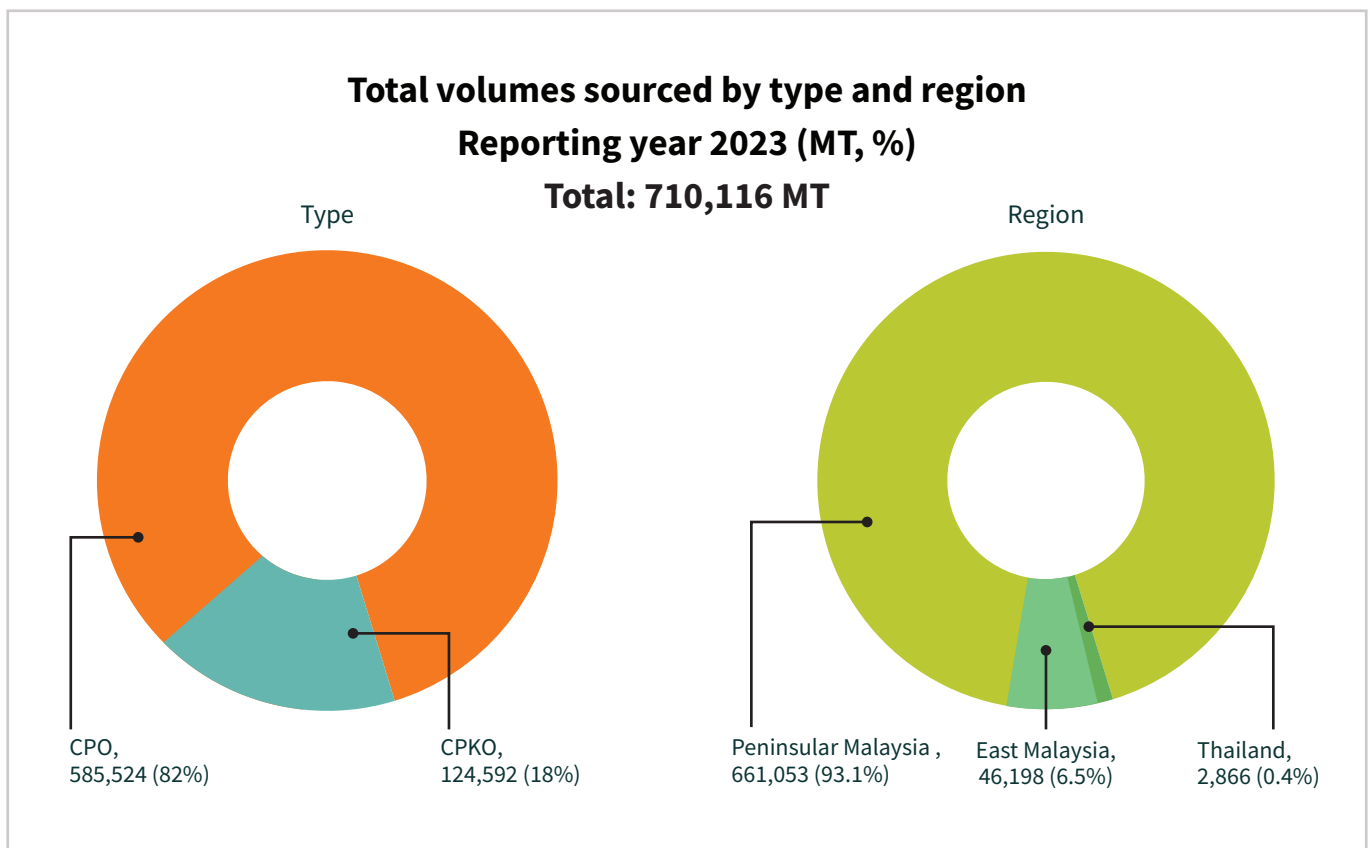
Responsible sourcing and supplier engagement

[GRI 2-6, 3-3, 204-1, 308-1, 308-2, 414-1, 414-2]

We directly source crude palm oil (CPO) from mills and crude palm kernel oil (CPKO) from kernel crushing plants (KCPs). In reporting year 2023, we sourced a combined volume of 710,116 tonnes (MT), comprising 82% CPO and 18% CPKO from 51 suppliers, including 38 mills and 13 KCPs.

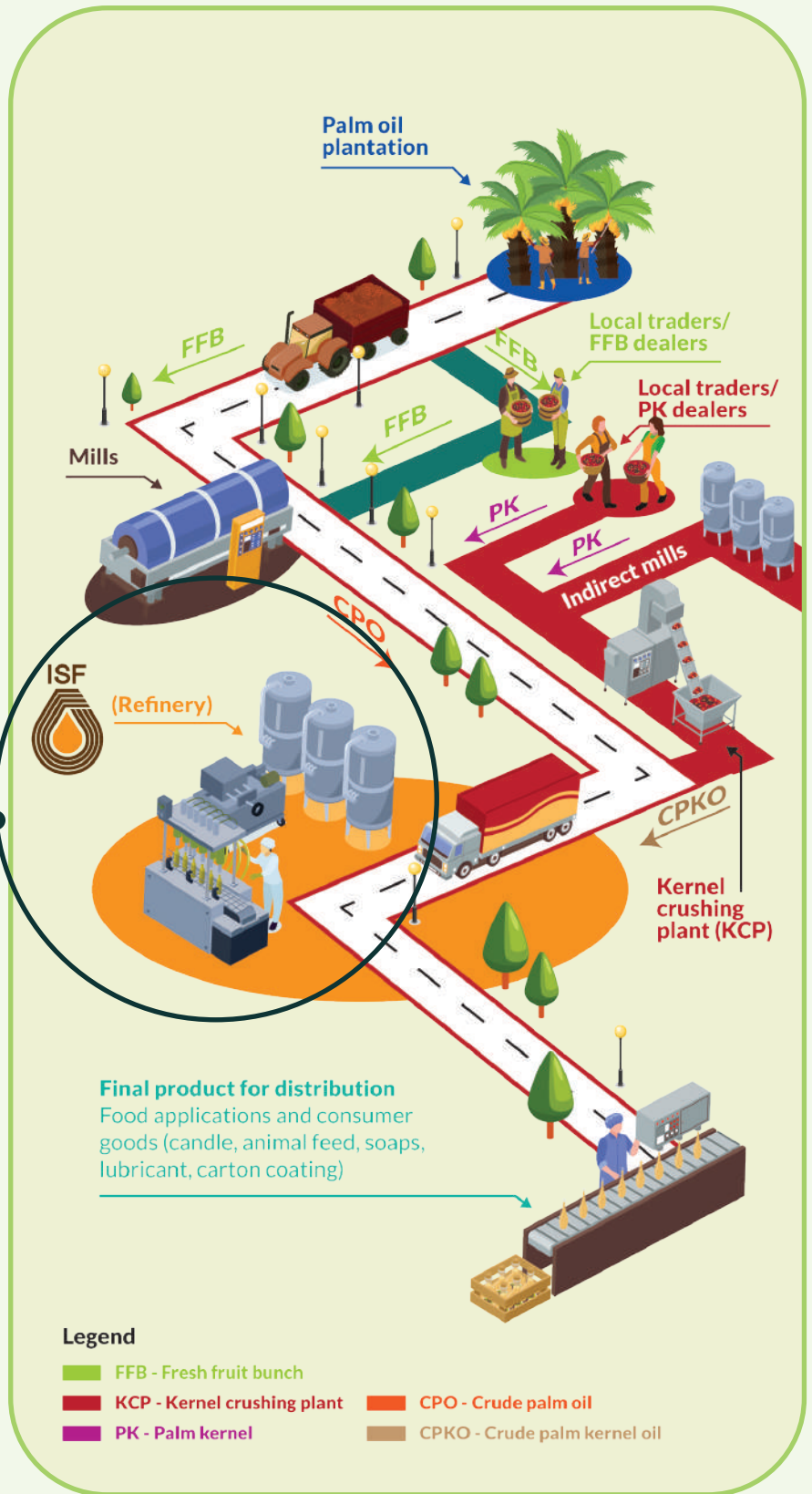
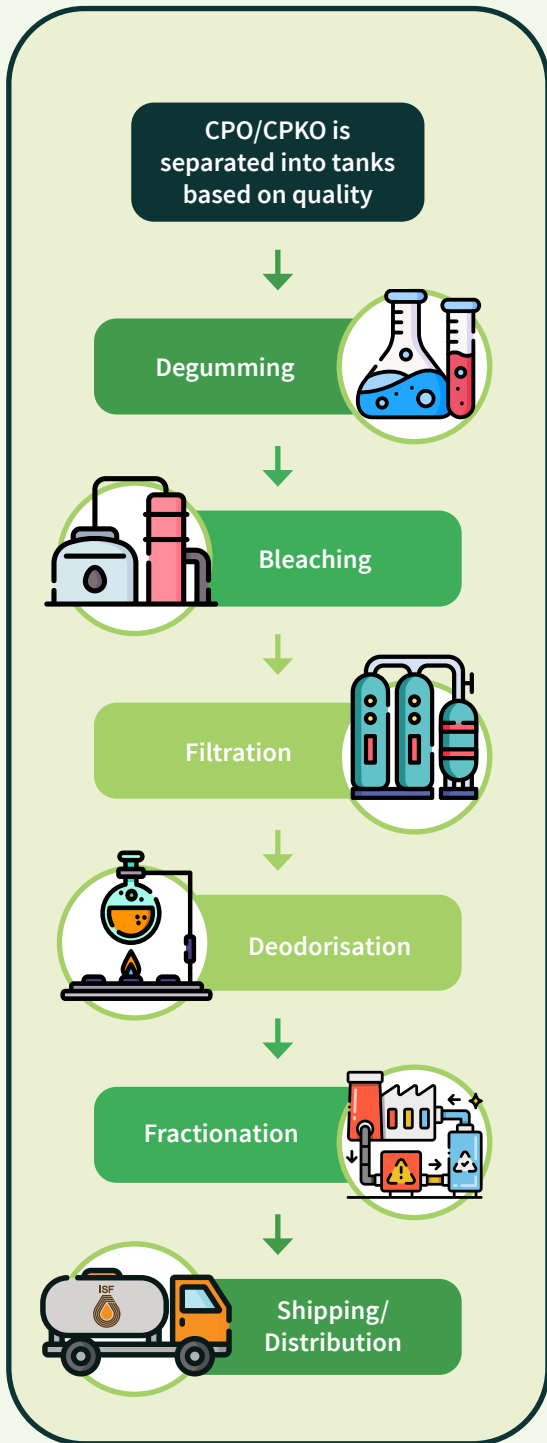
ISF predominantly sources from key local suppliers in a small supply pool in Malaysia. This approach is central to maintaining a low-risk supply chain. However, one of our challenges in 2022 was securing a steady supply of CPO and CPKO to meet customer demand due to price fluctuations caused by market conditions, weather patterns, and changes in regulations and customer requirements.

In reporting year 2023, we had to look outside our regular local supply base and diversify our sources to maintain a steady supply of PKO. We sourced slightly over 2,800 MT of CPKO from Thailand, comprising less than 0.4% of our total supply. Our new Thai supplier is RSPO-certified and has signed our supplier code of conduct. The remaining 99.6% of our volumes sourced originated in Malaysia.



Note: Reporting year 2023 encompasses 15 months of data, comprising Q1 of 2022 and our 2023 financial year (January 2022 to March 2023).

ISF's VALUE CHAIN



• See the [Traceability Dashboard](#) on our website for a list of our mills and suppliers.

Traceability

[GRI 3-3]

Supply chain traceability is fundamental to meeting our sustainability commitments. By tracing the origins of our supply, we can support industry measures to identify and mitigate environmental and social risks within the supply chain. We actively engage with our suppliers on traceability and have achieved 100% traceability to mill for the CPO and CPKO we source since January 2018.

To pursue our goal of full traceability to plantation, we engage with our direct suppliers and register the details of the plantations they source from, including their coordinates, Universal Mill List (UML) codes, and the volumes they supply.

From our traceability exercise, we know that 20 of our direct mill suppliers source fresh fruit bunch (FFB) from their own plantations (61% of our total CPO volumes sourced), while the remaining 18 sources from their own and external plantations (39% of our total CPO volumes sourced).



Intercontinental Specialty Fats Sdn. Bhd.

Improved traceability to plantation

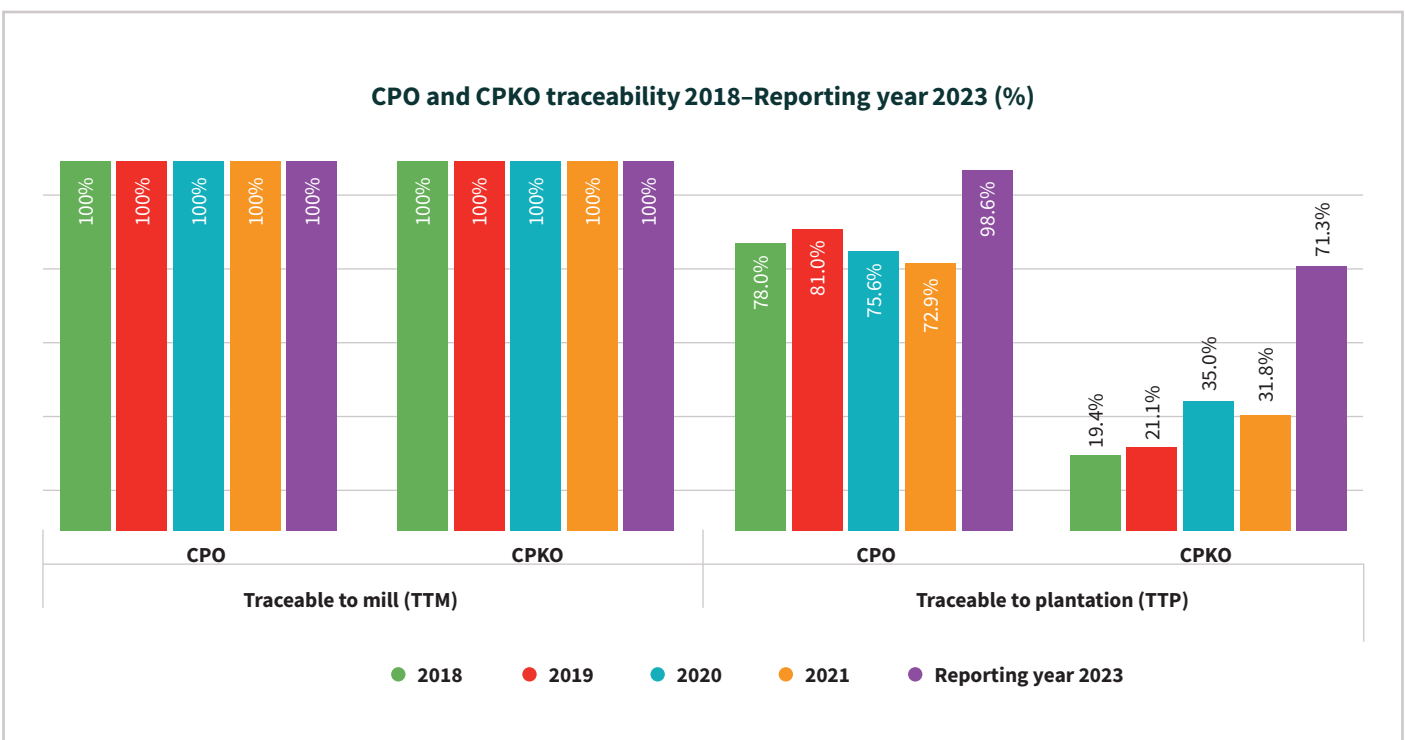
Our traceability efforts have yielded positive results. **As of March 2023, we have traced 98.6% of our CPO back to plantation, up from 72.9% the previous year (a 25.7 percentage point increase).** This achievement was made possible by significant enhancements to our traceability data collection process in 2022.

These enhancements include the introduction of precise definitions for different types of businesses in our supply chain, including estates, smallholders, and dealers. The new definitions allow suppliers to accurately identify their specific roles, improving their responsiveness and alignment with our requirements.

We also engaged RSPO Mass Balance and conventional mills through targeted outreach efforts, as mills certified under the RSPO Identity Preserved and Segregated standards are considered 100% TTP. In recognition of the interconnected nature of our supply chain, we also shared our TTP data templates with our direct kernel crusher suppliers, as some of their supplying mills also supply CPO to us. We have fortified our traceability efforts and achieved notable progress by fostering closer cooperation.

Traceability figures fluctuate because we may source from different suppliers year on year. Nevertheless, we remain committed to our target of 100% traceability to plantation for CPO supply by 2025 and continuously improve our traceability practices to ensure the highest sustainability and transparency standards in our supply chain.

In addition to our efforts to achieve CPO traceability, achieving full traceability to plantation for palm kernel oil (PKO) presents unique challenges due to the complexity of the supply chain and the involvement of multiple actors. **We know that the KCPs supplying ISF buy palm kernel (PK) from 176 mills, and we have made substantial progress in achieving CPKO traceability. As of March 2023, we achieved 71.3% CPKO traceability, more than double our 31.8% figure in 2021.** This significant improvement is a direct result of our ongoing efforts to enhance our traceability data collection process. We are refining our traceability practices and continue working towards our target of 100% traceability for palm kernel oil by 2030.



Note: Reporting year 2023 encompasses 15 months of data, comprising Q1 of 2022 and our 2023 financial year (January 2022 to March 2023).

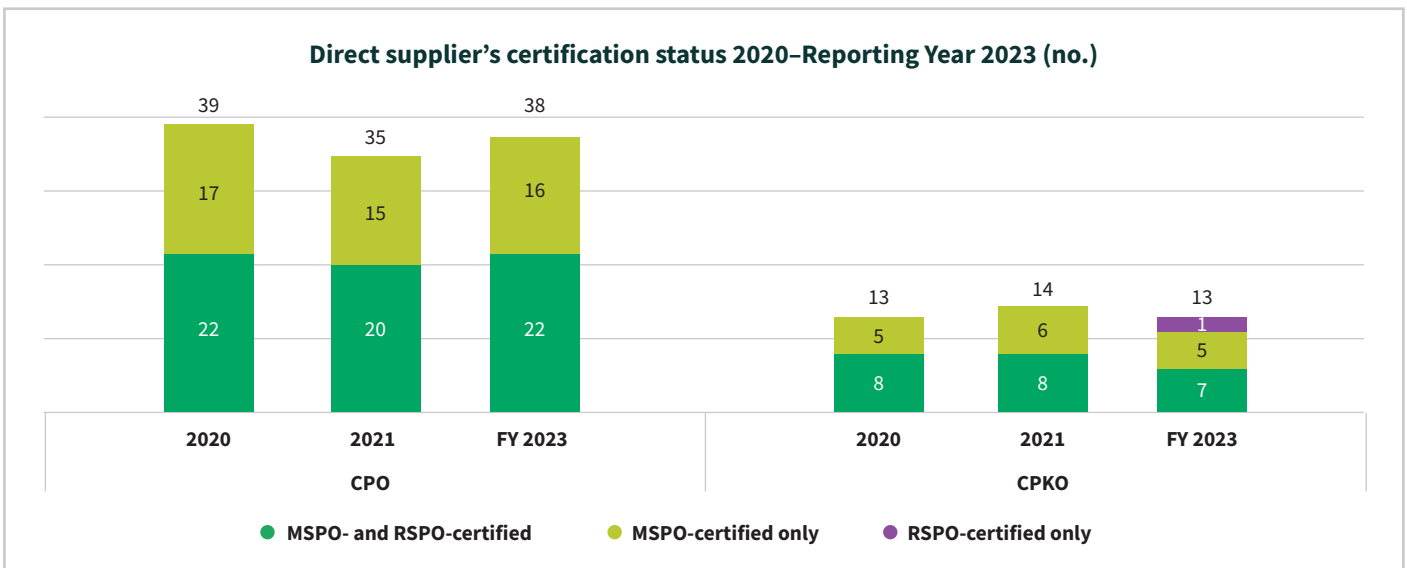
Supplier engagement and assessment

Suppliers' commitments to sustainability

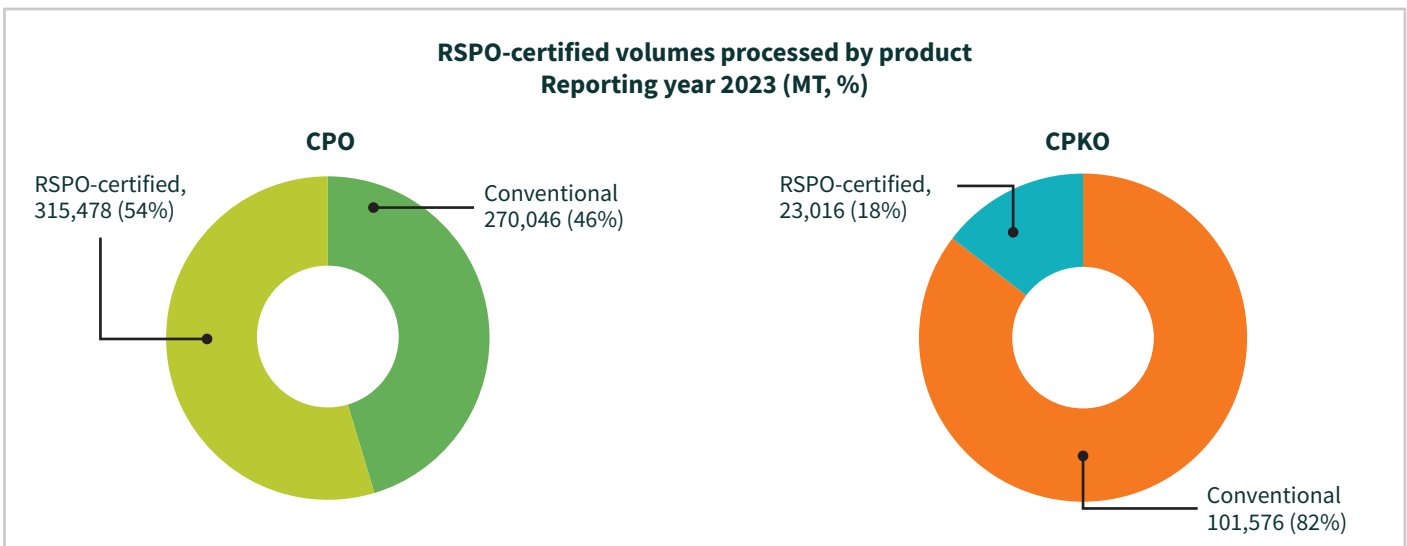
ISF engages with new suppliers and requires them to demonstrate their sustainability commitments by implementing an No Deforestation, No Peat and No Exploitation (NDPE) policy or signing the ISF Supplier Code of Conduct on our NDPE commitments. We engage with all our suppliers in various ways, including workshops, dedicated programmes, and surveys, but we pay special attention to supporting uncertified suppliers in complying with sustainability requirements.

