



PIL GROUP PALM OIL SUSTAINABILITY CHARTER

Version 3
1 July 2023



Pacific Inter-Link Group Palm Oil Sustainability Charter

Introduction

Pacific Inter-Link (PIL) Group is a prominent edible oil and consumer goods trader, which is supported by four refineries and one oleo chemical facility. PIL Group has its sourcing operations across Malaysia and Indonesia and exports its products from Asia to global markets. Over the last three decades, PIL has grown into a well-integrated and diversified player in its field of businesses and operations.

We ensure that sustainability is embedded in our operation and guided by our Sustainable Palm Oil Sourcing Policy, which incorporated no deforestation, no new peat clearance and no exploitation of human or labor rights. This is our third Sustainability Charter since it was first launched in 2018. In the past few years, we have grown well in sustainability arena by adopting and implementing best practices, policies and guidelines to reinforce our position, and function in a manner that we continue to provide positive impact towards the environment and society that we operate.

In this third revision, we have highlighted our achievements in meeting our 2018 Sustainability Charter and further committed on next phase of charter to strengthen our commitments towards no deforestation, no peat clearance and no exploitation (NDPE). These commitments are also valid for our entire supply chain as transparency, traceability and ethical sourcing are the fundamental values that we believe in, and to contribute towards sustainable palm oil production.

Why Sustainability Charter for PIL Group

PIL Group being a responsible organization, realizes that we play a significant role in supporting sustainable practices in the palm oil industry and creating impact in the palm oil value chain. Thus, it is our priority to ensure and integrate highest sustainability standards in our own business operations.

The fundamental function of this Charter is to provide guidance to PIL Group in the implementation of its time bound sustainability strategies to safeguard the environment, promote economic stability and deliver progressive social change which will secure a better future for the upcoming generations.



Core Commitments

PIL Group is guided by the Sustainable Palm Oil Sourcing Policy which incorporated NDPE commitments. We will operate in a manner that promotes positive environmental and socio-economic benefits to our supply chain. PIL Group's priorities in meeting this commitments are:

1. Environmental & biodiversity protection

- Continue to source from origin which is free from deforestation and new peat clearance.
- Gradually minimize our greenhouse gas emission footprint and water use intensity.
- Ensure no presence of open burning and hazardous chemical usage in our supply chain.
- Support identification of HCV¹ and HCS² by suppliers using HCVRN³ and HCSA⁴ toolkit assessment to locate area of protection.
- Promote adoption of the RSPO best management practices wherever necessary.

2. Social responsibility

- Respect human rights – indigenous people, local communities and smallholders.
- Promote labor rights to provide a conducive and safe working environment, free from harassment, discrimination, abuse and /or exploitation.
- Viable grievance mechanism to investigate non-compliance and to promote constructive resolution through support and assistance.

3. Traceable supply chain

Strive to maintain 100% traceability to mill and progressively improve traceability to plantation, addressing the potential challenges to achieve a traceable supply chain.

4. Engagement

- Continuous supplier engagement by providing support and assistance to ensure suppliers are NDPE compliant, make progress in meeting our policy and responsive in seeking resolution for potential grievances.
- Constant engagement with stakeholders to make improvements and to progress in meeting our Sustainability commitments.

5. Transparency

Communication of PIL Group's performance, progress and initiatives to our stakeholders through public disclosures and Sustainability Reporting to promote transparency.

¹ High Conservation Value

² High Carbon Stock

³ High Conservation Value Resource Network

⁴ High Carbon Stock Approach



Sustainability Charter Progress

PIL Group committed to a Sustainability Charter in 2018 with the objective to implement key sustainability goals, policies and processes. This charter was designed over a period of three years based on priorities and acted as a guideline and to measure our progress in meeting the set goals. This Sustainability Charter was met in 2020 with commitments across the group, periodic review processes and feedback from stakeholders. Upon meeting the charter, PIL Group continued to implement its sustainability commitments and made continuous improvement.

Phase One (Jul – Dec 2018)

- ✓ Publication of Palm Oil Sustainability Charter
- ✓ Launch of a transparent Palm Oil Sustainability Dashboard
- ✓ Appointment of a Sustainability Journey Partner to update progress report
- ✓ Publication of Responsible Palm Oil Policy incorporating NDPE
- ✓ Publication of Grievance Procedure covering its palm oil sourcing
- ✓ Engagement with key suppliers
- ✓ Collection of data from suppliers
- ✓ Publication of traceability data to mill

Phase Two (Jan – Dec 2019)

- ✓ Development of the internal systems
- ✓ Roll-out and implementation of all policies
- ✓ Conduct engagement with key suppliers
- ✓ Update of traceability data to mill
- ✓ Engagement with client
- ✓ Publication of bi-annual progress report

Phase Three (Jan – Dec 2020)

- ✓ Engagement with key suppliers
- ✓ Engagement with client
- ✓ Support inclusion of smallholders in responsible supply chain
- ✓ Publication of bi-annual progress report

Disclaimer: PIL will analyze, adjust and improve our charter and its implementation process based on stakeholder input.