ISF records and monitors the status of certified and uncertified suppliers to help guide our engagement approaches. As of March 2023, all our direct CPO suppliers were Malaysian Sustainable Palm Oil (MSPO) certified. Consequently, the 355,573 MT of our CPO volumes sourced in the reporting period were MSPO-certified.

A further 30 suppliers — 22 CPO suppliers and eight CPKO suppliers, including our new supplier in Thailand — are now certified against Roundtable Sustainable Palm Oil (RSPO) standards. **We sourced 315,478 MT of RSPO-certified CPO and 23,016 MT of RSPO-certified CPKO in reporting year 2023, representing 53% and 18% of our total volumes sourced.**



Note: The RSPO-certified-only CPKO supplier is from Thailand and is not subject to MSPO certification.



Note: Reporting year 2023 encompasses 15 months of data, comprising Q1 of 2022 and our 2023 financial year (January 2022 to March 2023).



Supplier assessments

In 2022, ISF developed a new sustainability questionnaire that improves our traceability efforts and ability to evaluate suppliers against our Sustainability Policy. All non-RSPO-certified suppliers and conventional suppliers are required to complete the questionnaire. With these changes, we aim to better understand their ESG commitments and assess their performance and progress in meeting sustainability goals. We re-engage with and re-assess them to support their efforts to comply with our policies.

Together with our implementation partner, Proforest, we annually assess suppliers to measure their progress

towards alignment with our NDPE commitments. We evaluate and prioritise suppliers based on their risk of deforestation, analyse higher-risk social and environmental issues, and concentrate our engagement efforts on high-risk mills, typically non-certified suppliers.

We know that the volumes we source from RSPO-certified suppliers are aligned with our NDPE commitments. This certification assures that their practices align with the rigorous criteria set by the RSPO, further reinforcing our commitment to responsible sourcing.

Supplier engagement and assessment

NDPE IRF reporting

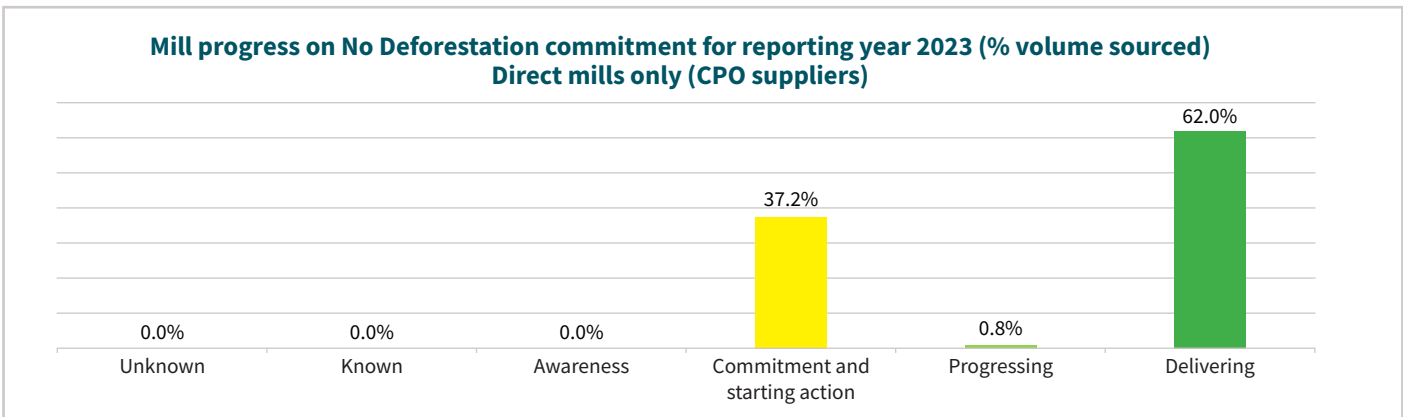
In 2021, we began evaluating supplying mills’ progress against our NDPE commitments using the NDPE Implementation Reporting Framework (IRF). This tool was developed by members of the Palm Oil Collaboration Group (POCG) and facilitated by Proforest. It improves transparency in reporting progress, performance gaps, and implementation activities in companies’ efforts to fulfil their NDPE commitments. It employs a standardised methodology, using set criteria to measure supplying mills’ progress on deforestation, planting on peat, labour rights, and land and local community rights.

As of March 2023, self-reported data received via the IRF confirms the suppliers responsible for 78.3% and 62% of our total CPO volumes sourced are ‘delivering’ on their No Deforestation and No Peat (NDP) commitments, respectively. Meanwhile, suppliers of the remaining 21.7 % and 32.7% are taking steps to

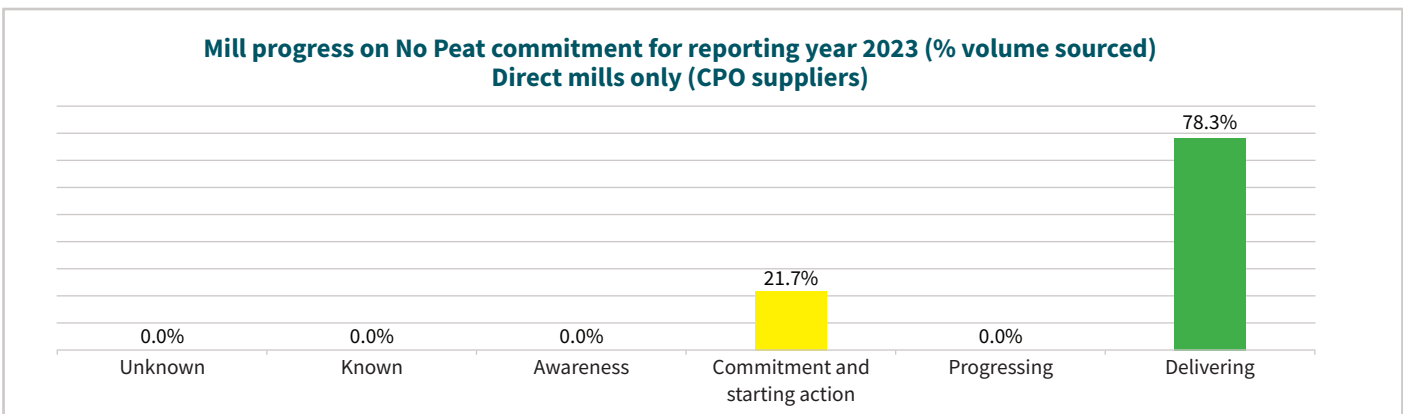
meet their commitments, respectively, and 0.8% of our suppliers have progressed to meet their No Peat commitments.

At this point, we cannot collect and report on NDPE data for our PKO suppliers because PKO production is significantly lower than palm oil production, and there are proportionally fewer PKO crushing mills than palm oil mills. Palm kernel is also traded across regional and national borders, making it difficult to maintain the integrity of the supply chain.

The current reporting framework covers the environmental elements of industry NDPE commitments. The No Exploitation framework is currently under development, and ISF will adopt formal guidelines when it is finalised.



Note: These figures reflect progress at the production level and are calculated using the estimated proportion of directly managed FFB production from supplying mills.



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Grievance management

[GRI 2-25, 2-26, 308-2]

A total of 24 complaints have been filed in our grievance register since 2017, including a 2022 grievance about deforestation in high carbon stock areas in our supply chain by NGO Mighty Earth. The grievance concerned land clearing by a tier-two palm kernel supplier selling to a tier-one palm kernel crusher supplying ISF. After investigating and engaging with the tier-one supplier, we concluded that none of our supplying mills sourced from them or their associated entities. Nevertheless, we suspended all trading activities with the offending mill and dealers sourcing their palm kernels pending further investigation.

Nine of the grievances filed on our register have already been resolved, including two in reporting year 2023. The first of these was filed in April 2019, alleging ISF was sourcing from a supplier involved in deforestation.

Although we did not directly source from said supplier, we engaged with them to address allegations against their subsidiaries. The case was resolved in 2022, and a High Carbon Stock Approach (HCSA) peer review was published, confirming no further deforestation within their concession.

The second was filed in December 2020: a United States Customs and Border Protection Agency Withhold Release Order (WRO) against a direct supplier for forced labour within their concessions. The case was resolved in February 2023, and the WRO was lifted after the supplier improved their labour practices.

ISF is working with the relevant suppliers and stakeholders to resolve all remaining active cases.

	Reporting year 2023	Cumulative since 2017
Number of grievances filed	1	24
Number of grievances closed/resolved	2	9
Number of suppliers suspended	1	3

- See [ISF grievance process and list on our website](#).

Environment

[GRI 2-27, 3-3]



ISF is committed to environmentally responsible operations. We have taken proactive measures to mitigate the risk of adverse environmental impacts, comply with relevant environmental regulations, and are certified against the ISO 14001:2015 standard on environmental management systems. We optimise the use of valuable resources and have implemented efficiency measures focusing on critical areas such as our carbon footprint, greenhouse gas (GHG) emissions, energy and water use, and waste management.

In reporting year 2023, we took direct action to better understand our climate-related risks and opportunities by:

- **Engaging with an independent consultant to conduct a Taskforce on Climate-related Financial Disclosure (TCFD) assessment in May 2022**
- Assessing our operations against the Taskforce on Climate-related Financial Disclosure (TCFD) recommendations to improve our climate-related reporting
- Quantifying Scope 3 emissions linked to ISF operations to improve our understanding of our carbon footprint within the supply chain.

We continue to submit our disclosures to the CDP Climate Change and Forest assessment modules and the EcoVadis Sustainability Rating assessment as and when our stakeholders require.

New Climate Action Roadmap

[GRI 2-9, 2-10, 2-11, 2-12, 2-13, 2-14, 2-15, 2-16, 2-17, 2-23, 2-24, 3-3]

ISF believes businesses must take decisive action to fight climate change. We support national climate policies that advance the Paris Agreement on Climate Change to limit global temperature increases to below 2°C, ideally no more than 1.5°C above pre-industrial levels. However, we must first understand and evaluate the potential implications of climate change on our business and operating environment to achieve our climate goals.

We developed our Climate Action Roadmap in early 2023 after reviewing our current climate practices and a comprehensive scenario analysis. It follows the four thematic pillars of the TCFD Recommendations and will guide and influence ISF's business objectives and long-term strategic direction.



A. Responsible governance

ISF's ESG Committee is the governing body responsible for sustainability at the company. It is overseen by the Deputy CEO (DCEO), who reports to the Board of Directors. The committee's efforts to develop and drive sustainability strategies, policies, and targets are supported by different departments.

Board-level governance

As part of its sustainability agenda, the Board of Directors oversees and organises ISF's climate-related affairs and strategies, monitoring progress against our climate change goals and targets.



Management-level governance

ISF's ESG Committee is a cross-functional management committee that reports to the DCEO on sustainability matters. It oversees the Group's climate-related implementation strategies and policy reviews as part of its sustainability agenda.

- See also [Corporate and sustainability governance](#)





B. Strategy

The food and beverage industry faces significant long-term risks from the disruption of its raw material supply. Floods, droughts, and other natural disasters resulting from climate change can cause prices to rise and crops to fail. We used a scenario analysis tool to build a qualitative and quantitative climate model in 2022 to assess the sustainability of our portfolio and to evaluate the financial implications of external conditions like extreme weather. This model helped us understand and anticipate transition risks we may face in the coming years. We have included climate risks and opportunities in our risk management framework, processes, and reporting.

Our Climate Action Plan outlines our commitment to addressing these challenges head-on. Our approach, underlying assumptions, and qualitative and quantitative outcomes derived from comprehensive simulations are outlined below.

Our climate-related strategies

Mapping our carbon footprint

- We have established baselines for our Scope 1 and 2 emissions and continue to implement measures to reduce them.
- We recently mapped our Group-level Scope 3 emissions for the baseline year 2022. This comprehensive assessment led to a better understanding of the indirect emissions associated with our value chain.

Driving operational Efficiencies and reducing GHG emissions

- The use of rooftop solar installations at our facilities is crucial for our efforts to reduce our dependence on the electrical grid and non-renewable energy sources.
- To date, we have installed 1.34 MWp of rooftop solar panels at our two plants in Malaysia.

Green Electricity Tariff

- ISF purchases energy from the Green Electricity Tariff (GET) to offset our energy usage where electricity requirements exceed our renewable energy generation potential.
- Our plants have achieved 17% renewable electricity across operations using GET since mid-2021.

Investments in climate innovations and technology

- We prioritise investments in energy-efficient machinery and equipment to reduce energy consumption and greenhouse gas emissions.
- We focus on identifying and adopting technologies that use advanced controls, automation, and energy-saving features to optimise resource usage.

Sustainability-linked financing

- Continue to explore potential sustainability linked financial products solutions to propel our sustainability ambitions across our value chain
- We aim to convert other key financial facilities into sustainability-linked financing in the coming years.

• See our 2022-2023 sustainability report for more details.



C. Risk management

As part of the Taskforce on Climate-related Financial Disclosure (TCFD) assessment, we evaluated our existing climate-related financial information and identified gaps and areas of improvement through a rigorous scenario analysis. The consultant also engaged our senior management in effectively managing climate risks within our organisation, performing a quantitative group-wide climate change assessment to help identify our climate-related transitional and physical risks across our Malaysian operations. The assessment provided predictions of the effects of different climate change scenarios until 2050 and evaluated the inherent economic risks of a low-carbon transition.

ISF's Enterprise Risk Management

Our sustainability risks are also financial risks. ISF's Enterprise Risk Management (ERM) framework identifies and evaluates climate change risks using a five-level matrix of likelihoods and consequences against the TCFD recommendations. This robust review process ensures we proactively address these risks in alignment with our Sustainability Policy. Our Sustainability Department then works with the relevant teams to develop, implement, and monitor mitigation and adaptation measures for the affected business units and departments.

Climate-change scenario analysis



Our climate-change scenario analysis models 2°C and 4°C average global temperature increases since the Industrial Revolution, identifying the risks and opportunities in both cases and calculating the financial impact of the mitigation measures that would have the most substantial effect on our business operations.

Climate-related risks and opportunities


The assessment concluded that the risks expected to substantially impact our business operations in the 2°C scenario include increased costs from carbon taxes and purchasing carbon (CO₂) emission credits. The risks of the 4°C scenario include increased procurement costs due to reduced raw-material production resulting from the greater frequency and severity of natural disasters. In the latter case, we expect our sales to decline due to reduced production capacity and product supply resulting from floods, power outages, and other incidents at production plants caused by typhoons and other natural disasters. Despite these challenges, we also foresee significant opportunities that can positively impact our business operations, including the stability of raw material procurement. Our analysis showed no significant decline in plant growth in the 2°C or 4°C temperature-increase scenarios, ensuring a stable supply of raw materials.



Risk and opportunities relevant to ISF

Risk classification			Impact on business	Opportunities
Physical Risk 	Acute	Increased incidence and severity of extreme weather events	<ul style="list-style-type: none"> • Low fresh fruit bunch (FFB) production yield due to climate change events. • Decreased downstream revenue due to potential disruption of raw material supply. 	<ul style="list-style-type: none"> • Improved climate resiliency through the adoption of sustainable agriculture by upstream actors. • Improved business resiliency and adaptability through climate change readiness initiatives (e.g., Business Continuity Plan (BCP)).
	Chronic	Changes in climate patterns	<ul style="list-style-type: none"> • Decline in FFB yield and quality in the upstream value chain due to changes in climate patterns. • Increased downstream operational costs due to rising raw material prices and damage to assets due to climate change events. 	<ul style="list-style-type: none"> • Increased climate resiliency through innovation, including climate-resilient oil palm seeds. • Improved business resiliency and adaptability through climate change readiness initiatives (e.g., BCP by the downstream sector).
Transition Risk 	Policy & Legal	Increased adoption of environmental/carbon policies and legislation	<ul style="list-style-type: none"> • Increased upstream costs due to scheme certification. • Increased downstream operational costs due to rising raw-material prices and the implementation of emission control measures. 	<ul style="list-style-type: none"> • Reduced emissions through emission control measures.
		Carbon taxes and emission-pricing mechanisms	<ul style="list-style-type: none"> • Increased upstream costs due to the implementation of GHG reduction measures. • Increased downstream raw material prices. 	<ul style="list-style-type: none"> • Increased upstream revenue through carbon trading schemes. • Future-proof downstream business through carbon price readiness.
		Exposure to litigation	<ul style="list-style-type: none"> • Business disruptions due to litigation exposure. 	<ul style="list-style-type: none"> • Improved sustainability practices through compliance initiatives.

Risk and opportunities relevant to ISF [cont'd]

Risk classification		Impact on business	Opportunities	
Transition Risk 	Technology	Research & Development	<ul style="list-style-type: none"> Increased operational costs to fund R&D initiatives. 	<ul style="list-style-type: none"> Increased climate resiliency and profitability through R&D breakthroughs and the development of climate-resilient products.
		Low-carbon technologies	<ul style="list-style-type: none"> Increased financial risk due to investing in low carbon technologies. 	<ul style="list-style-type: none"> Reduced carbon emissions from operations through the adoption of low-carbon technologies.
	Market	Changing customer preferences	<ul style="list-style-type: none"> Decreased product demand due to customer preferences shifting towards sustainable products. 	<ul style="list-style-type: none"> Increased revenue through diversifying our business to include low-carbon and other alternative products.
		Supply chain-related transition risk	<ul style="list-style-type: none"> A shift away from current upstream practices to more sustainable practices. Disruption of downstream raw material supply due to disruptions at upstream operations. 	<ul style="list-style-type: none"> Increased business resiliency through diversifying raw material supply.
	Reputation	Scrutiny from external groups like NGOs	<ul style="list-style-type: none"> Decreased product demand due to unethical practices or association with non-compliant parties. 	<ul style="list-style-type: none"> Improved corporate image and communication through the implementation of sustainable practices.
		Sector stigmatisation	<ul style="list-style-type: none"> Risk of reputation damage due to association with suppliers contributing to environmental damage. 	<ul style="list-style-type: none"> Improved corporate image and communication through close engagement and collaborative initiatives with NGOs and other stakeholders.

ISF’s adaptation and mitigation impacts and strategies

■ **Low:** Low chance of occurring; minor impact on ISF’s objectives
■ **Medium:** Possible chance of occurring; moderate impact on ISF’s objectives
■ **High:** Likely to occur; significant impact on ISF’s objectives

Risk Classification			2° C Scenario	4° C Scenario	Mitigation Strategy
			Implication	Implication	
Physical Risk	Acute	Increased incidence and severity of extreme weather events	<ul style="list-style-type: none"> Extreme weather may reduce palm oil yields, increasing raw material costs. 	<ul style="list-style-type: none"> Extreme drought and flooding may significantly decrease palm oil yields. Increasingly severe natural disasters may damage ISF’s assets and disrupt our logistics network. 	<ul style="list-style-type: none"> Diversify raw material supply chain. Improve business continuity plan.
	Chronic	Changes in climate patterns	<ul style="list-style-type: none"> Negative impact on palm oil production. Loss of coastal land due to sea level rise. Competition for CPO & CPKO 	<ul style="list-style-type: none"> Further reduction in palm oil production. Further loss of coastal land due to sea level rise. Increased competition for CPO & CPKO. 	<ul style="list-style-type: none"> Adjust production planning. Develop and launch disease-resistant crops.
Transition Risk	Policy & Legal	Stricter environmental/ carbon policies and legislation	<ul style="list-style-type: none"> Restricted palm oil plantation expansion, limiting supply and raising the price of CPO and CPKO. Introduction and enforcement of carbon taxes. Increased risk of litigation due to non-compliance and association with non-compliant palm oil plantations. 	<ul style="list-style-type: none"> Fewer regulations and policies affecting the palm oil sector. Expansion of palm oil plantations, increasing raw material supply. Lack of strict carbon tax enforcement. Moderate litigation risk due to non-compliance. 	<ul style="list-style-type: none"> Commit to science-based targets and implement plans to meet our commitments.
		Carbon taxes and emission pricing mechanisms			
		Exposure to litigation			
	Technology	Research & Development	<ul style="list-style-type: none"> Increased capital expenditures to develop low-carbon products and adopt low-carbon technologies. Increased risk of disrupted operations and production to implement new low-carbon technologies 	<ul style="list-style-type: none"> New R&D and technical innovation initiatives to increase production efficiency rather than reducing carbon emissions, maintaining the business-as-usual scenario. 	<ul style="list-style-type: none"> Digitalise and automate production to enhance our manufacturing efficiency. Adopt cost-effective lower-carbon technology where possible. Prioritise investments in research and development (R&D) to remain at the forefront of innovation.
Low-carbon technologies					

ISF's adaptation and mitigation impacts and strategies [cont'd]

- **Low:**
 Low chance of occurring; minor impact on ISF's objectives
- **Medium:**
 Possible chance of occurring; moderate impact on ISF's objectives
- **High:**
 Likely to occur; significant impact on ISF's objectives

Risk Classification		2° C Scenario		4° C Scenario	Mitigation Strategy
		Implication		Implication	
Transition Risk	Market	Changing customer preferences	<ul style="list-style-type: none"> Due to the growing demand of plant-based products, there is opportunity for ISF to expand its business into plant-based market. Stiffer competition with other palm-oil based product manufacturers in the global and local market. Other industries e.g., aviation that are looking into palm oil as sustainable fuel, creates competition in the supply chain thus the potential disruption or shortage of raw material supply. 	<ul style="list-style-type: none"> Slow demand and lack of awareness among consumers for plant-based products lessen the momentum for innovation in substituting animal fats to plant-based fats. ISF may consider exploring the potential for business expansion into plant-based products, albeit with a more targeted approach towards a niche market. 	<ul style="list-style-type: none"> Work closely with our suppliers to implement our NPDE commitments. Continue to collaborate widely and invest in scientific research to innovate and create new and improved products.
		Supply chain related transition risk			
Transition Risk	Reputation	Scrutiny from external groups, e.g., NGOs	<ul style="list-style-type: none"> Stakeholder disengagement may make it difficult for non-compliant and lagging palm oil companies to obtain funding. Sectoral boycott campaigns led by NGOs may impact revenue generation. 	<ul style="list-style-type: none"> No difficulty obtaining funding as stakeholders are less likely to divest from palm oil companies based on climate commitments. No impact on revenue if climate action is insufficient. 	<ul style="list-style-type: none"> Transparently disclose comprehensive information that enables stakeholders to confidently assess our sustainability initiatives.
		Sector stigmatisation			

New flood preparedness and response plan

Floods are frequent in Malaysia, especially in the Klang Valley, and are triggered by heavy monsoon rainfalls, rising river water levels, inadequate drainage systems, and other local conditions. We recognise that our operations are in flood-prone areas and saw first-hand how the December 2021 floods impacted employee availability and mobility, particularly at our Port Klang operations.

Understanding the need for proactive measures to mitigate future flood risks, we conducted a thorough risk assessment to identify vulnerable areas and critical infrastructure that may be affected by floods. As a result, a comprehensive flood preparedness and response plan equipped with clear protocols and early warning systems was developed and implemented in December 2022. We monitor weather conditions to ensure a timely emergency response in the event of a flood, including an evacuation if necessary. We also conduct regular drills and exercises to test the effectiveness of our preparedness and response plan and enhance the emergency response capabilities of our staff.

Ongoing measures in ISF’s flood preparedness and response strategy

<div data-bbox="140 331 210 412"></div> <div data-bbox="236 349 509 383">Sluice gate installation</div>	<div data-bbox="826 331 896 412"></div> <div data-bbox="927 338 1437 434">Public Address (PA) System upgrade for better communication in emergencies (Hailer systems installed in December 2022)</div>
<div data-bbox="140 456 210 533"></div> <div data-bbox="236 461 745 524">Installation of water level indicators at high-risk/flood-prone areas within our operations</div>	<div data-bbox="826 488 896 564"></div> <div data-bbox="927 495 1437 591">Establishment of site-based flood response, including mock drills and communicating flood procedures to employees</div>
<div data-bbox="140 586 210 663"></div> <div data-bbox="236 593 697 656">Weekly cleaning and repair of drainage systems on our premises</div>	<div data-bbox="826 640 896 716"></div> <div data-bbox="927 647 1388 710">Installation of water barriers in high-risk areas</div>
<div data-bbox="140 716 210 792"></div> <div data-bbox="236 723 697 786">Establishment of an emergency parking area</div>	<div data-bbox="826 766 896 842"></div> <div data-bbox="927 772 1431 869">Official heavy rain/tide announcements (Ongoing announcements to relevant person in charge)</div>
<div data-bbox="140 842 210 918"></div> <div data-bbox="236 848 745 911">Food Bank (Identification and preparation of suitable emergency food storage facilities)</div>	



D. Target and Metrics

We track key metrics and report against climate-related targets regularly, and disclose the following climate-related metrics in alignment with the 2021 TCFD Guidance on Metrics, Targets, and Transition Plans:

- Scope 1 and 2 greenhouse gas (GHG) emissions
- Scope 3 GHG emissions
- Climate-related opportunities

Our GHG accounting adheres to the globally recognised Greenhouse Gas Protocol.

Material metrics assessed annually:

Total Scope 1 emissions (kgCO ₂ e)	Total Scope 2 emissions (kgCO ₂ e)	Total energy consumed (GJ/MT)
*Total Scope 3 emissions (kgCO ₂ e)	*Total (Scope 1+2+3) emissions (kgCO ₂ e)	*Renewable energy consumed (%)
Water use reduction at our factories (m ³ /MT product)	Waste reduction in our factories (kg/MT product)	*Energy from the electrical grid consumed (%)

* Targets under development.

- Please refer to [Targets and progress](#) and [Environment](#) sections for more details.

Carbon footprint

[GRI 3-3, 305-1, 305-2, 305-3, 305-4, 305-5]

We track our carbon footprint using the Greenhouse Gas Protocol and International Sustainability and Carbon Certification (ISCC) methodologies. Since 2019, we have accounted for our Scope 1 (directly within our control) and Scope 2 emissions (indirectly within our control). In addition, we began implementing various initiatives to reduce our Greenhouse Gas (GHG) emissions at our Dengkil operations in November 2020, including generating and using green (solar) energy and improving the energy efficiency of our buildings, machinery, and production equipment and processes as detailed below:



Recovering and utilising exhaust and residual heat from production equipment, machinery, and systems



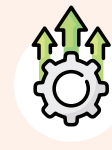
Installing timers for more efficient steam tracing, thus maintaining a stable temperature throughout the production process



Installing and utilising solar energy systems in and around our operations



Recovering steam from chimneys and using condensate water is to replace joint boiler additive (JBA) to reduce our reliance on chemical additives



Modifying, replacing, or upgrading equipment parts, chillers, and cooling towers to improve energy efficiency

Number of initiatives and estimated annual emissions savings at Dengkil since 2020

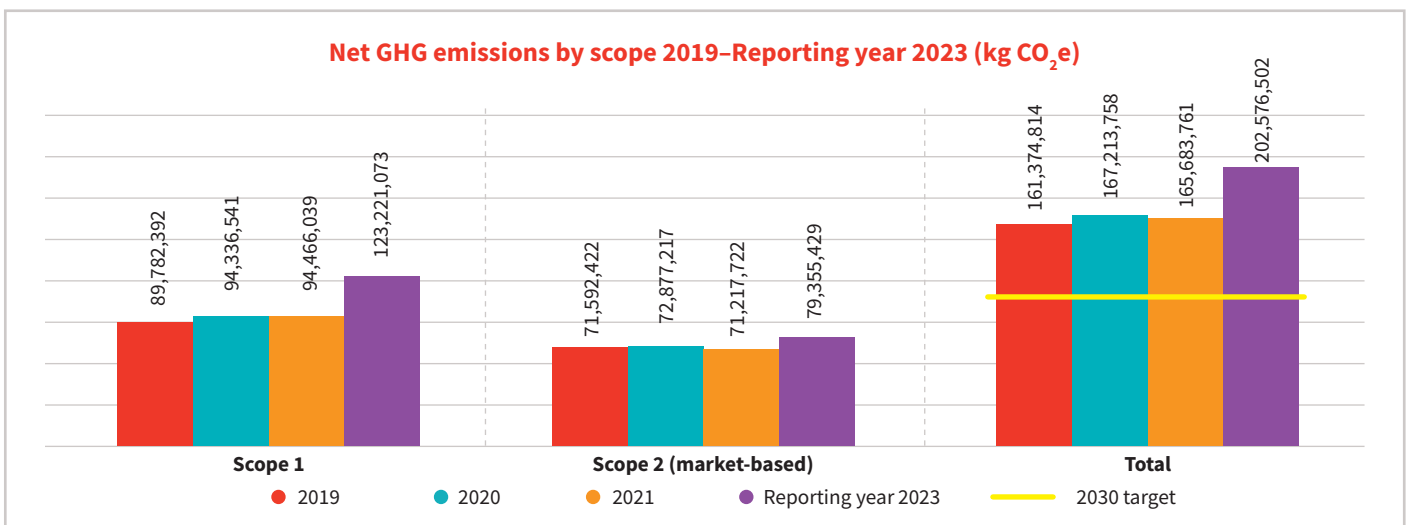
	No. of initiatives	Total estimated annual CO ₂ e savings (MT CO ₂ e)
Assessing viability	1	416.52
To be implemented	1	417.62
Implementation in progress/Fully implemented	15	3,236.23
Total	17	4,070.39

As of 2022, we have implemented 15 initiatives, and two more are under assessment or yet to be implemented. These initiatives contribute an estimated 4,070.39 MT CO₂e in emissions savings at our Dengkil operations. To manage and lead the implementation of utility cost and emission reduction measures at our operations, we formed an official Decarbonisation Committee in February 2023. We hope to extend these measures to include our Port Klang operations and will share more details in future reports.

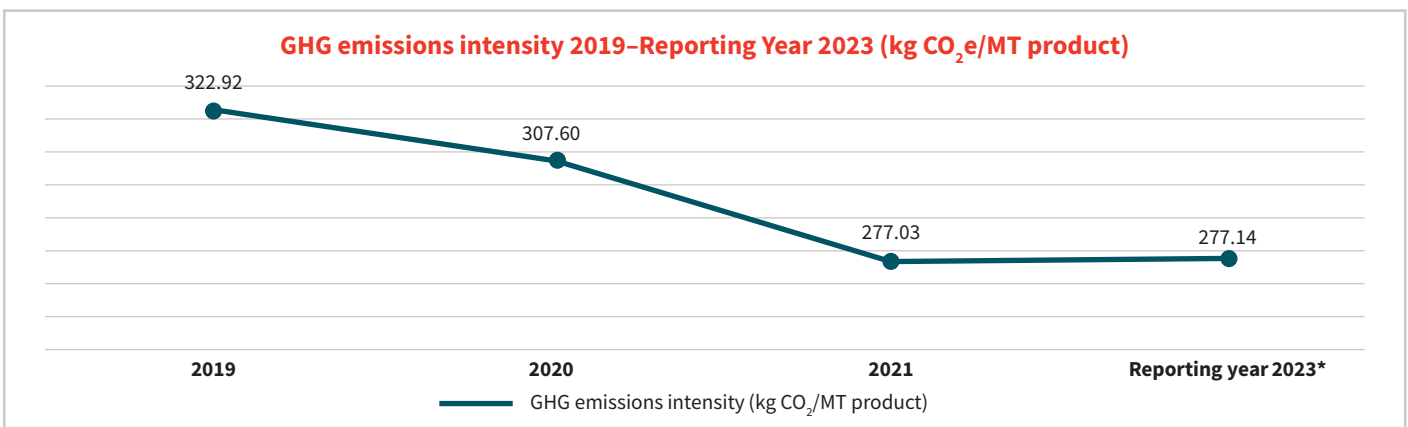
Scope 1 and Scope 2 emissions

Our combined absolute Scope 1 and Scope 2 (market-based) GHG emissions are almost equal at both sites in Malaysia and increased 22.3% from 165,683,761 kilograms of carbon dioxide equivalent (kg CO₂e) to **202,576,505 kg CO₂e in reporting year 2023**. Of this, 123,221,073 (60.8%) kg CO₂e resulted from Scope 1 emission sources – including emissions from fuel combustion in refining equipment, pressing machines, and vehicles – while 79,355,432 kg CO₂e were from Scope 2 (market-based) emissions – including all indirect emissions from purchased electricity. Compared to the previous year, Our Scope 1 GHG emissions rose 5.9% from 94,466,039 kg CO₂e in the calendar year 2021 to 100,076,984 kg CO₂e in the subsequent 12-month period. Similarly, our Scope 2 emissions rose slightly by 4.6% from 71,217,722 kg CO₂e in 2021 to 74,494,965 kg CO₂e.

The increased emissions are primarily attributed to ongoing plant expansion and construction activities at our operations, and the implementation of an additional contaminants-removal facility for our oil refining processes at our Dengkil operations in 2022. Although, there is no significant change in our combined Scope 1 and 2 (market-based) GHG emission intensity* in reporting year 2023 compared to the previous year, our total GHG emission intensity decreased by 14.2 % against our 2019 baseline of 322.92 kg CO₂e /mt product. To address rising emissions and fulfil our commitment to reduce our net GHG emissions by 34 % against our 2019 baseline of 167,374,814 kg CO₂e by 2030, we are investing in energy-efficient technology to counterbalance the effects of increased production.



Note: Reporting year 2023 encompasses 15 months of data, comprising Q1 of 2022 and our 2023 financial year (January 2022 to March 2023).



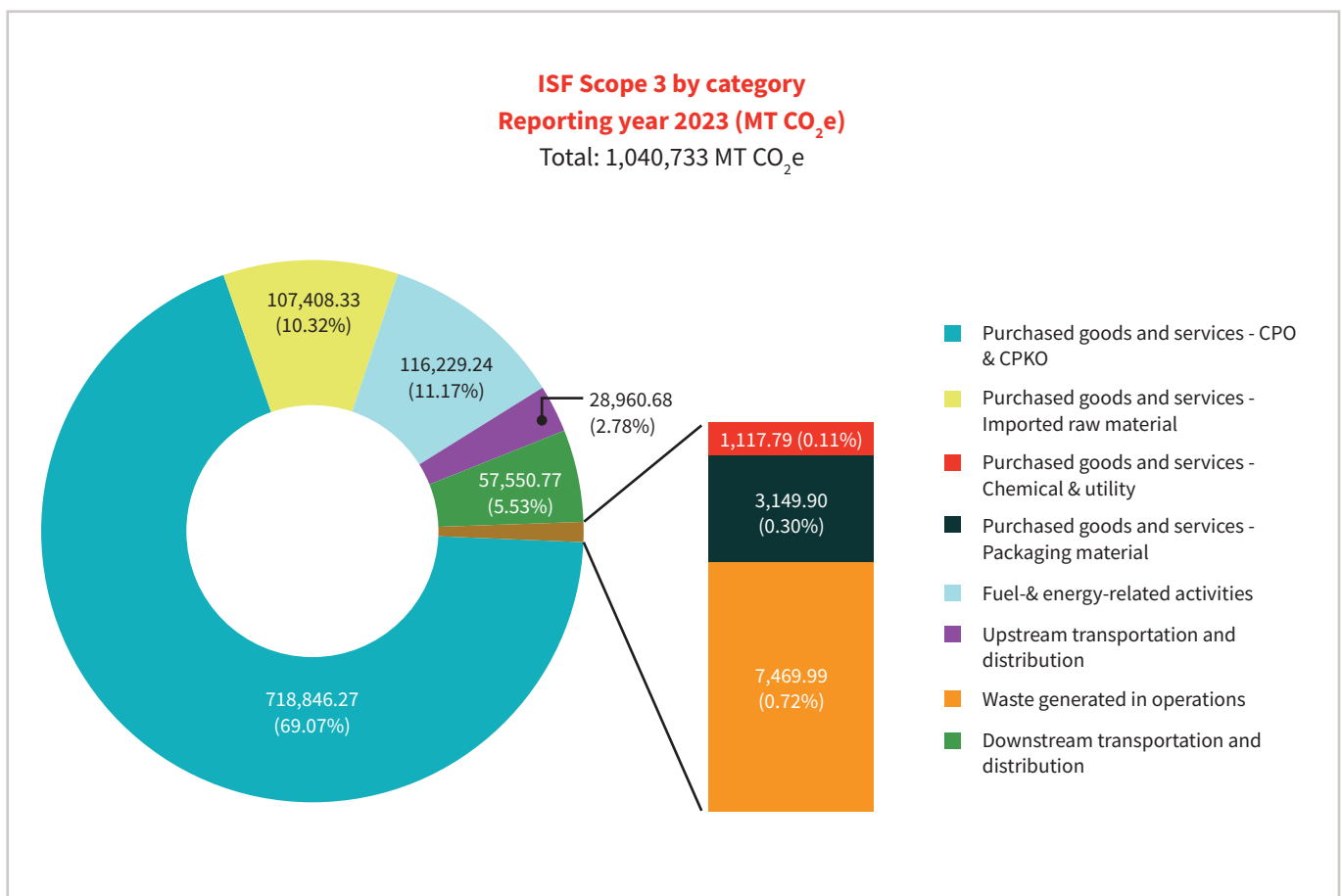
Note: Reporting year 2023 encompasses 15 months of data, comprising Q1 of 2022 and our 2023 financial year (January 2022 to March 2023).

*In the printed version of the report, GHG emission intensity for reporting year 2023 is calculated using location-based Scope 2 emissions data.

New Scope 3 study

We understand that we must look beyond our own operations to collectively address the climate crisis. **In 2022, we took a first step towards understanding emissions beyond our control by completing an initial Scope 3 inventory, a comprehensive overview of all emissions** resulting from the upstream and downstream activities of our supply chain actors. While these emissions are not controlled or generated by ISF, studying them will help us identify indirect impacts within the value chain.

Our Scope 3 inventory determined that 78% of our total emissions originate from upstream activities due to our purchased goods and materials, including CPO, CPKO, imported raw materials, chemicals and utilities, and packaging materials. Another 11% of our total emissions are related to fuel and energy use, including grid transmission losses, as calculated by the modelling software employed by our consultants. Upstream and downstream transportation and distribution contribute a relatively small 9% to our Scope 3 emissions. Moving forward, we will analyse the identified Scope 3 emission sources and prioritise actions to curb them based on their significance, reduction potential, and alignment with our sustainability goals. This analysis will inform future joint projects with third parties in our value chain to achieve our shared objectives.



Note: Reporting year 2023 encompasses 15 months of data, comprising Q1 of 2022 and our 2023 financial year (January 2022 to March 2023).

Mangroves : A nature-based solution for climate adaptation and mitigation

ISF recognises the critical role of nature-based solutions (NBS) in addressing the global climate crisis. In 2022, we launched our [Mangrove Rehabilitation Programme](#) in Tebuk Mendeleng, Sabak Bernam, Selangor.

Next to Kampung Dato’ Hormat and adjacent to the Bernam River, Tebuk Mendeleng is a local fishing area and a valuable riparian buffer zone. However, it is now desolate and home to abandoned aquaculture farms that have degraded the natural water source and diminished its value for the local community.





Our Mangrove Rehabilitation Programme is a three-year initiative concluding in 2025 with the long-term goal of restoring over four hectares of degraded mangrove forest by planting and maintaining thousands of mangrove (*Rhizophora apiculata*) trees.

The objectives of the programme are:

- Replanting and maintaining 4,000 mangrove trees in 2 hectares (ha) of a degraded mangrove forest area with the participation of local communities in Kampung Dato’ Hormat, Sabak Bernam, during the first and second year
- Monitoring and reporting illegal activities and maintaining the planting site at Tebuk Mendeleng
- Demonstrating the importance of ISF and local community involvement in mangrove rehabilitation and protection
- Demonstrating the importance of community participation in enhancing mangrove education, awareness, and conservation at the local level

This programme helps combat and mitigate the effects of climate change by reducing carbon emissions and restoring the local ecological balance. It also supports sustainable livelihoods by strengthening coastal resilience to natural disasters and providing green income opportunities while promoting social cohesion through community engagement.

- See [Our commitment to communities](#).

Environmental benefits of mangrove restoration	
 <p>Coastal area protection Mangrove forests are a critical line of defence for coastal communities and infrastructure, acting as a natural buffer against coastal erosion, storm surges, tidal waves, and other climate-related events.</p>	 <p>Biodiversity and ecosystem protection Mangrove forests are rich in biodiversity and are essential breeding grounds for aquatic life. Mangrove trees thrive in challenging environments, promoting ecosystem resilience and adaptivity. A healthy mangrove ecosystem supports sustainable fish and shellfish harvesting for community livelihoods.</p>
 <p>Water quality improvement Mangrove root systems trap and retain sediment, excess nutrients, and pollutants, helping to improve water quality and maintain the health of aquatic ecosystems and the local community.</p>	 <p>Climate change mitigation Mangrove forests are more efficient at sequestering and storing carbon dioxide from the atmosphere than many land-based forests, making them valuable in mitigating climate change.</p>



Together with ISF volunteers and members of the Global Environment Centre (GEC), the community of Kampung Dato' Hormat has cultivated over 7,000 mangrove seedlings and planted a total of 2,500 mangrove trees across 1.25 hectares of the degraded area as of January 2023. The remaining 1,500 trees will be planted by the end of 2023.

GEC staff and community members monitor and maintain the planted area to prevent illegal activities such as land clearing, tree cutting, and waste dumping, promptly removing any debris. The GEC conducts dendrometry assessments to measure the growth and development of newly planted trees. Initial measurements in January and February reveal an **81% survival rate of the mangrove saplings**, indicating an overall successful rehabilitation process.



Aerial Photo of ISF Planting before (2020) and after (2022)

³We cannot calculate the carbon sequestration capacity of ISF's Mangrove Rehabilitation Programme as the planted trees are still young.

Energy management

[GRI 3-3, 302-1, 302-3, 302-4]

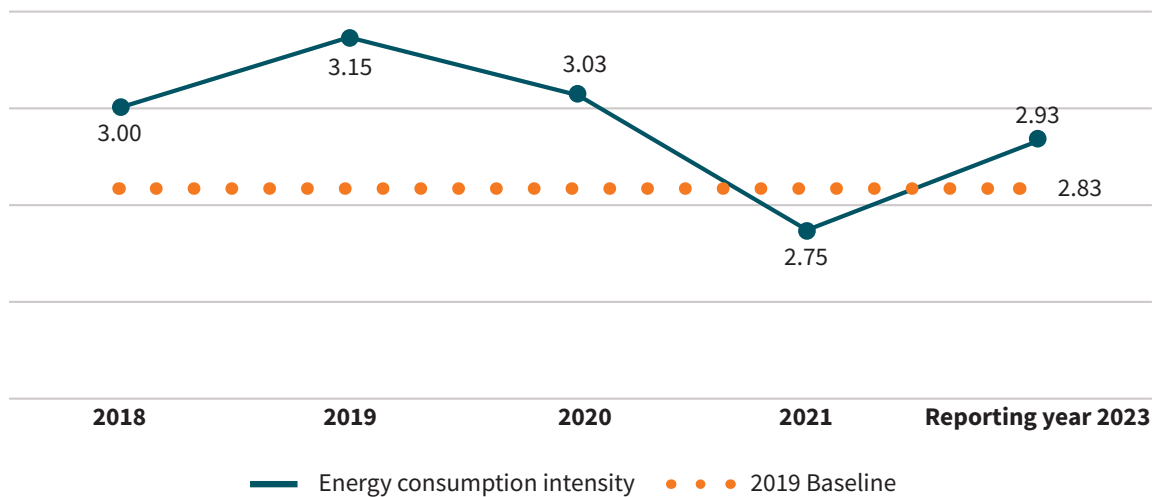
We monitor energy use at our operations, specifically natural gas and imported electricity.

In reporting year 2023, our total energy use was 2,142,717 gigajoules (GJ). Of this, 1,758,949 GJ – or 82% – was from natural gas. The remaining energy was purchased electricity from the grid, solar power generated by the solar panels at our operations, and trace amounts of diesel fuel for onsite vehicles.

Our total energy intensity increased by 6.6% in reporting year 2023, rising from 2.75 GJ per tonne of product processed (GJ/MT) in 2021 to 2.93 GJ/MT. This increase is attributed to the implementation of an additional contaminants-removal stage in our oil refining processes at our Dengkil operations in 2022. Moving forward, we will implement measures to maintain our energy consumption intensity below 2.83 GJ/MT, which is 10% below our 2019 baseline.



Energy intensity 2018–Reporting year 2023 (GJ/MT)



Note: Reporting year 2023 encompasses 15 months of data, comprising Q1 of 2022 and our 2023 financial year (January 2022 to March 2023).

Transition to Renewable Energy

New Green Electricity Tariff (GET) programme

We subscribed to Tenaga Nasional Berhad's (TNB) Green Electricity Tariff (GET) programme in March 2022 and are gradually increasing the use of renewable energy at our operations. This Malaysian Government initiative enables customers to purchase green electricity and offset their carbon footprint in alignment with the national goal of achieving net-zero greenhouse gas (GHG) emissions by 2050.

The GET programme offers subscribers green electricity blocks generated by solar and hydroelectric plants throughout Malaysia, adhering to international Renewable Energy Certificates (REC) standards and certified by Malaysia Renewable Energy Certificates (mREC). As of March 2023, our Port Klang operations have subscribed to 54,729 GJ of green electricity, accounting for 29% of total consumption, while our Dengkil operations have subscribed to 3,954 GJ or 3% of total consumption.

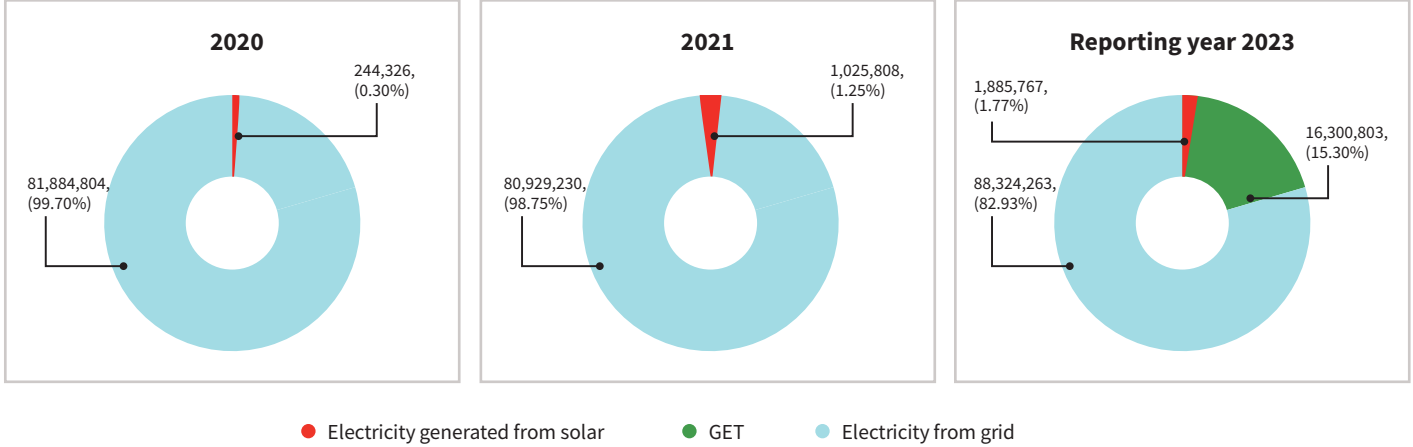
Through GET, ISF offset more than 12,700 tonnes of carbon dioxide equivalent (tCO₂e) of GHG, a 13.8% reduction in Scope 2 greenhouse gas (GHG) emissions in reporting year 2023. We will continue subscribing to the programme to further offset our emissions.

Over the last three years, we have continued to increase the proportion of renewable energy used at our operations. In 2020, approximately 99% of our energy was sourced from the public electrical grid, with a small fraction coming from solar panels. We have made significant strides in this area. **As of March 2023, we source 15.3% of our energy as low-carbon power from the Green Electricity Tariff (GET) programme on the national grid, with another 1.77% generated by our on-site solar panels.**

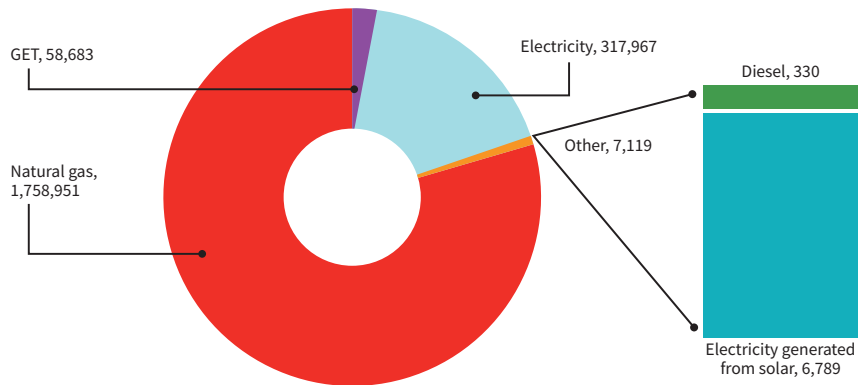


New Green Electricity Tariff (GET) programme [cont'd]

Renewable electricity mix 2020–Reporting year 2023 (kWh,%)



Energy consumed by type Reporting year 2023 (GJ)



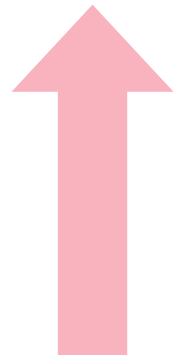
Note: Reporting year 2023 encompasses 15 months of data from calendar year 2022 to Q1 2023 (January 2022 to March 2023).

The solar panels installed at our Dengkil facility in 2020 are now operating at full capacity and have generated more than 6,174 GJ of electricity, while the newly installed solar panels at our Port Klang operations have generated 614 GJ of electricity as of March 2023. This combined total of 6,788 GJ of solar energy is a **substantial 83% increase from the previous year**, comprising 1.77% of our total electricity consumption during the reporting period.

Energy generated from solar

Reporting year 2023	6,788 GJ
2021	3,693 GJ
2020	880 GJ

1.77 % of total electricity consumption
More than 83% increase from 2021



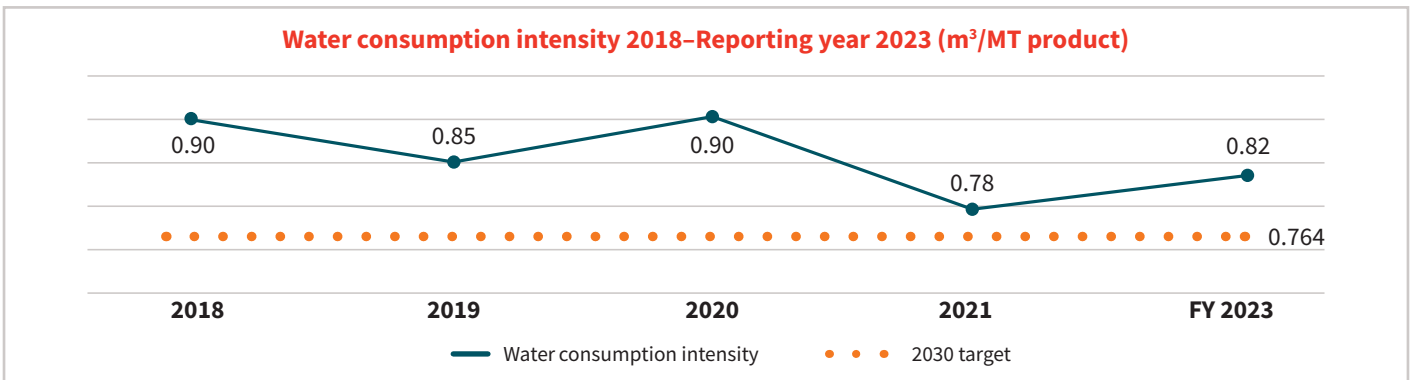
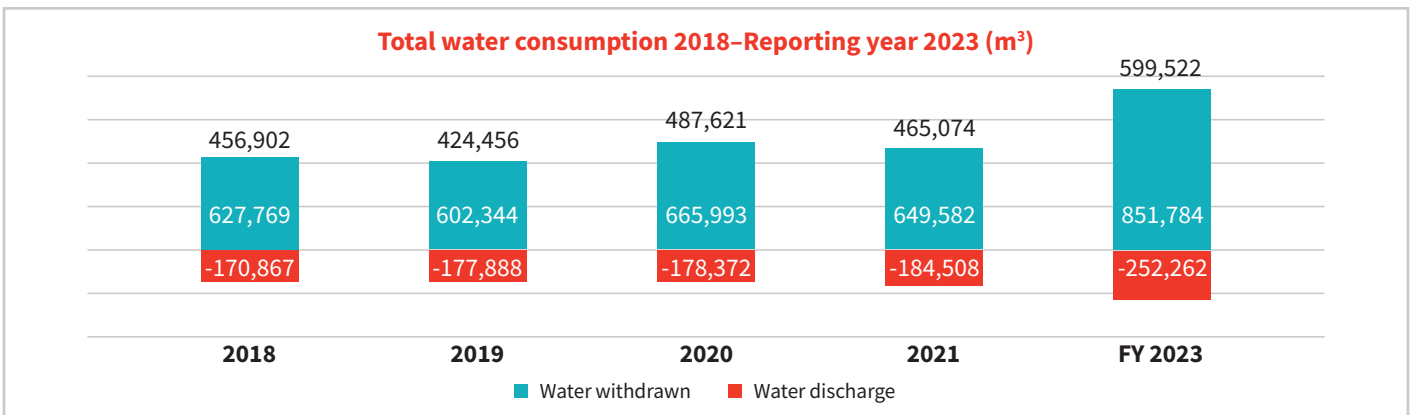
Water management

[GRI 3-3, 303-1, 303-2, 303-3, 303-4, 303-5]

We continue to improve and optimise water efficiency and consumption at our operations. Although we utilise some groundwater, the municipal water supply is our primary source of water for production, and we recognise that water supply disruptions and shortages can potentially affect our facilities and refineries in the remote areas of Port Klang and Dengkil. We have adopted a proactive yet precautionary approach to innovating and implementing water-saving and conservation measures, such as collecting rainwater through roof gutters for cleaning and irrigation and to supply the toilets at our facilities. Rainwater or wastewater is also channelled for reuse by cooling towers at our production plants.

In 2022, we added two rainwater harvesting systems with a combined rainwater storage capacity of 17.2 cubic metres (m³) to the construction plans for a new administrative building at our Port Klang operations. Construction of this new building is expected to begin in early 2024. We will provide more details about these rainwater harvesting systems in future reports once building construction is completed.

As of March 2023, our total water consumption was 599,522 m³, with a water consumption intensity of 0.82 m³ per tonne of product processed (m³ /MT). Although our water consumption intensity has been trending downward since 2018, we recognise this is a more than 5% increase compared to 2021. This increase was caused by an additional contaminants-removal stage in our oil refining processes introduced in 2022. Nevertheless, we will explore more methods and opportunities to reduce water consumption and reach our target of 0.76 m³/MT water consumption intensity, a 10% reduction against our 2019 baseline by 2030.



Note: Reporting year 2023 encompasses 15 months of data, comprising Q1 of 2022 and our 2023 financial year (January 2022 to March 2023).

We have developed comprehensive water pollution management manuals and waste treatment guidelines for handling wastewater and effluents to mitigate potential adverse impacts on water near our operations. We fully comply with the 2009 Environmental Quality (Industrial Effluents) Regulations of the 1974 Environmental Quality Act requiring all effluent to be rigorously treated before it is discharged into the drainage system.

Waste management

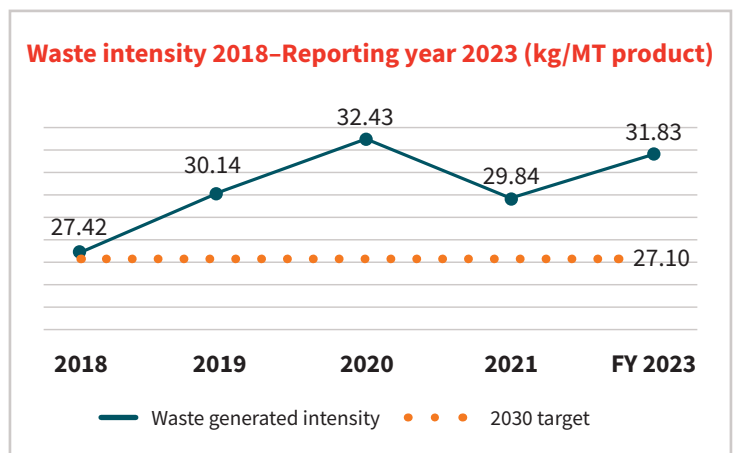
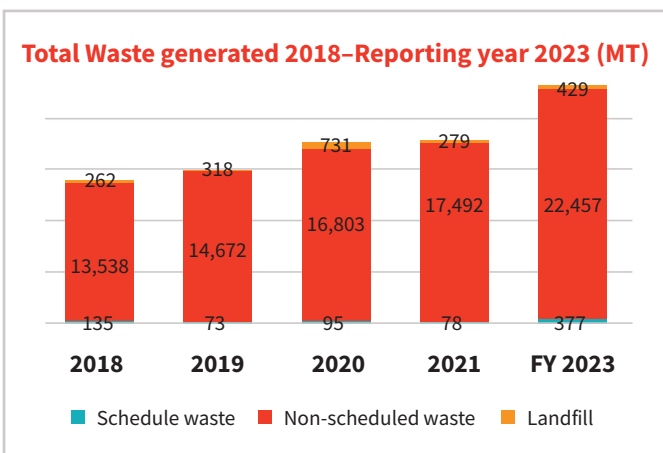
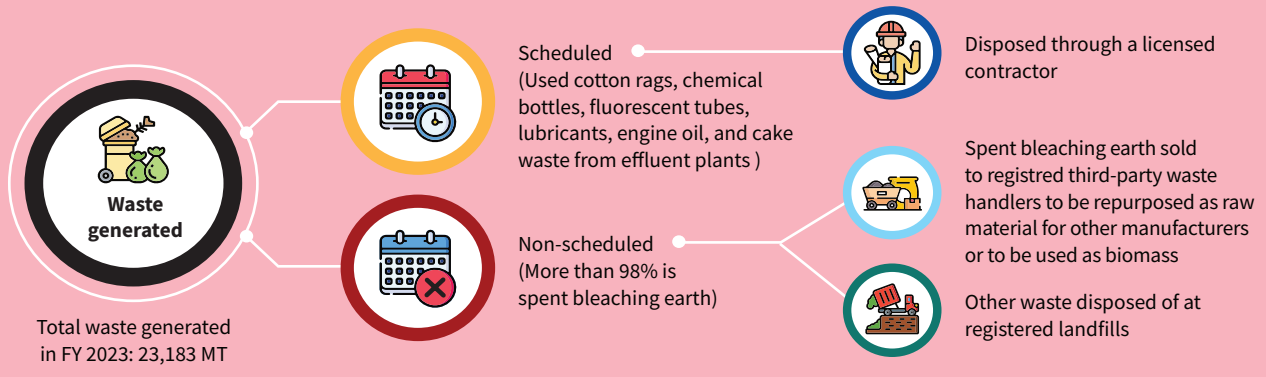
[GRI 3-3, 306-1, 306-2, 306-3, 306-4, 306-5, 303-4]

ISF practices responsible waste management to ensure the safe and proper handling of all waste generated by our operations, including scheduled (hazardous) and non-scheduled (general or non-hazardous) waste. Our waste management procedures adhere to the Environmental Quality (Scheduled Wastes) Regulations 2005.

We have implemented stringent measures to manage scheduled waste, including specialised storage, appropriate packaging, and warning labels to ensure containers are handled with utmost care and responsibly disposed of at licensed waste recovery facilities. However, 98% of non-scheduled waste, comprising spent bleaching earth, is sold to third parties to be repurposed and reused as raw material or biomass. We dispose of the remaining 2% at registered landfills.

In reporting year 2023, our total waste generated was 23,263 MT, comprising 22,886 MT of non-scheduled waste and 377.29 MT of scheduled waste, with most of the waste generated at our Dengkil operations. Compared to 2021, our waste intensity increased by around 6.7% to 31.83 kg/MT, which is also 5.6% higher than our 2019 baseline of 30.14 kg/MT. Moving forward, we will ensure that our waste tracking processes are robust and will continue exploring other methods to improve waste management to reach our target of 27.10 kg/MT in waste intensity by 2030.

ISF's approach to waste management



- Note:
1. Reporting year 2023 encompasses 15 months of data, comprising Q1 of 2022 and our 2023 financial year (January 2022 to March 2023).
 2. Data on non-scheduled waste for 2019–2021 has been restated due to improved waste data collection and record-keeping processes in reporting year 2023.
 3. The increase in scheduled waste in reporting year 2023 compared to previous years is due to the re-categorisation of sludge waste as scheduled waste by the Malaysian Department of Environment (DoE) in 2022.

Our people

[GRI 2-7, 2-8, 3-3, 401-2, 401-3, 402-1, 407-1, 408-1, 409-1]



ISF cultivates a workforce that feels valued, empowered, and motivated to contribute to our shared success. Our employees are the backbone of our business, and we provide them with a work environment that fosters their well-being. We uphold human rights and ethical recruitment practices across our business operations and supply chain through our Sustainable Palm Oil Policy, our new Labour and Human Rights Policy, our Migrant Worker Ethical Recruitment Guideline and Procedures (implemented in October 2022), and our Supplier Code of Conduct.



New Labour and Human Rights Policy

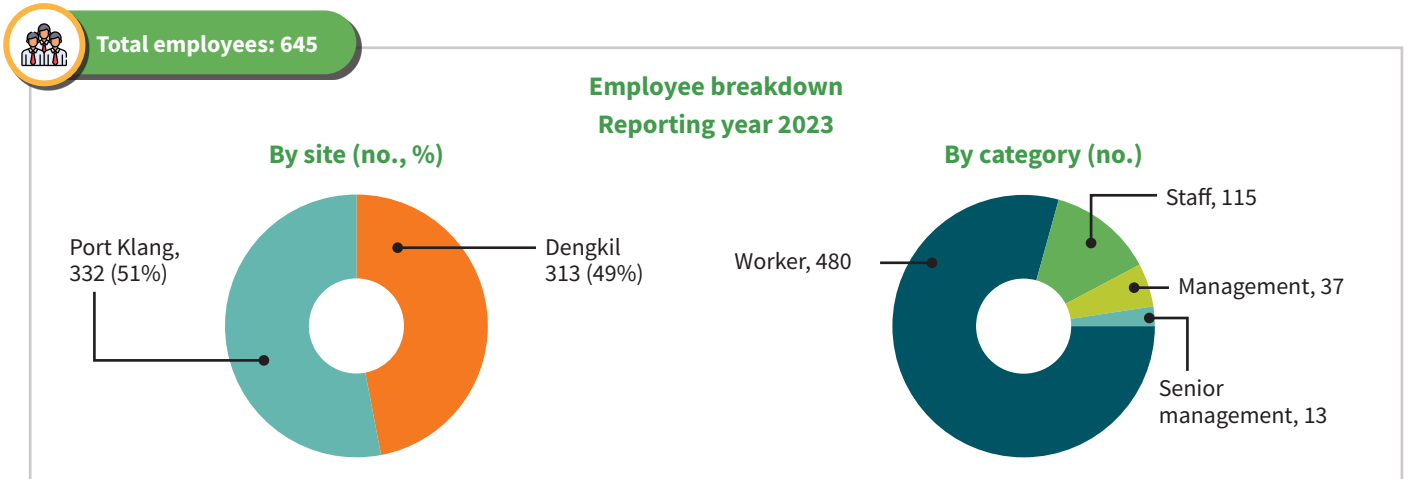
ISF's Sustainable Palm Oil Policy commits us to respecting and upholding human rights as recognised under the International Bill of Human Rights, the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work and eight fundamental Conventions, the United Nations Guiding Principles (UNGPs) on Business and Human Rights, and the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises. We also pledge to respect the formal and customary rights of indigenous and local communities in accordance with the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP).

The 'No Exploitation' commitments in our Sustainable Palm Oil Policy apply to our workers, indigenous peoples and local communities, human rights defenders, complainants, whistleblowers, and community spokespersons. **Implemented in October 2022, our new Labour and Human Rights Policy builds upon these existing provisions, expanding our human rights commitments to specifically address the following components:**

- Respecting labour rights
- No child labour
- Promoting diversity and inclusion
- Respecting community rights
- Protecting human rights defenders
- See our [Labour and Human Rights Policy](#) and [Sustainable Palm Oil Policy](#).

Workforce overview

As of March 2023, we employ 645 people at our Port Klang and Dengkil operations on a permanent full-time basis. We do not employ any temporary or part-time employees.



Note: Reporting year 2023 encompasses 15 months of data, comprising Q1 of 2022 and our 2023 financial year (January 2022 to March 2023).

ISF provides all employees with competitive base salaries and allowances per national standards. We raised our minimum wage from RM1,100 to RM1,500 in 2022. We contribute 13% of every employee’s gross salary to the Employees Provident Fund (EPF) in compliance with Malaysian regulations. Our comprehensive benefits include insurance and healthcare coverage, retirement plans, and parental leave to ensure employees’ present and future well-being.

Our employee benefits policy was updated in compliance with the Malaysia Employment (Amendment of First

Schedule) Order 2022 to the Employment Act 1955 by:

- Extending maternity leave and entitlement to maternity allowance of 98 days
- Amending the maximum number of working hours per week to 45 hours (excluding overtime)
- Separating sick leave from hospitalisation leave
- Extending paternity leave to seven consecutive days
- Implementing flexible work arrangements
- Prohibiting employment discrimination
- Prohibiting forced labour
- Posting notices to raise awareness about sexual harassment.

Engagement with Sedex

ISF continuously improves our practices to protect and promote the rights and well-being of our workforce. We are a member of Sedex (Supplier Ethical Data Exchange), a globally recognised not-for-profit organisation driving improvements in responsible and ethical business practices in global supply chains.

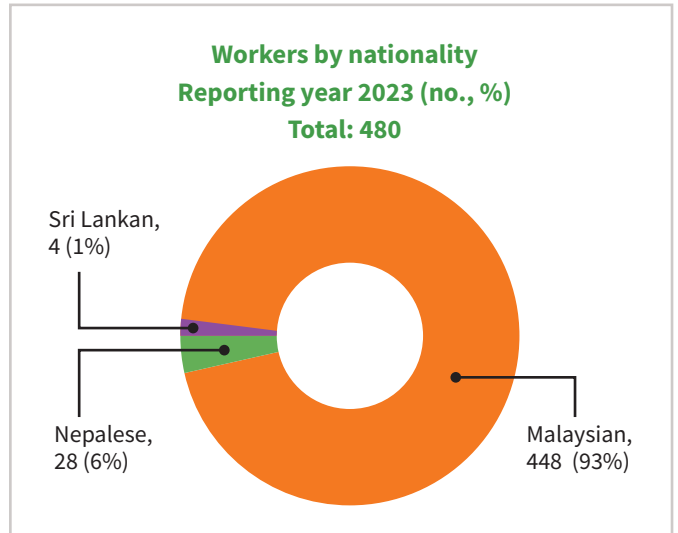
We completed our first Sedex Members Ethical Trade Audit (SMETA) in January 2023 demonstrating our commitment to transparency and accountability, especially in business practices on labour, health and safety, and the environment. We have developed comprehensive action plans to ensure fair and decent working conditions in line with SMETA requirements. Among other measures, we have implemented ethical recruitment guidelines and procedures, strengthened employment contracts and terms, and provided training and development opportunities.

Improving labour practices for migrant workers

[GRI 2-8, 2-30, 407-1]

ISF proactively implements responsible employment and recruitment practices and continuously reviews our measures to prevent and avoid unethical practices throughout our supply chain.

We have always employed a small number of foreign workers, making up less than 1% of our total workforce. However, in December 2022, ISF recruited additional workers from Nepal for our Production Division, which was facing a labour shortage due to increased demand for product packing to meet sales orders. As of March 2023, ISF now employs 32 migrant workers (7% of our workforce) at our Dengkil operations, four Sri Lankans and 28 Nepalese.



Note: Reporting year 2023 encompasses 15 months of data, comprising Q1 of 2022 and our 2023 financial year (January 2022 to March 2023).



New Migrant Worker Ethical Recruitment Guideline and Procedures

In 2021, we internally assessed our direct and indirect recruitment practices to identify potential issues and risks associated with labour rights violations. Given the historically small number of migrant workers at ISF, the risk was found to be extremely low.

In 2022, ISF developed our Migrant Worker Ethical Recruitment Guideline and Procedures in response to the increased number of foreign workers we hired during the year. This document upholds our commitment to ethical employment practices and strictly complies with Malaysian regulations and requirements on responsible migrant worker pre-employment, employment, and post-employment procedures. The migrant worker recruitment process is managed by our Human Resource Management (HRM), Risk Management, and Sustainability departments.

Pre-Employment	<ul style="list-style-type: none"> Recruitment agencies and due diligence Signing employment contracts Departure for Malaysia 	<ul style="list-style-type: none"> Migrant workers are recruited through legally authorised third-party employment agencies that adhere to ISF’s ethical recruitment standards and Labour and Human Rights Policy. ISF ensures that migrant workers’ employment contracts comply with workers’ rights regulations and specify all employment terms. Contracts are translated, and their terms are clearly explained to ensure informed consent and prevent forced labour, coercion, and intimidation. Recruitment agencies are responsible for preparing and providing all necessary documentation, including bio-data forms and entry visas for immigration clearance.
Employment	<ul style="list-style-type: none"> Arrival of migrant workers Orientation and health screening Provision of basic necessities and amenities Safekeeping of documents Grievance procedure and management (see Grievance Management) 	<ul style="list-style-type: none"> ISF’s HRM Department receives new migrant workers upon arrival, typically within hours. All new migrant workers participate in an orientation session with the assistance of an interpreter. The orientation session includes information about ISF’s policies and regulations, an overview of ISF’s sites and facilities, safety and health guidelines and procedures, and an explanation of migrant workers’ job functions. Migrant workers are informed of their rights, provided a detailed explanation of their employment contract terms, and allowed to address their concerns. Within a month of arrival, migrant workers are referred to a FOMEMA-registered medical facility for health screenings.
Post-Employment	<ul style="list-style-type: none"> Contract renewal Work permit renewal Repatriation Early termination 	<ul style="list-style-type: none"> The length of employment for migrant workers varies based on their country of origin, with an option to extend contracts to a maximum of 10 years in accordance with Malaysian law. Migrant workers have the right to renew or terminate their contract with 30 days’ notice. New migrant workers who fail their medical screening in the first three months of their guaranteed employment period or become physically or medically unfit for work after this period are repatriated. ISF reserves the right to terminate an employment contract if a worker is found to have breached its conditions, violated ISF’s policies, or broken national laws. Any outstanding salary or benefits will be settled before workers return to their countries of origin.

Note: Migrant workers must cover repatriation costs should they terminate their contract early or if they are physically or medically unfit to work after the 3-month guaranteed period due to negligence.

Zero-cost recruitment

We adopt a zero-cost recruitment approach as outlined in our Labour and Human Rights Policy to ensure migrant workers are not levied recruitment fees. As a responsible employer, we absorb all relevant costs, including passport and visa fees, airfare and transportation, medical expenses, insurance, work permit renewals, and repatriation costs upon the conclusion of workers' contracts.

Wages and benefits

All foreign workers receive fixed-term contracts and compensation that meets or exceeds minimum wage requirements. ISF provides workers with lockers to safeguard their belongings and personal documents. We also provide them with housing in dormitories equipped with essential amenities and facilities to ensure satisfactory living conditions. All our employees, including migrant workers, are free to join trade unions and engage in collective bargaining.



Labour Transformation Programme

Collaborating with upstream and downstream players is crucial to improving labour practices in the industry. In 2021, ISF took part in the Labour Transformation Programme (LTP) by the non-profit Earthworm Foundation (EF), which aimed to promote better labour management and ethical recruitment practices for more responsible value chains. As part of the programme, ISF facilitated engagement between our customer, Ferrero International S.A., and our supplier, Kulim (Malaysia) Berhad — (Kulim) — focusing on two of their selected plantations.

In October 2022, EF published its conclusions in a report that found generally good labour management practices at the selected plantations but also identified gaps and provided recommendations for improvement.

As part of the post-engagement and monitoring phase of the programme, ISF continues to engage with Kulim to monitor the implementation of action plans at the selected plantations and will use the resulting positive outcomes as a blueprint for implementing similar initiatives and practices at other Kulim plantations.

The Kulim LTP is scheduled to conclude in September 2023, and we plan to engage with other suppliers as part of the programme in the next few years.

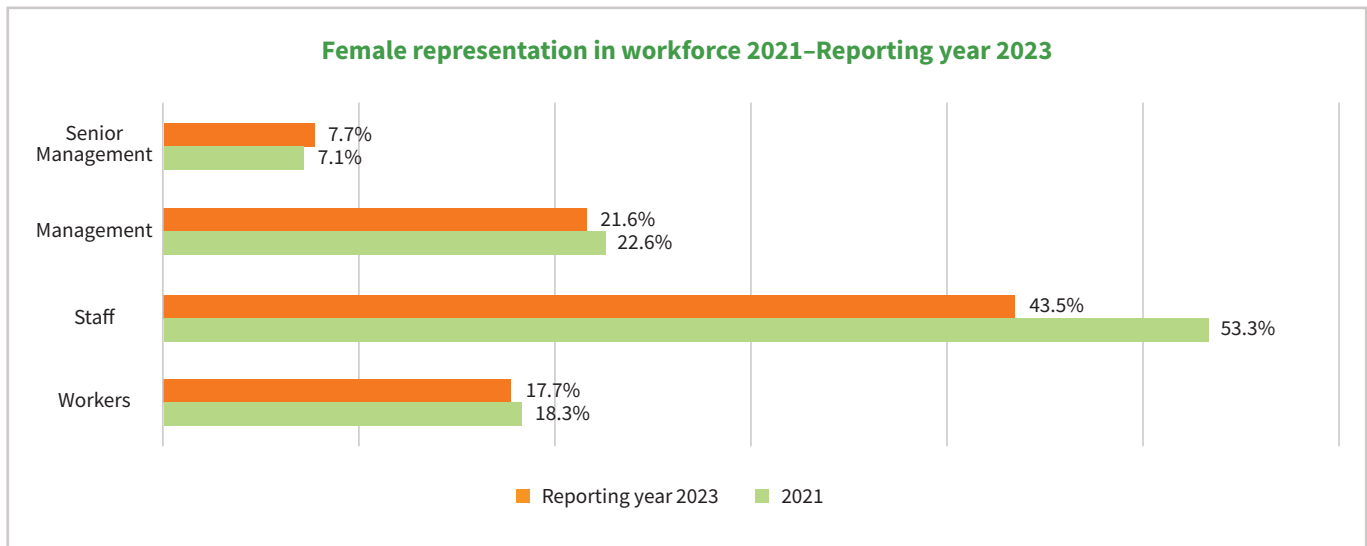
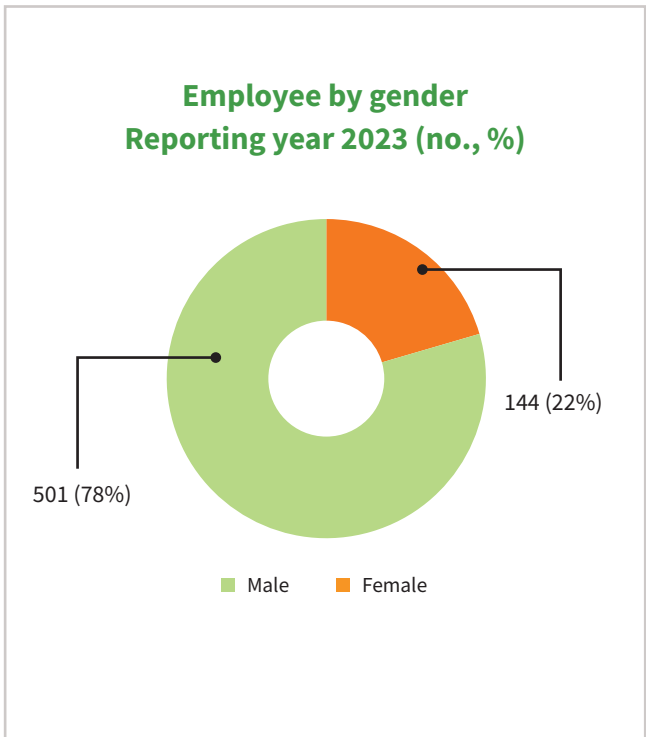


Diversity and inclusion

[GRI 3-3, 202-1, 405-1, 405-2, 406-1]

ISF fosters a diverse and inclusive work environment that upholds the principles of equality and provides equal opportunities for all employees. We do not tolerate any form of discrimination, be it sexual orientation, gender, religion, race, disability, age, political affiliation, marital status, or national origin. While most of our employees are Malaysian citizens from ethnically diverse backgrounds, we also employ 20 Japanese nationals from our parent company The Nisshin Oillio Group, Ltd.

Due to the physical labour required at our plants, most of ISF’s workers are male, with only 22% of our workforce comprising women. We recognise merit and promote gender equality, prioritising women for suitable roles throughout our operations. Notably, the number of women employees at the staff level has increased by 10, and we have added one woman each at the worker and managerial levels since 2021. We offer employees equal pay for equal work, regardless of gender, and we continue to train and empower women to take leadership roles in various areas of our operations.



Note: Reporting year 2023 encompasses 15 months of data, comprising Q1 of 2022 and our 2023 financial year (January 2022 to March 2023).

Empowering our women

In conjunction with International Women's Day 2022, we conducted an internal survey to capture ISF employee sentiment and collect feedback on gender inclusivity in the workplace. Of 94 respondents — 59% of whom were women — 88% were aware of ISF's [Whistleblowing Policy](#). More than 90% indicated that they had never experienced gender discrimination or bias, that men and women were given equal opportunities, and that they were satisfied with ISF's current gender equality policies and practices.

When asked about ways to create a workplace that accommodated women, 39% suggested improving facilities, 37% suggested education, training, and engagement programmes, 18% suggested improvements to employee welfare, and 6% suggested other improvements.

ISF has taken these suggestions to heart and implemented progressive changes to foster a work environment that better accommodates and is inclusive of women. These changes include installing a new password-protected nursing room at our head office in September 2022 and prioritising office hours (8 a.m. or 9 a.m. to 5 p.m.) instead of shifts to improve women employees' comfort and safety.

To celebrate International Women's Day 2023, ISF published a feature in our internal employee newsletter honouring eight of our longest-serving women.



“ISF cares about our women employees and consults us to understand our needs. We do not face gender discrimination, and promotions are based on merit.”

– Roshny Meenatchy, Senior Chemist, QA/QC (9 years of service)



“ISF treats all employees equally, and our managers are very supportive. I was the only woman at our operations when I joined the company 25 years ago, but our numbers have since grown.”

– Kamaladevi A/P Karuppanan
Senior Supervisor, Operations/
Weighbridge, (25 years of service).



“I am lucky to have been given a fair and equal opportunity at ISF and not faced any challenges due to my gender.”

– Belize Tiew, Assistant General Manager,
Finance (10 years of service)



“The majority of ISF employees are male due to the physical labour required by the industry. Still, the company cares about women employees and finds ways to involve us in its operations.”

– Mekey Ta Abdul Latip, Senior Assistant
Human Resource Management
(11 years of service)



“ISF has hired more women office workers at our operations, providing facilities and policies to protect our rights and ensure our safety and well-being.”

– Wong Seat Jin, Principal Refinery Production
Planner (19 years of service)



Employee health and safety

[GRI 3-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10]

Our employees’ safety is critical to the success of our operations. Our Occupational Safety and Health (OSH) unit monitors daily operations and production. It is an independent entity that provides advice on safety, health, and environment (SHE) matters, with a particular focus on the Manufacturing Division due to the nature of its activities. A senior OSH officer oversees employee health, safety, and security at our Dengkil and Port Klang sites. ISF’s active OSH Committee comprises employee and management representatives and meets four times a year to discuss and address health and safety issues.

Training and engagement

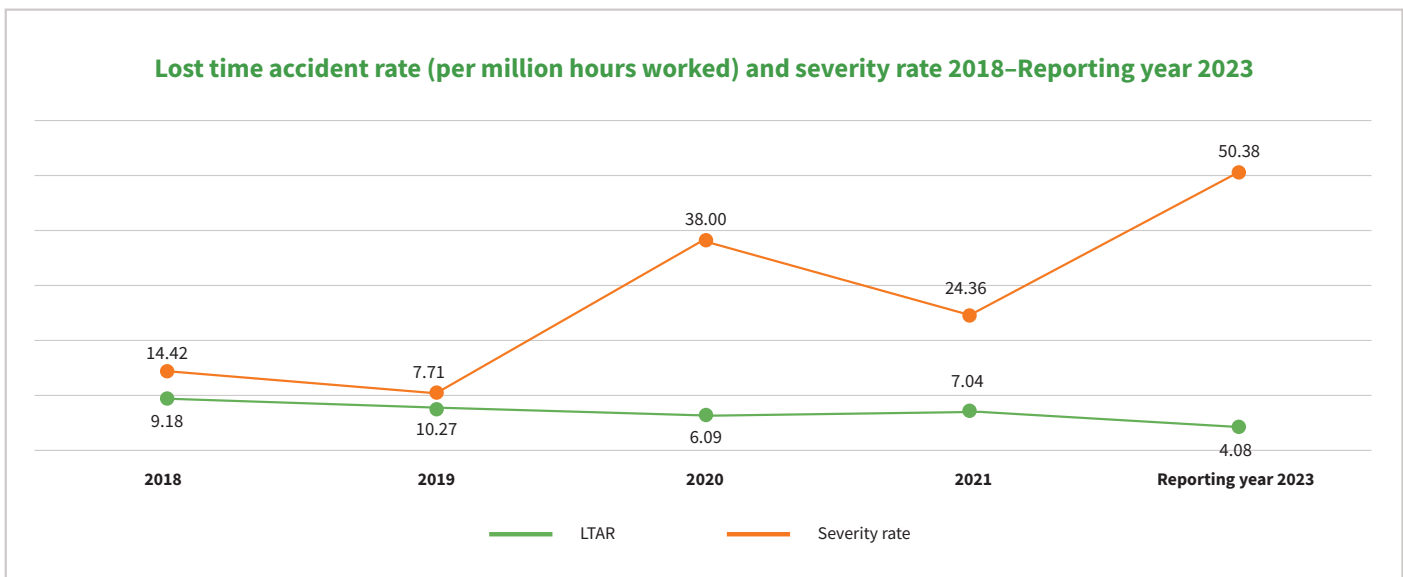
ISF provides regular employee health and safety training to ensure workers remain safe and are prepared to handle critical situations and emergencies. All new employees receive introductory training and annual refreshers on safety matters. Every ISF department must assign at least one representative to receive mandatory emergency training on how to react in a crisis.

In addition to our employee programmes, ISF holds annual Safety Days to educate vendors and contractors on occupational safety and health practices. We conduct additional briefings and training when new policies are introduced.

Accident reporting

LTAR and severity rate

We track all major and minor accidents that occur at our operations. A total of eight accidents occurred in reporting year 2023. Although the number of accidents was less than the previous year, severity rates almost doubled.



Notes:

1. Lost time accident rate (LTAR) measures productivity lost due to accidents and is calculated as follows: the number of accidents divided by the total hours worked, multiplied by 1,000,000.
2. The severity rate measures the seriousness of accidents and is calculated as follows: the total number of days lost divided by the total number of accidents.
3. Note: Reporting year 2023 encompasses 15 months of data, comprising Q1 of 2022 and our 2023 financial year (January 2022 to March 2023).



Causes of accidents

We separate accidents at our operations into two main categories: those caused by ‘unsafe acts’ and those caused by ‘unsafe conditions’.

UNSAFE ACT

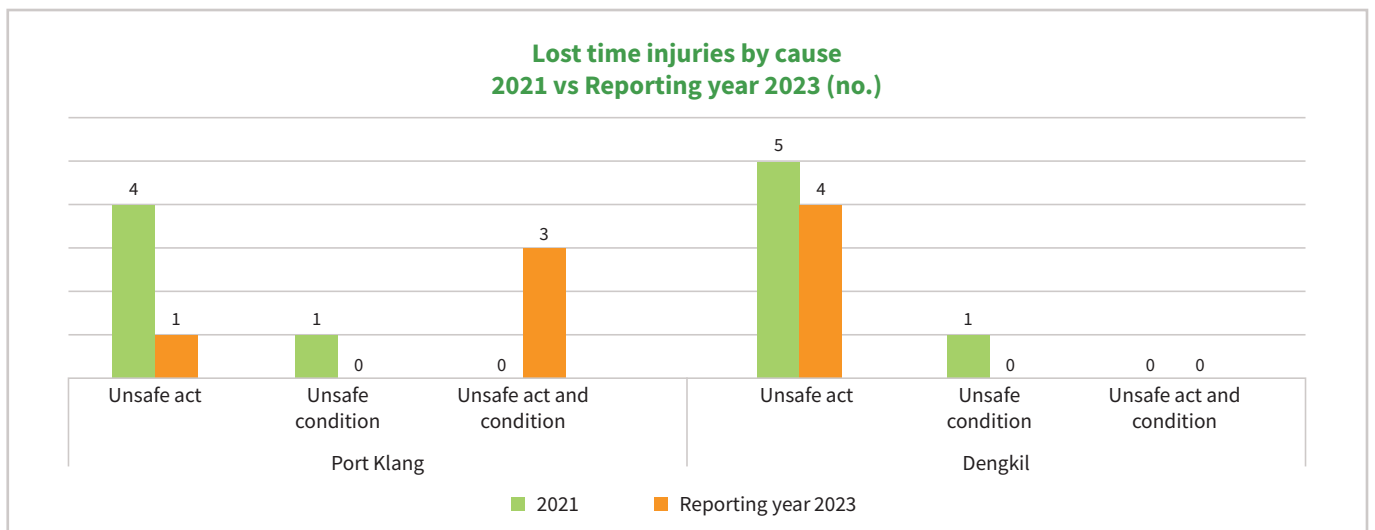
A violation of an accepted safety procedure, including negligent behaviour, that could lead to an accident.

UNSAFE CONDITIONS

A hazardous physical condition or circumstance, such as poor lighting, a slippery floor, or a faulty machine, that could lead to an accident.

Unsafe acts, rather than unsafe conditions, are the root cause of most occupational injuries and accidents at ISF. However, some accidents are caused by a combination of both. Four such accidents occurred at our Port Klang facility in reporting year 2023. ISF will address the causes of these accidents within the scope of our safety programmes.

To reduce accidents stemming from unsafe acts, we launched our **One Million Man-Hours with Zero Accidents campaign** in August 2021. This initiative promoting behavioural change and building a safety culture has shown promising results. **The number of accidents caused by unsafe acts at Port Klang fell by 75% from four in 2022 to one in reporting year 2023. Four accidents were caused by unsafe acts at our Dengkil operations in reporting year 2023, a 20% drop from five accidents in 2022.**



Overview of accidents

Unsafe acts caused five of the eight accidents occurring in reporting year 2023. One employee fractured his left foot after a slip-and-fall incident. The second employee sustained injuries from splashing oil that gushed out of a drain valve due to pressure build-up in a pipe. Two more accidents involved injuries to employees who were operating machines while going about their day-to-day tasks, and a seal bar frame hit one employee as he inserted his hand into an operating machine.

ISF recognises that better supervision and increased employee vigilance may have prevented these accidents, and we are working on several initiatives to better equip employees and contractors with the safety knowledge and skills they need to manage workplace hazards.

The three remaining accidents resulted from a combination of unsafe acts and unsafe conditions caused by a lack of situational awareness, improper use of PPE and other equipment, and poorly maintained equipment. One employee sustained minor burns from pipeline oil spray. The other two accidents involved major injuries to employees who slipped and fell, fracturing their foot and thumb.

We recognise more work needs to be done to meet our one million person-hours with zero accidents target. However, we better understand the root causes of these accidents and can implement site-specific measures to achieve this target. We will conduct inter-department audits, roll out special personal protective equipment (PPE) policies, organise ‘safety week’ programmes, regularly inspect tools and equipment, and conduct ongoing employee toolbox briefings.

Employee development and retention

[GRI 3-3, 404-1, 404-2, 404-3]

ISF strives to provide a supportive and rewarding work environment where employees can thrive and feel motivated to build long-term careers. Employee satisfaction is directly related to talent retention, so we provide our employees with various opportunities for professional growth.

ISF offers employees an average of 14 hours of in-house or on-the-job training annually to equip them with the necessary technical and soft skills to adapt to the changing demands of the industry. Based on the conclusions of a Training Needs Analysis conducted in December 2022, our focus is upskilling senior employees to share their

knowledge with operational staff. Training covers a wide range of topics, including regulatory compliance, quality management, food handling, certification requirements, occupational safety, job-specific vehicle and machinery certifications, and leadership and management training to enhance employee performance.

ISF employees undergo annual performance reviews that facilitate open dialogue and support their continuous improvement. These meetings allow their managers to recognise employees’ contributions, provide feedback, and establish collaborative ways to address areas of concern.

Employee engagement

ISF promotes work-life balance for our employees through various corporate sustainability initiatives (CSIs) that nurture a positive work atmosphere and boost employee morale while instilling a sense of belonging. These include:

International Women's Day

ISF conducted the following activities to celebrate International Women's Day. See [Diversity and inclusion](#).

8 March 2022: International Women's Day Survey

This survey allowed employees to suggest improvements at ISF's facilities and operations to create a more inclusive and accommodating work environment for women.

8 March 2023: International Women's Day Interviews

We interviewed and featured a group of women employees in our internal newsletter.



ISF Annual Dinner

16 December 2022:

ISF's Chief Executive Officer honoured 22 ISF employees from our Port Klang and Dengkil operations (17 men and five women) with 'Ten Years of Service Appreciation Certificates' at our 2022 Annual Dinner at the Concorde Hotel, Shah Alam.



Mangrove Planting

ISF employees volunteered to plant mangrove trees as part of our Mangrove Rehabilitation Programme with partners Global Environmental Centre (GEC) and Sahabat Hutan Bakau Kampung Dato' Hormat (SHBKDH) at Tebuk Mendeleng, Sabak Bernam in Selangor (see [Carbon footprint](#) section):

20 August 2022 – 48 ISF employees, 6 GEC officers, and 16 SHBKDH members planted 500 mangrove trees.

15 October 2022 - 45 ISF employees, 6 GEC officers, and 16 SHBKDH members planted 500 mangrove trees.



Chinese New Year

13 January 2023:

To celebrate the 2023 Chinese New Year, we conducted a Chinese Calligraphy Writing activity for employees at our main office in Port Klang.



Our commitment to communities



[GRI 3-3, 203-1, 203-2, 413-1]

ISF fosters a culture of caring in surrounding communities and our operations. To ensure our business does not negatively impact nearby communities, ISF and our suppliers engage with and consult community members affected by the activities of our operations and partners.

Mangrove rehabilitation for community livelihood with GEC

Our Mangrove Rehabilitation Programme is a joint initiative with the Global Environmental Centre (GEC) and *Sahabat Hutan Bakau Kampung Dato' HORMAT* (SHBKDH). It is supported by the Sabak Bernam Drainage and Irrigation Department (*Jabatan Pengairan dan Saliran Daerah Sabak Bernam* or JPS) and the Selangor state government. This programme is aligned with national programmes, including the Treasure the Mangroves Campaign under the Mangrove and Suitable Tree Species Planting Programme and the 100-Million-Tree Planting Campaign under the Greening Malaysia Programme.

This programme demonstrates our commitment to environmental stewardship, promoting sustainable practices, and supporting local communities. Comprising

29 community members of every age, SHBKDH was established in February 2012 in response to the rapid degradation of mangrove forests next to the Bernam River and near Kampung Dato' HORMAT.

This ISF-funded programme provides financial support to the SHBKDH to sustain its operations, providing local stewardship for mangrove conservation and empowering the community through income-generating green activities with technical support from the GEC. These activities include establishing mangrove nurseries and selling mangrove seedlings, organising and coordinating tree planting events and activities, and selling mangrove-based food and beverage products, handicrafts, and other local products.



Mangrove rehabilitation for community livelihood

Commentary by Nagarajan Rengasamy, Forest and Coastal Programme Manager | Global Environment Centre (GEC)



ISF's Mangrove Rehabilitation Programme directly involves local communities to champion conservation efforts and ensure its success because they are the stakeholders most affected by the disappearance of mangrove forests and the effects of climate change, including coastal erosion, flooding, rising temperatures and sea levels.

Inviting fishermen, retirees, homemakers, single mothers, and other community members to participate in ISF's Mangrove Rehabilitation Programme addresses environmental concerns. It empowers the local population to take ownership of conservation efforts, supports local livelihoods, and generates income opportunities, especially for members of B40 households.

ISF is a major player that can lead by example, inspiring other companies to implement or strengthen nature-based environmental protection initiatives and other long-term projects with local communities. Recognising we only have one planet, we must collectively protect and restore it, safeguarding it for future generations.



About: Nagarajan Rengasamy is a technical expert on wetland and biodiversity conservation and ecological restoration. He is a core member of many state and federal NBS projects, with nearly 20 years of expertise leading and supervising community-based projects in Malaysia. He was selected as one of the 100 Changemakers Creating Real Impact in Malaysia in the 'Environment' category by Wiki Impact 100. He manages the GEC's Forest and Coastal Programme and partners with ISF as a rehabilitation advisor in our Mangrove Rehabilitation Programme.



Marketplace responsibility

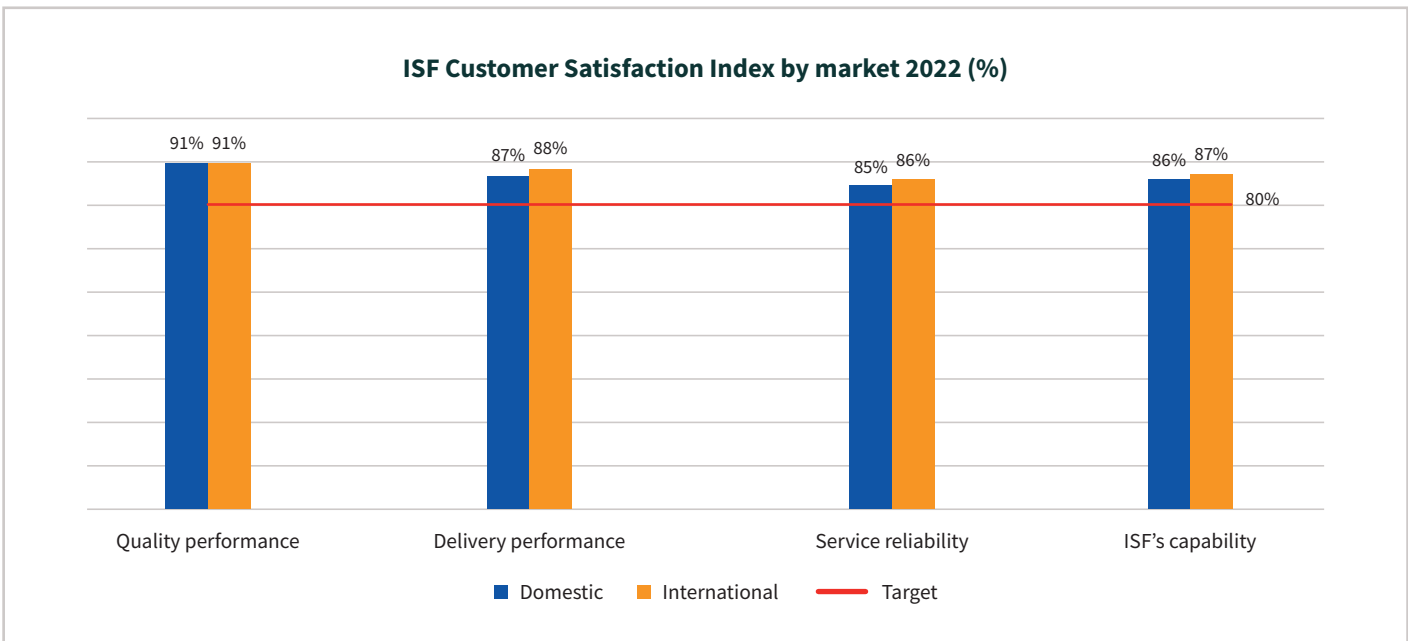


[GRI 3-3, 416-1, 416-2]

ISF delivers high-quality products and stays ahead of market trends and customer demand through continuous research and development (R&D). We adhere to industry standards and best practices, strictly complying with regulatory requirements and certifications to meet customer needs and expectations.

Customer satisfaction

Customer satisfaction, customer service, and responding to customer needs are ISF’s top priorities. Our Quality Management and Food Safety departments (QMFS) conduct annual customer satisfaction surveys to measure product quality performance, delivery performance, and service reliability. The survey results are channelled into our customer satisfaction index (CSI), identifying areas for improvement. We incorporate customer feedback into our continuous efforts to improve our products and services and consistently surpass our target of more than 80% customer satisfaction across all areas.



Note: Customer satisfaction surveys are conducted every calendar year. Data for 2023 was unavailable at the time of this report.

We strive to meet our customers’ needs. One of the challenges we faced in 2022 was the disruption of our raw materials supply due to global challenges, including increased droughts and floods leading to crop damage and lower yields and labour shortages resulting in lower production and higher palm oil prices.

- See [Responsible sourcing and supplier engagement](#) to learn more about our supply chain measures.

Product quality and food safety

[GRI 3-3]

Our internal Food Safety Management and Quality Policies ensure the safest and highest quality products for our customers. We take strict precautions across our operations and supply chain to monitor and eliminate any contaminants, chemicals, and compounds that may pose a health risk to consumers. The suppliers and service providers in our production process are subject to stringent requirements. We conduct annual Supplier Assessment Programme evaluations to monitor suppliers' performance and identify areas for improvement. We also work with our suppliers and service providers to raise awareness and support them in minimising the occurrence of contaminants in final consumer products.

- See [Meeting our commitments](#).

ISF proactively addresses food safety concerns and stays ahead of regulatory requirements through our extensive R&D capabilities. Our standards and practices were a decade in advance of the first EU regulations regarding 3-monochloropropane diol (3-MCPD) and glycidyl ester (GE) levels in oils for food use, and we already comply with the proposed new Malaysian Palm Oil Board (MPOB) regulations on 3-MCPD and GE. We conduct regular third-party audits to ensure that we remain compliant with relevant certifications, standards, and regulations, including the following:

- HACCP certified since 2004
- FSSC 22000 (Food Safety Management System) certified since 2015
- GMP+ (Feed Safety Assurance) certified since 2018
- Halal JAKIM certified since 2005
- Kosher KLBD certified since 2002
- USDA Organic certified since 2018
- EU Organic MY-BIO-149 Non-EU Agriculture certified since 2018
- ISO 9001:2015 (Quality Management System) certified since 2013
- ISO 14001:2015 (Environmental Management System) certified since 2018
- US Food and Drug Administration (FDA) registered Food Facility since 2003



Productivity and innovation

[GRI 3-3]



ISF has been pioneering local food technology R&D for more than 40 years. Our state-of-the-art R&D facilities in Port Klang are staffed by 30 employees in five R&D Departments, including Analysis Development, Product Development, Application Development, Technical Support, Quality Management, and Food Safety. In addition to ISF's internal expertise, we benefit from the technical proficiency and capabilities of our parent company, The Nisshin OilliO Group Ltd.

Our ability to stay ahead of industry trends and food safety issues, comply with regulations, maintain product quality, and innovate are attributable to the company's leadership, our experienced R&D teams, and our state-of-the-art laboratories. We were one of the first companies to introduce the following industry innovations in Malaysia:

- **palmitic-oleic palmitic (POP) and stearic-oleic-stearic (SOS) fat** as cocoa butter equivalents
- **low 3-MCPD and GE palm oil-based products in 2010**, ten years ahead of regulatory requirements
- **palm oil as a dairy fat replacement**, resulting in substantial savings for Malaysia's dairy industry and reducing reliance on imported butterfat.

As a forward-looking company, we are investing in digitalisation and automation (e.g., robotics and artificial intelligence and optimising coordination between departments to boost productivity, improve efficiencies, lower operational expenses, shorten production time, and reduce reliance on foreign labour for specific tasks. Where automation replaces migrant workers, we will re-train or upskill employees upon mutual agreement.

ISF's brand and perceptions of palm oil

[GRI 3-3]

Palm oil is crucial to various industries and an essential ingredient in many everyday products. However, the palm oil industry, its value chain, and its products have been under scrutiny for many years. The industry has been unfairly stigmatised, resulting in negative public perceptions that are often driven by misinformation. ISF is a recognised and respected brand striving to create a positive image for palm oil. Communicating accurate and science-based information about the sustainable production of palm oil will dispel myths and reshape the narrative about this valuable commodity.



Base data

[GRI 3-3, 416-1, 416-2]

General disclosures

Description	Breakdown	UoM	Jan 22– Mar 23	Jan–Mar 2023	2022	2021	2020	2019	2018
Total number of operations	Refineries (in Malaysia)	no.	2	2	2	2	2	2	2
	Refinery throughput	MT/annum	750,000	750,000	750,000	750,000	750,000	750,000	650,000
	Fractionation plants	no.	2	2	2	2	2	2	2
	Specialty fats plant	no.	2	2	2	2	2	2	2
Volumes produced / finished products	Total	MT	730,960	154,877	576,083	598,074	543,611	499,732	508,282
	Bulk	MT	683,910	145,964	537,946	558,279	507,835	458,133	472,522
	Packed	MT	47,050	8,913	38,137	39,795	35,776	41,599	35,760
Volumes sold by region	Total	MT	730,960	154,877	576,083	598,422	539,760	N/A	N/A
	Japan	MT	40,922	7,332	33,590	33,847	33,134	N/A	N/A
	Americas	MT	26,530	5,383	21,147	18,847	15,421	N/A	N/A
	Europe	MT	299,729	59,956	239,773	243,783	182,867	N/A	N/A
	Asia	MT	351,315	79,733	271,582	294,043	299,844	N/A	N/A
	Africa	MT	5,818	1,110	4,708	2,969	3,144	N/A	N/A
	Oceania	MT	6,646	1,363	5,283	4,935	5,348	N/A	N/A
Total employees	Total (headcount)	no.	645	645	592	580	576	546	525
	Male	no.	501	501	450	448	453	428	412
	Female	no.	144	144	142	132	123	118	113
Port Klang	Total	no.	332	332	314	309	304	275	260
	Male	no.	258	258	243	237	240	211	198
	Female	no.	74	74	71	72	64	64	62
	Permanent	no.	332	332	314	309	304	275	260
	Male	no.	258	258	243	237	240	211	198
	Female	no.	74	74	71	72	64	64	62
	Temporary	no.	0	0	0	0	0	0	0
	Female	no.	0	0	0	0	0	0	0
Dengkil	Total	no.	313	313	278	271	272	271	265
	Male	no.	243	243	207	211	213	217	214
	Female	no.	70	70	71	60	59	54	51
	Permanent	no.	271	271	229	271	272	263	253
	Male	no.	203	203	165	211	213	0	0
	Female	no.	68	68	64	60	59	0	0
	Temporary	no.	42	42	49	0	0	8	12
	Female	no.	2	2	7	0	0	0	0
Senior management	Total	no.	13	13	13	14	5	0	0
	Male	no.	12	12	12	13	4	N/A	N/A
	Female	no.	1	1	1	1	1	N/A	N/A
Management	Total	no.	37	37	34	31	116	124	120
	Male	no.	29	29	28	24	66	76	70
	Female	no.	8	8	6	7	50	48	50
Staff	Total	no.	115	115	106	75	277	422	405
	Male	no.	65	65	60	35	208	352	342
	Female	no.	50	50	46	40	69	70	63

Responsible sourcing and supplier engagement

Description	Breakdown	UoM	Jan 22– Mar 23	Jan–Mar 2023	2022	2021	2020	2019	2018	
Workers	Total	no.	480	480	439	460	178	0	0	
	Male	no.	395	395	350	376	175	N/A	N/A	
	Female	no.	85	85	89	84	3	N/A	N/A	
Suppliers and volumes sourced	Total direct suppliers	no.	51	37	48	49	52	35	40	
	Total volumes sourced	MT	710,116	132,206	577,911	582,567	525,914	494,559	520,763	
	Crude palm oil									
	Direct suppliers	no.	38	29	36	35	39	24	27	
	Sources from their own plantations	no.	20	13	20	14	16	10	9	
	Volumes sourced	MT	355,573	62,383	293,190	258,794	224,476	226,989	238,938	
	Sources from third party plantations	no.	18	16	16	21	23	14	18	
	Volume sourced	MT	229,951	45,671	184,280	231,924	223,328	197,208	178,648	
	Indirect suppliers	no.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	CPO volumes	MT	585,524	108,055	477,469	490,718	447,804	424,197	417,586	
	Direct volumes	MT	585,524	108,055	477,469	490,718	447,804	424,197	417,586	
	Indirect volumes	MT	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	Peninsular	%	92.1	93.1	91.7	94.3	94.9	98.1	95.8	
	East Malaysia	%	7.9	6.9	8.3	5.7	5.1	1.9	4.2	
	Crude palm kernel oil									
	Direct suppliers	no.	13	8	12	14	13	11	13	
	Indirect suppliers	no.	176	110	172	177	261	317	178	
	CPKO volumes	MT	124,592	24,151	100,442	91,849	78,109	70,362	103,177	
	Direct volumes	MT	124,592	24,151	100,442	91,849	78,109	70,362	103,177	
	Peninsular	%	97.7	97.3	100.0	100.0	60.0	91.0	98.1	
	East Malaysia	%	0.0	0.0	0.0	0.0	40.0	9.0	1.9	
	International	%	2.3	2.7	N/A	N/A	N/A	N/A	N/A	
	Traceability	% CPO traceable to mill	%	100.0	100.0	100.0	100.0	100.0	100.0	100.0
% CPO traceable to plantation		%	98.6	98.6	99.5	72.9	75.6	81.0	78.0	
% CPKO traceable to mill		%	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
% CPKO traceable to plantation		%	71.3	71.3	76.1	31.8	35.0	21.1	19.4	
Supplier engagement and assessments	Direct suppliers complying with palm oil sourcing policy	no.	51	37	48	47	46	N/A	N/A	
	Indirect suppliers complying with palm oil sourcing policy	no.	176	110	172	177	261	N/A	N/A	
	Have NDPE policy in place OR signed ISF's Supplier Code of Conduct	no.	51	37	48	47	46	N/A	N/A	
	Attended NDPE workshops if not RSPO certified	no.	0	0	0	0	15	N/A	N/A	
Grievances	Number of grievances filed	no.	1	0	1	4	12	4	2	
	Number of grievances closed/resolved	no.	2	1	1	1	4	2	0	
	Number of suppliers terminated due to grievances	no.	1	1	0	0	1	1	0	

Environment

Description	Breakdown	UoM	Jan 22– Mar 23	Jan–Mar 2023	2022	2021	2020	2019	2018
Gross direct (Scope 1) GHG emissions	Total	MT CO ₂ e	123,221	23,144	100,077	94,466	94,337	89,782	N/A
	Port Klang	MT CO ₂ e	62,672	11,751	50,921	45,052	44,796	39,613	N/A
	Natural gas	MT CO ₂ e	62,672	11,751	50,921	45,052	44,796	39,613	N/A
	Steam	MT CO ₂ e	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Dengkil	MT CO ₂ e	60,550	11,393	49,156	49,415	49,541	50,170	N/A
	Natural gas	MT CO ₂ e	60,550	11,393	49,156	49,415	49,541	50,170	N/A
	Steam	MT CO ₂ e	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Gross location-based energy indirect (Scope 2) GHG emissions	Total	MT CO ₂ e	92,070	17,575	74,495	71,218	72,877	71,592	N/A
	Port Klang	MT CO ₂ e	59,674	11,188	48,486	45,025	46,559	45,290	N/A
	Dengkil	MT CO ₂ e	32,396	6,387	26,009	26,192	26,319	26,302	N/A
Gross market-based energy indirect (Scope 2) GHG emissions	Total	MT CO ₂ e	79,355	13,513	65,843	71,218	72,877	71,592	N/A
	Port Klang	MT CO ₂ e	47,816	7,982	39,834	45,025	46,559	45,290	N/A
	Dengkil	MT CO ₂ e	31,539	5,530	26,009	26,192	26,319	26,302	N/A
Gross other indirect (Scope 3) GHG emissions	Total	MT CO ₂ e	1,040,734	186,977	853,757	892,712	814,981	N/A	N/A
	Purchased goods and services – CPO & CPKO	MT CO ₂ e	718,846	131,014	587,833	658,602	569,647	N/A	N/A
	Purchased goods and services – Imported Raw Material	MT CO ₂ e	107,408	15,870	91,539	61,483	80,088	N/A	N/A
	Purchased goods and services – Chemical & Utility	MT CO ₂ e	1,118	204	913	953	913	N/A	N/A
	Purchased goods and services – Packaging Material	MT CO ₂ e	3,150	582	2,567	2,324	2,176	N/A	N/A
	Fuel- & energy-related activities	MT CO ₂ e	116,230	22,036	94,194	89,366	90,379	N/A	N/A
	Upstream transportation and distribution	MT CO ₂ e	28,961	5,199	23,762	21,659	19,085	N/A	N/A
	Waste generated at operations	MT CO ₂ e	7,470	1,358	6,112	7,572	7,007	N/A	N/A
	Downstream transportation and distribution	MT CO ₂ e	57,551	10,714	46,837	50,752	45,687	N/A	N/A
	Port Klang	MT CO ₂ e	260,076	50,131	209,945	191,935	178,461	N/A	N/A
	Purchased goods and services – CPO & CPKO	MT CO ₂ e	147,985	29,259	118,726	99,646	84,837	N/A	N/A
	Purchased goods and services – Imported Raw Material	MT CO ₂ e	28,893	5,407	23,487	28,275	29,116	N/A	N/A
	Purchased goods and services – Chemical & Utility	MT CO ₂ e	366	63	303	315	338	N/A	N/A

Environment

Description	Breakdown	UoM	Jan 22– Mar 23	Jan–Mar 2023	2022	2021	2020	2019	2018
Gross other indirect (Scope 3) GHG emissions	Purchased goods and services – Packaging Material	MT CO ₂ e	0	0	0	0	0	N/A	N/A
	Fuel- & energy-related activities	MT CO ₂ e	71,461	13,335	58,126	53,197	54,132	N/A	N/A
	Upstream transportation and distribution	MT CO ₂ e	3,340	617	2,723	3,413	2,926	N/A	N/A
	Waste generated at operations	MT CO ₂ e	1,892	315	1,577	1,557	1,477	N/A	N/A
	Downstream transportation and distribution	MT CO ₂ e	6,138	1,135	5,003	5,531	5,634	N/A	N/A
	Dengkil	MT CO ₂ e	780,658	136,846	643,812	700,777	636,520	N/A	N/A
	Purchased goods and services – CPO & CPKO	MT CO ₂ e	570,862	101,755	469,106	558,956	484,810	N/A	N/A
	Purchased goods and services – Imported Raw Material	MT CO ₂ e	78,515	10,463	68,052	33,208	50,972	N/A	N/A
	Purchased goods and services – Chemical & Utility	MT CO ₂ e	751	141	610	637	575	N/A	N/A
	Purchased goods and services – Packaging Material	MT CO ₂ e	3,150	582	2,567	2,324	2,176	N/A	N/A
	Fuel- & energy-related activities	MT CO ₂ e	44,769	8,700	36,069	36,169	36,247	N/A	N/A
	Upstream transportation and distribution	MT CO ₂ e	25,621	4,582	21,038	18,245	16,158	N/A	N/A
	Waste generated at operations	MT CO ₂ e	5,578	1,043	4,534	6,015	5,530	N/A	N/A
	Downstream transportation and distribution	MT CO ₂ e	51,412	9,578	41,834	45,222	40,053	N/A	N/A
	Electricity consumption	Total	GJ	376,650	71,898	304,752	291,345	294,785	289,587
kWh			104,625,066	19,971,697	84,653,369	80,929,230	81,884,804	80,440,923	78,575,106
Port Klang		kWh	67,811,456	12,713,947	55,097,509	51,165,296	52,313,080	50,887,958	48,765,901
Dengkil		kWh	36,813,610	7,257,750	29,555,860	29,763,934	29,571,724	29,552,965	29,809,205
Regular TNB tariff	Total	GJ	317,967	53,149	264,819	291,345	294,785	289,587	282,870
		kWh	88,324,263	14,763,483	73,560,780	80,929,230	81,884,804	80,440,923	78,575,106
	Port Klang	kWh	52,608,867	8,603,947	44,004,920	51,165,296	52,313,080	50,887,958	48,765,901
	Dengkil	kWh	35,715,396	6,159,536	29,555,860	29,763,934	29,571,724	29,552,965	29,809,205
TNB Green Electricity Tariff (GET)	Total	GJ	58,683	18,750	39,933	N/A	N/A	N/A	N/A
		kWh	16,300,803	5,208,214	11,092,589	N/A	N/A	N/A	N/A
	Port Klang	kWh	15,202,589	4,110,000	11,092,589	N/A	N/A	N/A	N/A
	Dengkil	kWh	1,098,214	1,098,214	0	N/A	N/A	N/A	N/A
Natural gas consumption	Total	GJ	1,758,951	330,376	1,428,574	1,348,480	1,350,017	1,283,381	1,244,200
		mmBTU	1,667,157	313,135	1,354,022	1,278,107	1,279,564	1,216,406	1,179,269
	Port Klang	mmBTU	847,934	158,988	688,946	609,538	607,574	537,655	528,694
	Dengkil	mmBTU	819,223	154,147	665,076	668,569	671,990	678,751	650,575

Environment

Description	Breakdown	UoM	Jan 22– Mar 23	Jan–Mar 2023	2022	2021	2020	2019	2018	
Diesel consumption	Total	GJ	330	70	260	185	178	N/A	N/A	
		litres	8,995	1,899	7,096	5,050	4,852	N/A	N/A	
	Port Klang	litres	0	0	0	0	0	N/A	N/A	
	Dengkil	litres	8,995	1,899	7,096	5,050	4,852	N/A	N/A	
Electricity generated from solar	Total	GJ	6,789	1,492	5,297	3,693	880	N/A	N/A	
		kWh	1,885,767	414,444	1,471,323	1,025,808	244,326	N/A	N/A	
	Port Klang	kWh	170,673	70,732	99,941	N/A	N/A	N/A	N/A	
	Dengkil	kWh	1,715,094	343,712	1,371,382	1,025,808	244,326	N/A	N/A	
Water withdrawal by sources										
Rainwater	Total	m ³	315	63	252	252	252	63	0	
	Port Klang	m ³	0	0	0	0	0	0	N/A	
	Dengkil	m ³	315	63	252	252	252	63	N/A	
Ground water	Total	m ³	44,976	8,487	36,489	35,008	33,061	32,417	15,063	
	Port Klang	m ³	0	0	0	0	0	0	0	
	Dengkil	m ³	44,976	8,487	36,489	35,008	33,061	32,417	15,063	
Municipal water	Total	m ³	806,493	136,463	670,030	614,322	632,680	569,864	612,706	
	Port Klang	m ³	490,183	94,074	396,109	344,465	337,990	296,746	339,850	
	Dengkil	m ³	316,310	42,389	273,921	269,857	294,690	273,118	272,856	
Water discharged to surface water	Total	m ³	252,262	50,728	201,534	184,508	178,372	177,888	170,867	
	Port Klang	m ³	104,515	21,179	83,336	77,709	77,853	73,724	72,187	
	Dengkil	m ³	147,747	29,549	118,198	106,799	100,519	104,164	98,680	
Average BOD of water discharged	Port Klang	mg/L	N/A	14	14	13	0	0	0	
	Dengkil	mg/L	N/A	18	15	0	0	0	0	
Waste management	Port Klang									
	Sent to landfill	MT	164	36	128	113	166	164	124	
	Bleaching earth repurposed	MT	5,483	916	4,567	4,724	4,337	1,604	703	
	Scheduled waste sent to waste disposal facility	MT	113	16	97	46	67	51	101	
	Dengkil									
	Sent to landfill	MT	265	48	217	166	565	154	138	
	Bleaching earth repurposed	MT	16,975	3,165	13,810	12,768	12,466	13,069	12,835	
Scheduled waste sent to waste disposal facility	MT	264	22	243	32	28	22	34		

Our people

Description	Breakdown	UoM	Jan 22– Mar 23	Jan–Mar 2023	2022	2021	2020	2019	2018
New hires by age group	<30 years old	no.	81	28	53	43	N/A	N/A	N/A
	30–50 years old	no.	60	5	55	17	N/A	N/A	N/A
	>50 years old	no.	4	3	1	1	N/A	N/A	N/A
Employees who left by age group	<30 years old	no.	41	9	32	32	N/A	N/A	N/A
	30–50 years old	no.	34	7	27	25	N/A	N/A	N/A
	>50 years old	no.	13	3	10	8	N/A	N/A	N/A
Employee turnover by age group	<30 years old	%	22.3	N/A	20.4	23.4	N/A	N/A	N/A
	30–50 years old	%	9.3	N/A	8.0	6.9	N/A	N/A	N/A
	>50 years old	%	15.1	N/A	11.4	10.1	N/A	N/A	N/A
New hires by gender	Male	no.	112	30	82	17	N/A	N/A	N/A
	Female	no.	33	6	27	8	N/A	N/A	N/A
Employees who left by gender	Male	no.	64	12	52	20	N/A	N/A	N/A
	Female	no.	22	5	17	10	N/A	N/A	N/A
Employee turnover by gender	Male	%	12.9	N/A	11.7	80.0	N/A	N/A	N/A
	Female	%	15.5	N/A	11.9	33.3	N/A	N/A	N/A
New hires by site	Port Klang	no.	57	27	30	36	N/A	N/A	N/A
	Dengkil	no.	45	9	36	25	N/A	N/A	N/A
Employees who left by site	Port Klang	no.	42	7	35	35	N/A	N/A	N/A
	Dengkil	no.	44	10	34	30	N/A	N/A	N/A
Employee turnover by site	Port Klang	%	12.7	N/A	11.1	11.3	N/A	N/A	N/A
	Dengkil	%	14.4	N/A	12.6	11.1	N/A	N/A	N/A
Employees entitled to parental leave	Male	no.	327	327	318	448	348	329	320
	Female	no.	121	121	119	132	66	68	59
Employees took parental leave	Male	no.	42	18	24	5	29	20	22
	Female	no.	11	3	8	2	7	9	8
Employees returned to work after parental leave ended	Male	no.	42	18	24	5	29	20	22
	Female	no.	11	3	8	2	7	8	8
Employees still employed 12 months after their return to work from parental leave	Male	no.	42	18	24	2	29	19	22
	Female	no.	11	3	8	1	7	8	8
Employee diversity by category									
Board of directors	Male	no.	9	N/A	9	9	9	9	8
	Female	no.	0	N/A	0	0	0	0	0
	<30 years old	no.	0	N/A	0	0	0	0	0
	30–50 years old	no.	0	N/A	0	0	0	0	0
	>50 years old	no.	9	N/A	9	9	9	9	8
	Malaysian	no.	0	N/A	0	0	0	0	0
	Japanese	no.	9	N/A	9	9	9	9	8

Our people

Description	Breakdown	UoM	Jan 22– Mar 23	Jan–Mar 2023	2022	2021	2020	2019	2018
Employee diversity by category									
Senior management	Male	no.	12	N/A	12	13	4	N/A	N/A
	Female	no.	1	N/A	1	1	1	N/A	N/A
	<30 years old	no.	0	N/A	0	0	N/A	N/A	N/A
	30–50 years old	no.	6	N/A	6	5	N/A	N/A	N/A
	>50 years old	no.	7	N/A	7	9	N/A	N/A	N/A
	Malaysian	no.	4	N/A	4	5	N/A	N/A	N/A
	Japanese	no.	9	N/A	9	9	N/A	N/A	N/A
Management	Male	no.	29	N/A	28	24	66	76	70
	Female	no.	8	N/A	6	7	50	48	50
	<30 years old	no.	0	N/A	0	0	N/A	N/A	N/A
	30–50 years old	no.	24	N/A	21	23	N/A	N/A	N/A
	>50 years old	no.	13	N/A	13	8	N/A	N/A	N/A
	Malaysian	no.	28	N/A	25	22	N/A	N/A	N/A
	Japanese	no.	9	N/A	9	9	N/A	N/A	N/A
Staff	Male	no.	65	N/A	60	35	208	352	342
	Female	no.	50	N/A	46	40	69	70	63
	<30 years old	no.	20	N/A	20	14	N/A	N/A	N/A
	30–50 years old	no.	70	N/A	66	51	N/A	N/A	N/A
	>50 years old	no.	25	N/A	20	10	N/A	N/A	N/A
	Malaysian	no.	111	N/A	102	71	N/A	N/A	N/A
	Japanese	no.	2	N/A	4	4	N/A	N/A	N/A
Workers	Male	no.	395	N/A	350	376	175	N/A	N/A
	Female	no.	85	N/A	89	84	3	N/A	N/A
	<30 years old	no.	160	N/A	142	141	N/A	N/A	N/A
	30–50 years old	no.	263	N/A	242	260	N/A	N/A	N/A
	>50 years old	no.	57	N/A	55	59	N/A	N/A	N/A
	Malaysian	no.	448	N/A	405	455	N/A	N/A	N/A
	Nepalese	no.	28	N/A	30	1	N/A	N/A	N/A
Sri Lankan	no.	4	N/A	4	4	N/A	N/A	N/A	
Port Klang	Indigenous (<i>Orang Asli</i>)	no.	0	N/A	0	0	0	0	0
	Chinese Malaysian	no.	60	N/A	57	62	58	51	48
	Malay	no.	230	N/A	217	189	193	172	163
	Indian Malaysian	no.	20	N/A	20	35	32	34	33
Dengkil	Indigenous (<i>Orang Asli</i>)	no.	5	N/A	5	2	3	3	3
	Chinese Malaysian	no.	33	N/A	33	32	33	33	32
	Malay	no.	233	N/A	196	204	199	198	190
	Indian Malaysian	no.	35	N/A	35	28	32	29	28
Wages	ISF starting wage	MYR/month	1,500	1,500	1,500	1,200	1,200	1,100	1,050
	Legal minimum wage	MYR/month	1,500	1,500	1,500	1,200	1,200	1,100	1,000
Workers covered by OHS management system	Employees	no.	645	645	592	580	576	546	525
	Non-employees	no.	250	250	250	267	233	312	237
Lost time injuries	Port Klang	no.	4	1	3	5	3	4	5
	Dengkil	no.	4	2	2	6	6	7	7
Total days lost due to work related injury	Port Klang	days	272	68	204	92	89	44	138
	Dengkil	days	131	122	9	176	253	69	35
Total hours worked	Port Klang	hours	1,120,512	203,632	916,880	887,680	852,640	803,000	683,280
	Dengkil	hours	842,400	168,480	673,920	673,920	624,000	624,000	624,000

ISF material topics

Material topic	Description (Focus areas)
Climate adaptation and mitigation	Minimising our carbon footprint across operations to reduce overall greenhouse gas (GHG) emissions intensity through technology, facilities and other measures aligned with the Science Based Targets initiative (SBTi) and other international frameworks; assessing and adapting to climate-related risks.
Legal and regulatory compliance	Complying with local and international regulations, including EU standards and customer requirements.
Stakeholder engagement	Ensuring transparency and openly communicating with stakeholders through dialogue and reporting; Engaging stakeholders through multi-stakeholder initiatives and collaborations.
Food safety and quality	Guaranteeing the highest product quality and safety to customers; addressing their concerns on food safety, and complying with industrial food safety regulations, i.e., by adhering to relevant food safety certifications, standards, and labels.
Raw material supply	Ensuring a stable supply of raw materials to meet customer demand, especially in unforeseen circumstances (e.g., the COVID-19 pandemic, floods, and drought).
Policy and management system	Enacting internal controls to meet policy commitments (e.g., compliance with sustainability certifications).
Ethics and anti-corruption	Implementing processes and systems to ensure ISF operates responsibly, adopting high ethical standards in line with national laws; strengthening anti-bribery and corruption policies through our Supplier Code of Conduct.
Occupational safety & health	Continuously improving workplace safety standards to prevent injuries and minimise accidents; implementing an OSH management programme.
Operational productivity	Continuously improving worker productivity through efficient coordination between different departments; ensuring continued viability, financial health, and the economic growth of the company by investing in automation and digitalisation to improve productivity; developing production technology and facilities; reducing reliance on labour to increase company-wide productivity; upgrading IT system for Big Data analysis.
Profits and cost saving	Improving our financial health and allocating resources for new and existing initiatives (e.g., reducing energy consumption, improving operational efficiencies, and R&D); ensuring fair dividends to shareholders.
Corporate communications	Strengthening stakeholder perceptions of ISF's corporate identity through internal and external corporate communication strategies to promote ISF's brand and values; communicating with external parties and our supply chain on news and issues related to anti-palm oil campaigns while emphasising food safety and quality; supporting Malaysia's 'Love MY Palm Oil' campaign.
Traceability	Mapping and identifying suppliers' facilities to trace palm oil to mill and plantation, thus addressing environmental and social risks within our supply chain.
Labour rights	Upholding labour and human rights for employees and contractors; adopting responsible recruitment practices for migrant workers; ensuring no illegal forced, bonded, or child labour.

ISF material topics

Material topic	Description (Focus areas)
Water management	Implementing best water management practices across our operations to ensure the optimum use of this precious resource.
Smallholder inclusion	Supporting smallholder inclusion in sustainable supply chains through partnerships with relevant organisations and engagement programmes with key suppliers.
Supplier management and engagement	Implementing robust sourcing management and supplier engagement policies; engaging with suppliers to meet NDPE requirements through awareness and capacity building programmes; implementing monitoring systems to track their progress.
R&D and innovation	Actively engaging in advanced research and development (R&D) programmes in raw material research and selection, process engineering and quality improvement, and new product development to meet the growing demand for specialty fats in the global market.
Energy management and renewable energy	Minimising the environmental footprint of our operations through the efficient consumption and management of energy, including adopting renewable energy alternatives like solar panels.
Waste management	Managing waste from its creation to disposal in line with regulations; implementing waste reduction strategies; reusing and recycling waste.
Corporate social responsibility	Implementing Corporate Sustainability Initiatives (CSIs); making financial and non-financial contributions to support and uplift local communities (e.g., environmental and community activities).
Globalisation/business expansion	Exploring business expansion plans in global markets; growing ISF's presence to meet growing market demand.
Continuous improvement	Establishing and regularly updating business continuity plans that include protocols and procedures to minimise the impact of disruptive events on the organisation, our employees, customers, and stakeholders; continuously improving management/operational systems to ensure business sustainability in the face of evolving risks and threats.
Talent retention	Developing employee skills and knowledge through training and upskilling.
Employee welfare	Prioritising employee welfare and ensuring a workplace conducive to a work-life balance; implementing policies and procedures that improve employees' physical and mental wellbeing; ensuring employees perform their duties while respecting the need for personal and family time, leisure activities, and other responsibilities.
Diversity and inclusion	Building a corporate culture that fosters a feeling of belonging among employees; promoting gender diversity and equal opportunity by empowering women employees; creating a workplace that fosters open communication between management and employees; implementing a two-way engagement process to ensure worker feedback is heard and acted upon.
Carbon tax	Investing in carbon tax initiatives for financial and environmental benefits.

GRI content index

The Global Reporting Initiative (GRI) is a multi-stakeholder standard for sustainability reporting, providing guidance on determining report content and indicators. GRI is the most widely adopted global standard for sustainability reporting. It has been designed to enhance the comparability and quality of global information on environmental and social impacts, thereby enabling greater transparency and accountability of organisations. This report has been prepared in accordance with the 2021 GRI Standards. Our GRI Content Index references our 2022-2023 Sustainability Report and the [ISF website](#).

Statement of use	Intercontinental Specialty Fats Sdn Bhd has reported in accordance with the GRI Standards for the period of 1 January 2022 to 31 March 2023.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organisational details	About ISF, p11
	2-2 Entities included in the organisation's sustainability reporting	About this report, p4 Scope and boundaries, p5 About ISF, p11
	2-3 Reporting period, frequency and contact point	About this report, p4 Contact, p91
	2-4 Restatements of information	Stated throughout where relevant
	2-5 External assurance	Assurance, p83
	2-6 Activities, value chain and other business relationships	About ISF, p11 Responsible sourcing and supplier engagement , p24
	2-7 Employees	Our people, p51 Base data, p68
	2-8 Workers who are not employees	Our people, p51 Improving labour practices for migrant workers, p53 Base data, p68
	2-9 Governance structure and composition	Corporate and sustainability governance, p18 New Climate Action Roadmap, p33
	2-11 Chair of the highest governance body	Corporate and sustainability governance, p18 New Climate Action Roadmap, p33
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate and sustainability governance, p18 New Climate Action Roadmap, p33
	2-13 Delegation of responsibility for managing impacts	Corporate and sustainability governance, p18 New Climate Action Roadmap, p33
	2-14 Role of the highest governance body in sustainability reporting	Corporate and sustainability governance, p18 New Climate Action Roadmap, p33

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-16 Communication of critical concerns	About this report, p4 Corporate and sustainability governance, p18 Grievance management, p31 New Climate Action Roadmap, p33
	2-17 Collective knowledge of the highest governance body	Corporate and sustainability governance, p18 New Climate Action Roadmap, p33
	2-22 Statement on sustainable development strategy	CEO message, p6
	2-23 Policy commitments	Corporate and sustainability governance, p18 Sustainable Palm Oil Policy Supplier Code of Conduct Anti-Bribery and Corruption Policy New Climate Action Roadmap, p33
	2-24 Embedding policy commitments	Corporate and sustainability governance, p18 Sustainable Palm Oil Policy Supplier Code of Conduct Anti-Bribery and Corruption Policy Corporate governance New Climate Action Roadmap, p33
	2-25 Processes to remediate negative impacts	Ethics and conduct, p20 Grievance management, p31 Supplier Code of Conduct Grievances
	2-26 Mechanisms for seeking advice and raising concerns	Ethics and conduct, p20 Grievance management, p31 Whistleblowing policy Grievances Corporate governance
	2-27 Compliance with laws and regulations	Environment, p32 Water management, p49 Waste management, p50
	2-28 Membership associations	Stakeholder engagement and transparency, p22 Partnerships and collaboration
	2-29 Approach to stakeholder engagement	Stakeholder engagement and transparency, p22 Partnerships and collaboration
2-30 Collective bargaining agreements	Our people, p51 New Migrant Worker Ethical Recruitment Guideline and Procedures, p54 Improving labour practices for migrant workers, p53	

GRI STANDARD	DISCLOSURE	LOCATION
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality assessment 2023, p15
	3-2 List of material topics	Materiality assessment 2023, p15
	3-3 Management of material topics	Referenced throughout report where relevant
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Our people, p51
	202-2 Proportion of senior management hired from the local community	Our people, p51 Base data, p68
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Our commitment to communities, p62
	203-2 Significant indirect economic impacts	Responsible sourcing and supplier engagement, p24 Our commitment to communities, p62
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	About ISF, p11 Responsible sourcing and supplier engagement, p24
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Energy management Base data, p68
	302-3 Energy intensity	Energy management Base data, p68
	302-4 Reduction of energy consumption	Energy management Base data, p68
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water management, p49 Base data, p68
	303-2 Management of water discharge-related impacts	Water management, p49 Base data, p68
	303-3 Water withdrawal	Water management, p49 Base data, p68
	303-4 Water discharge	Water management, p49 Base data, p68
	303-5 Water consumption	Water management, p49 Base data, p68
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Carbon footprint Base data, p68
	305-2 Energy indirect (Scope 2) GHG emissions	Carbon footprint Base data, p68
	305-3 Other indirect (Scope 3) GHG emissions	Carbon footprint Base data, p68
	305-4 GHG emissions intensity	Carbon footprint Base data, p68
	305-5 Reduction of GHG emissions	Carbon footprint Base data, p68

GRI STANDARD	DISCLOSURE	LOCATION
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste management, p50 Base data, p68
	306-2 Management of significant waste-related impacts	Waste management, p50 Base data, p68
	306-3 Waste generated	Waste management, p50 Base data, p68
	306-4 Waste diverted from disposal	Waste management, p50 Base data, p68
	306-5 Waste directed to disposal	Waste management, p50 Base data, p68
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	There were no incidences of non-compliance with environmental laws and regulations during the reporting period.
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Responsible sourcing and supplier engagement, p24
	308-2 Negative environmental impacts in the supply chain and actions taken	Responsible sourcing and supplier engagement, p24 Grievances
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Our people, p51 Employee development and retention, p61 Base data, p68
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Our people, p51 Base data, p68
	401-3 Parental leave	Base data, p68
GRI 402: Labour/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Our people, p51 Improving labour practices for migrant workers, p53
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Employee health and safety, p59
	403-2 Hazard identification, risk assessment, and incident investigation	Employee health and safety, p59
	403-3 Occupational health services	Employee health and safety, p59
	403-4 Worker participation, consultation, and communication on occupational health and safety	Employee health and safety, p59
	403-5 Worker training on occupational health and safety	Employee health and safety, p59
	403-6 Promotion of worker health	Employee health and safety, p59
	403-8 Workers covered by an occupational health and safety management system	Employee health and safety, p59
	403-9 Work-related injuries	Employee health and safety, p59 Base data, p68

GRI STANDARD	DISCLOSURE	LOCATION
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Employee development and retention, p61
	404-2 Programs for upgrading employee skills and transition assistance programs	Employee development and retention, p61
	404-3 Percentage of employees receiving regular performance and career development reviews	Employee development and retention, p61
405-1 Diversity of governance bodies and employees	405-1 Diversity of governance bodies and employees	Diversity and inclusion, p56 Base data, p68
	405-2 Ratio of basic salary and remuneration of women to men	Diversity and inclusion, p56
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	No incidents of discriminations were reported.
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Our people, p51 Improving labour practices for migrant workers, p53
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child Labour	Our people, p51
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory	Our people, p51
413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Our commitment to communities, p62
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Responsible sourcing and supplier engagement, p24
	414-2 Negative social impacts in the supply chain and actions taken	Responsible sourcing and supplier engagement, p24 Grievance management, p31
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Marketplace responsibility, p64 Product quality and food safety, p65
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Marketplace responsibility, p64 Product quality and food safety, p65 No incidents of non-compliance concerning health and safety of products were reported.
Other topics not covered by the GRI Standards		
Customer service and responsiveness		Marketplace responsibility, p64 Product quality and food safety, p65 Customer satisfaction, p64 Enriching lives together

GRI STANDARD	DISCLOSURE	LOCATION
Other topics not covered by the GRI Standards		
R&D and innovation		Productivity and innovation
Operational productivity (see GRI 204-1)		Responsible sourcing and supplier engagement, p24
Traceability		Responsible sourcing and supplier engagement, p24 Traceability
Globalisation/business improvement		Marketplace responsibility, p64
Continuous improvement		Productivity and innovation, p66
Corporate communications		Stakeholder engagement and transparency, p22 ISF's brand and perceptions of palm oil, p67

TCFD index

The following table provides an index of our disclosures against the [Taskforce on Climate-Related Financial Disclosure \(TCFD\)](#) recommendations developed by the Financial Stability Board to guide, improve and increase reporting of climate-related financial information. This is our first year of reporting against the TCFD, and we will continuously work to improve disclosures in line with the recommendations.

TCFD recommendations		Section reference
Governance	<ul style="list-style-type: none"> • Board oversight • Management's role 	<ul style="list-style-type: none"> • Corporate and sustainability governance • Stakeholder engagement and transparency • New Climate Action Roadmap
Strategy	<ul style="list-style-type: none"> • Climate-related risks and opportunities over the short-, medium- and long-term • Impact on business, strategy, and financial planning • Resilient strategy and scenario analysis 	<ul style="list-style-type: none"> • Our approach to sustainability • Materiality assessment 2023 • Managing our material issues • Responsible sourcing and supplier engagement • Traceability • Environment • New flood preparedness and response plan • New Climate Action Roadmap • Carbon footprint
Risk management	<ul style="list-style-type: none"> • Process for identifying and assessing risks • Process for managing risks • Integration into overall risk management 	<ul style="list-style-type: none"> • Risk mitigation • Responsible sourcing and supplier engagement • New flood preparedness and response plan • New Climate Action Roadmap
Metrics and targets	<ul style="list-style-type: none"> • Metrics • Scope 1, 2 and 3 emissions and related risks • Targets 	<ul style="list-style-type: none"> • Highlights and targets • Carbon footprint • Energy management • Waste management • New Climate Action Roadmap • Base data



INDEPENDENT ASSURANCE STATEMENT

Control Union (Malaysia) Sdn. Bhd. (hereinafter referred to as “Control Union”) was appointed by Intercontinental Specialty Fats Sdn. Bhd. (hereinafter referred to as “ISF”) to undertake an independent assurance of ISF’s GHG Inventory emission (“the report”) for FY2022 and 1Q2023 in accordance with the GHG Protocol: Scope 1 & Scope 2 GHG Inventory Guidance, Corporate Value Chain (Scope 3) Accounting and Reporting Standard & Technical Guidance for Calculating Scope 3 Emissions (version 1.0). ISF is responsible for the preparation, establishment and data collection as well as other information in the GHG Inventory which results in ISF’s total emissions FY2022 and 1Q2023.

Control Union was not involved in the preparation of any material included in the report, except for the issuance of this Independent Assurance Statement. The responsibility of Control Union is to verify the information and data concerning the results of ISF’s total GHG emissions (**Table 1.1**) based on verification of; the establishment of GHG boundaries, materiality of emission scoping, data verification and accuracy of the GHG calculations for each scopes (Scope 1, Scope 2 & Scope 3) and total final GHG emissions according to the GHG Protocol within the assurance scope, with the purpose to inform all the Interested Parties. Control Union’s assurance engagement assumes that all data and information provided is reliable and in good faith.

Assurance Scope

The assurance engagement has been planned and performed in accordance with AA1000AS V3. Control Union multi-disciplinary verification team performed the assurance process that involves verification of the following aspects:

Inclusivity

The inclusion and exclusion of the emissions sources related to the ISF nature of business and operation.

ISF has declared its operational boundary as gate-to-gate to establish the GHG Inventory. Hence, the verification scope only includes ISF’s GHG emissions from its refinery plants operation called ISF Dengkil (DK) and ISF Port Klang (PK) from 1st January 2022 until 31st December 2022 (FY2022) and 1st January 2023 until 31st March 2023 (1Q2023).

Source of Scope 1 emission was from natural gas which has been used as fuel combustion in refining equipment, pressing machines, and vehicles for both refinery plants ISF Dengkil and ISF Port Klang, whilst purchased electricity been declared under ISF’s Scope 2 emission. As for Scope 3, ISF only declared 5 significant categories out of



15 emission categories under GHG Protocol Scope 3 due to part of the categories were irrelevant with ISF nature of business and the rest were found immaterial emissions (less than 1%) according to the GHG Protocol.

Materiality

Identification of issues in the report that are relevant and significant to the organization's stakeholders, the presence of and the extent to which these material issues are disclosed in the report

ISF collaborated with suppliers and stakeholders in adopting emissions reduction initiatives. Apart from that, ISF partnership with environmental conservation NGO Global Environmental Centre (GEC) for a long-term collaboration will use nature-based solutions to restore ecosystems, reduce GHG emissions, and improve national landscapes. ISF shows commitment and transparency in monitoring, reporting and communicating of its GHG emission to all interested parties by establishing and implementing the GHG Inventory according to the GHG Protocol. The verification assessment conducted had confirmed that no omissions, misrepresentations, or errors that can be quantified and result in discrepancies of more than 5% with respect to the total of ISF's GHG emission calculation FY2022 and 1Q2023 were found. In addition, during the assessment, it is confirmed that no intangible issues that affect GHG emissions calculation declaration such as poorly managed documented information, difficulty in locating requested information or noncompliance with regulations indirectly related to ISF's GHG emission calculations and declaration FY2022 and 1Q2023.

Responsiveness

Acting on stakeholder issues and provision of feedback through decisions, actions, performance and communication

ISF identified their key stakeholders according to their influence on and relevance to ISF. ISF strived to be transparent by keeping stakeholders informed on matters of sustainability through various engagement initiatives. The GHG emission source and included the stakeholders within the declared operational boundary.

In a nutshell, the Operational Team in the refinery plants will closely monitor and record the GHG emission and the sources on-the-ground, and extensively looking to the new engineering technology initiatives in the market to enhance the energy efficiency and reduce emissions. Thorough supervision of the reported emissions, records and data from the operational teams will be conducted by the Sustainability Department for further analysis, reporting and decision-making purposes. Whereas in the same time the Finance Department will conduct a cross-checking assessment of the reported records from Operational Team against the purchasing bills and physical inventory records regularly. The core principle of the procedures lies in proactive engagement with ISF's



internal and external stakeholders to continuously improve their operations and achieve value in the GHG emission context.

Impact

Monitoring, measurement and providing accountability for how the actions of the organization affect the economy, the environment, society, stakeholders or the organization itself

The GHG emission results to direct and indirect impacts to the economy, surrounding environment and stakeholders or even ISF organisation itself. Hence, ISF had established the GHG Inventory to monitor the GHG emission from its operations to backup any future decisions in managing emissions. The GHG emissions calculated for ISF’s GHG Inventory follows the GHG Protocol Standard. The GHG emission is calculated in tonne of carbon dioxide equivalent (tonne CO₂e) unit. The final emission of ISF’s GHG Inventory including Scope 1, Scope 2 and Scope 3 FY2022 and 1Q2023 were summarised as follows:

Table 1.1 - The total GHG emission of ISF’s GHG Inventory is summarised as follows:

Indicators	Description	Breakdown	Unit	Jan-Mar 2023	Jan-Dec 2022
Direct (Scope 1) GHG emissions (GRI: 305-1)	Gross direct (Scope 1) GHG emissions	Total	tonne CO ₂ e	23,144.090	100,076.985
		Port Klang	tonne CO ₂ e	11,750.946	50,920.619
		Dengkil	tonne CO ₂ e	11,393.144	49,156.366
Energy indirect (Scope 2) GHG emissions (GRI 305-2)	Gross location-based energy indirect (Scope 2) GHG emissions	Total	tonne CO ₂ e	17,575.093	74,494.965
		Port Klang	tonne CO ₂ e	11,188.273	48,485.808
		Dengkil	tonne CO ₂ e	6,386.820	26,009.157
	Gross market-based energy indirect (Scope 2 GHG emissions)	Total	tonne CO ₂ e	13,512.683	65,842.746
		Port Klang	tonne CO ₂ e	7,982.473	39,833.589
		Dengkil	tonne CO ₂ e	5,530.210	26,009.157
Other indirect (Scope 3) GHG emissions (GRI 305-3)	Gross other indirect (Scope 3) GHG emissions	Total	tonne CO ₂ e	186,977.730	853,755.230
		Port Klang	tonne CO ₂ e	50,130.951	209,945.153
		Dengkil	tonne CO ₂ e	136,846.779	643,810.076
Total GHG emissions (location-based)		TOTAL (Scope 1,2,3)	tonne CO ₂ e	227,696.913	1,028,327.179
		Port Klang	tonne CO ₂ e	73,070.171	309,351.580
		Dengkil	tonne CO ₂ e	154,626.742	718,975.599
Total GHG emissions (market-based)		TOTAL (Scope 1,2,3)	tonne CO ₂ e	223,634.503	1,019,674.960
		Port Klang	tonne CO ₂ e	69,864.371	300,699.361
		Dengkil	tonne CO ₂ e	153,770.132	718,975.599



Level of Assurance

The level of Assurance is used to determine the depth of detail that an assurance provider uses to identify if there are material errors, omissions, or misstatements. The level of assurance for this report is moderate.

Methodology

- Review of internal and external documentary evidence submitted and presented by ISF through desk review; online and offline modes.
- On-site verification of ISF's documents and data including GHG emission calculation testing, document cross-checking, inclusion and exclusion of emissions as per requirement of the GHG Protocol. The equation formula of GHG emissions used is as follows:

unit or volume usage of emission source X GHG emission factor = emission output

- Interview different functions of relevant personnel who are responsible for ISF's GHG Inventory (establishment, calculations, data controllers etc.)

Independence and Quality Control

Control Union Certifications is accredited according to ISO 17021-1:2015/ISO 17065:2012 covering our global scope and operations. This includes the need to maintain a comprehensive system of quality control including documented policies and procedures on compliance to ethical and legal requirements as well as objectivity throughout our operations. It is affirmed that Control Union and the auditors are free from bias and conflict of interests with the Organization. The auditors performing the data check were selected appropriately based on our internal qualifications, training, and experience. It is also reviewed by management to ensure that the applied approach and assurance are strictly followed and operated transparently.



Conclusions


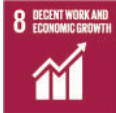

Based on our moderate process, nothing has come to our attention that causes us to believe that the scope (subject matter) as detailed above and presented in the report is not presented fairly in accordance with the criteria.




Hence, our work confirms that the information included in the carbon reporting, annual report and sustainability report is reliable and objective and is presented clearly and understandably.

A handwritten signature in black ink, appearing to read "Zulkarnain Ishak".

Zulkarnain Ishak
Manager Sustainability Assurance
20 July, 2023

ISF's SDG contributions

SDG	Relevant SDG targets	Link to material topic and ISF's target
 <p>SDG 7: AFFORDABLE AND CLEAN ENERGY</p>	<p>7.2: By 2030, increase substantially the share of renewable energy in the global energy mix</p> <p>7.3: By 2030, double the global rate of improvement in energy efficiency</p>	<p>Energy management and renewable energy: Minimising the environmental footprint of our operations through the efficient consumption and management of energy, including adopting renewable energy alternatives like solar panels.</p> <p>ISF target: 3.5% of annual energy consumed generated by solar panels</p>
 <p>SDG 8: DECENT WORK AND ECONOMIC GROWTH</p>	<p>8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value</p> <p>8.8: Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment</p>	<p>Diversity and inclusion: Building a corporate culture that fosters a feeling of belonging among employees; promoting gender diversity and equal opportunity by empowering women employees; creating a workplace that fosters open communications between management and employees; implementing a two-way engagement process to ensure worker feedback is heard and acted upon.</p> <p>Labour rights: Upholding labour and human rights for employees and contractors; adhering to responsible recruitment practices for migrant workers; ensuring no illegal forced, bonded, or child labour.</p> <p>Employee welfare: Prioritising employee welfare and ensuring a workplace conducive to a work-life balance; implementing policies and procedures that improve employees' physical and mental wellbeing; ensuring employees perform their duties while respecting the need for personal and family time, leisure activities, and other responsibilities.</p> <p>Occupational safety & health: Continuously improving workplace safety standards to prevent injuries and minimise accidents; implementing an OSH management programme.</p> <p>ISF target: Zero fatalities and zero accidents</p>
 <p>SDG 12: RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>12.2: By 2030, achieve the sustainable management and efficient use of natural resources</p>	<p>Water management: Implementing best water management practices across our operations to ensure the optimum use of this precious resource.</p> <p>ISF target: Reduce water consumption intensity by 10% against 2019 baseline by 2030</p> <p>Energy management and renewable energy: Minimising the environmental footprint of our operations through the efficient consumption and management of energy, including adopting renewable energy alternatives like solar panels.</p> <p>ISF target: Maintain energy consumption intensity below 2.83 GJ/MT, 10% below our 2019 baseline.</p>

SDG	Relevant SDG targets	Link to material topic and ISF's target
 <p>SDG 12: RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>12.4: By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimise their adverse impacts on human health and the environment</p> <p>12.7: Promote public procurement practices that are sustainable, in accordance with national policies and priorities</p>	<p>Waste management: Managing waste from its inception to disposal in line with regulations; implementing waste reduction strategies; reusing and recycling waste.</p> <p>ISF target: Reduce waste intensity by 10% against 2019 baseline by 2030</p> <p>Supplier management and engagement: Implementing robust sourcing management and supplier engagement policies; engaging with suppliers to meet NDPE requirements through awareness and capacity building programmes; implementing monitoring systems to track their progress.</p> <p>ISF target: Achieve 100% traceability to plantation for CPO and CPKO</p>
 <p>SDG 13: CLIMATE ACTION</p>	<p>13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries</p>	<p>Climate adaptation and mitigation: Minimising our carbon footprint across operations to reduce overall greenhouse gas (GHG) emissions intensity through technology, facilities and other measures aligned with the Science Based Targets initiative (SBTi) and other international frameworks; assessing and adapting to climate-related risks.</p> <p>ISF target: Reduce GHG emissions (Scope 1 and 2) by 34% by 2030, against the 2019 baseline of 161,374,814 kg CO₂e</p>
 <p>SDG 14: LIFE BELOW WATER</p>	<p>14.1: By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution</p>	<p>Water management: Implementing best water management practices and relevant international frameworks across our operations to ensure the optimum use of this precious resource; assessing and adapting to climate-related risks.</p>

For a list of relevant targets, see the section on [Target list and progress](#) (p10)

Glossary

3-monochloropropane diol (3-MCPD) – A chemical compound found in some processed foods and vegetable oils, mainly palm oil.

Annual Communication of Progress (ACOP) – A mandatory report submitted by Ordinary and Affiliate RSPO members to gauge progress towards 100% RSPO-certified sustainable palm oil.

B40 – The group of households comprising the bottom 40% of Malaysian income earners.

Carbon dioxide equivalents (CO₂e) – A standard measure of global warming potential expressed in metric tonnes. Used to evaluate and compare the impact of releasing or avoiding the release of different greenhouse gases.

CDP – Formerly the Carbon Disclosure Project, a non-profit organisation that operates a global disclosure system allowing companies and governments to report their environmental performance.

Crude palm kernel oil (CPKO) – An edible plant oil derived from the kernel of the oil palm.

Crude palm oil (CPO) – An edible oil extracted from the pulp of oil palm fruit.

Enterprise Risk Management (ERM) – An integrated approach to managing risk across an organisation and its extended networks.

Foreign Workers' Medical Examination Monitoring Agency (FOMEMA) – An agency that oversees and manages the medical examination process for migrant workers before they are allowed to work in Malaysia, in compliance with Malaysian health and safety regulations.

Fresh fruit bunch (FFB) – The raw material for palm oil mills, harvested from the oil palm tree.

Global Reporting Initiative (GRI) – A multi-stakeholder standard for sustainability reporting, guiding and determining report content and indicators.

Glycidyl fatty acid ester (GE) – Chemical compound formed by refining edible oil at high temperatures.

Greenhouse gas (GHG) – Atmospheric gas that absorbs and emits radiation within the thermal infrared range. The primary GHGs in the Earth's atmosphere are water vapour, carbon dioxide, methane, nitrous oxide, and ozone.

International Standards Organization (ISO) – An independent, non-governmental organisation that develops voluntary, consensus-based international standards. ISO certification helps organisations demonstrate that they meet customer and stakeholder needs.

International Sustainability & Carbon Certification (ISCC) – a globally recognised standard for sustainable biomass and bioenergy production that applies to companies selling products in European markets.

Malaysian Sustainable Palm Oil (MSPO) – Nationally mandated certification system for oil palm plantations, independent and organised smallholders, and palm oil processing plants.

Mass balance (MB) – An RSPO supply chain model that allows mixing RSPO-certified and non-certified palm oil at any stage in the supply chain, provided that companies' overall quantities are controlled.

Nature-based solutions (NBS) – A concept pioneered by the International Union for Conservation of Nature (IUCN) that champions nature and ecosystem services in addressing major challenges like climate change, disaster risk reduction, food and water security, biodiversity loss and human health in the quest towards sustainable development.

Palm oil refinery effluent (PORE) – A by-product of refined CPO.

Riparian buffer zone – an area adjacent to a stream, lake, or other bodies of water vital to protecting water quality from the impact of adjacent land uses.

Roundtable on Sustainable Palm Oil (RSPO) – A globally-recognised certification scheme for sustainable palm oil.

Segregated and Identity Preserved (SG/IP) – An RSPO supply chain model that ensures RSPO-certified palm oil and its derivatives delivered to the end-user originate only from RSPO-certified sources.

Spent bleaching earth – solid waste derived from the degumming and bleaching of crude palm oil (CPO) from physically refined palm oil.

Sustainability – A long-term balance between social, economic, and environmental objectives. Often linked to sustainable development, defined as ‘development that meets the needs of current generations without compromising the needs of future generations.

Traceability – The ability to chronologically interrelate uniquely identifiable entities in a verifiable way. Traceability in palm oil helps establish a link between producers of sustainable products and end users of these products.

Universal Mill List (UML) – A worldwide database of palm oil mill locations based on data from processors, traders, consumer goods manufacturers, and the RSPO.

Unsafe act – A hazardous physical condition or circumstance, such as poor lighting, slippery floors, or faulty machines, that can lead to an accident.

Unsafe condition – A violation of an accepted safety procedure, including negligent behaviour, that can lead to an accident.





Contact

[GRI 2-3]

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