Dear Stakeholders,

This year marks a pivotal point in Pacific Inter-Link’s progression towards sustainability – a key principle that guides our responsibility to stakeholders, customers, consumers, associates and society as a whole. Our engagement with these groups is embedded in our three sustainability pillars: safeguarding the environment, supporting social development and ensuring economic viability.

This publication captures the commitments we are making on our sustainability journey. We are proud of the progress we have made this year. We released our palm oil sustainability charter and dashboard, which offers increased transparency to industry stakeholders, customers and the communities in which we operate and defines our goals toward a more responsible future. We look to this future as we work towards our commitments of protecting the environment and delivering positive social impacts. Throughout this journey, PIL recognises the importance of engaging in transparent discussions with industry and government stakeholders, to build trust and share our plans for progress.

As we celebrate our 30th anniversary, we aim to support the palm oil industry in achieving sustainable development as highlighted in the UN Sustainable Development Goals. PIL believes there is an opportunity to contribute to the industry as we work to become Sustainable Today, Sustainable Tomorrow.

We are confident in the progress we have made in 2018, though we are aware of the challenges ahead. We can only achieve our ambition through the determination and ongoing efforts of our staff and suppliers and the continued consultation of our customers and other stakeholders which provides us with valuable input for our approach to creating a more sustainable business. I would like to thank everyone who has supported us in accelerating our journey. As we move forward together, I welcome your feedback on our progress and ideas for the future.

Yours sincerely,

Fouad Hayel Saeed
Managing Director, Pacific Inter-Link
November 2018
Pacific Inter-Link (PIL) was incorporated in 1988 in Kuala Lumpur to promote the export of various commodities and services from Malaysia and the Far East to global markets. Our company has grown – along with Asia’s potential as an economic powerhouse – to become one of the leading export organisations in Malaysia.

We are actively engaged in a diverse range of activities such as trading, consumer product marketing and logistics services. Our strengths lie in long-term strategic planning and flexibility in serving customer needs around the world. We believe in the ability of continuous education, modernisation and adaptation to contribute to success on both local and international levels as we look towards a brighter future.
Palm oil is one of the world’s most crucial commodities. It is the most cost-effective oil seed crop – offering the highest yield per hectare in comparison to other vegetable oil crops. The global population is estimated to reach nine billion people by 2050 and palm oil offers a solution to feed our planet’s growing population. Palm oil production provides jobs, supports livelihoods and helps to alleviate poverty in communities in developing countries.

Palm oil is at the core of PIL’s business. Our beginning is rooted in the procurement and export of palm oil to our sister companies. As growth increased in the region, we realised the immense potential of this commodity and expanded our trading operations worldwide.
PIL AND SUSTAINABILITY

We believe that sustainability should go hand-in-hand with growth and investment in this commodity. In our responsibility to our customers and community, we commit to play a significant role in supporting sustainable practices in the palm oil industry and integrating these high standards into our business operations.

These commitments are embedded in our three sustainability pillars: Planet, People and Prosperity in safeguarding the environment, supporting social development and ensuring economic viability.

PIL aims to commit to these policies and expect our suppliers to engage with similar practices.
In September 2018, PIL established its Sustainability Department, headed by the Sustainability Manager, Premalatha Mogan. This department is responsible for developing and implementing our sustainable palm oil related policies. The Sustainability Manager reports directly to the Managing Director, who is the policy leader and final decision maker for all sustainable palm oil related policies.

PIL’s business and support function departments need to adhere to the policies set by the Sustainability Department.
OUR SUSTAINABILITY JOURNEY

- **MAY 2009**: Become a member of RSPO
- **AUGUST 2018**: Appointed Proforest as Sustainability Journey Partner
- **JUNE 2018**: Published Sustainability Charter
- **SEPTEMBER 2018**: Established the Sustainability Department and appointed the Sustainability Manager
- **SEPTEMBER 2018**: Published the Sustainability Dashboard
- **SEPTEMBER 2018**: Supplier engagement on supply chain
- **OCTOBER 2018**: Client engagement on sustainability

**TARGET YEAR 2020**
To achieve a transparent and traceable supply chain
OUR SUSTAINABILITY DASHBOARD

In September 2018, we engaged with key suppliers to collect information on the supply chain. The suppliers, comprised of refineries and traders were requested to fill in a Traceability Declaration Document (TDD) with information on:

- name of the mill
- parent company
- mill GPS coordinates (latitude and longitude)
- certification status, i.e. RSPO

In the same month, PIL released its first Sustainability Dashboard which offers the following information:

- List of suppliers
- Number of suppliers by countries
- Supplier categories
- Supplier certification status

**Operations**

Pacific Inter-Link Sdn Bhd (PL) is a global player in the field of palm oil and its derivatives. Operating for 3 decades now, PL is headquartered in Kuala Lumpur, Malaysia.

PL is supported by its sister organizations Pacific Oils and Fats (PACOIL) in Malaysia and Indopalm and Palmindo in Indonesia.

**PACIFIC INTER-LINK**

Palm Oil Sustainability Dashboard

September 2018 - Version 1 / 2018

**Sustainability Charter**

- Publication of our Sustainability Charter
- A launch of Sustainability Dashboard
- Appointment of a Sustainability Journey Partner to oversee further progress
- Publication of our key policies in NDPE practices and a human rights charter
- Data collection and classification of our suppliers
- Client engagement
- Internal systems development

**Sustainability Journey Partner**

- Appointed: Reputed sustainability consultant, Proforest
- Proforest will work with PIL to oversee further progress,
- Discussions focused on how PIL could implement commitments and progress, underway. These discussions will continue on an ongoing basis.
- Supplier engagement to continue through on-site visits and regular formalized updates with suppliers sustainability teams.

**Sustainability Polices Status**

<table>
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<tr>
<th>Supplier Engagement</th>
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<tr>
<td>- Traceability Declaration Document (TDD) is shared with all key suppliers and traceability data are collected</td>
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<tr>
<td>- Going forward, supplier engagement to continue through on-site visits and regular formalized updates with supplier sustainability teams</td>
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**Customer Engagement**

- Engagement with customers on sustainability commitments and progress, underway. These discussions focused on how PIL could implement sustainability best practices and how it could engage customers effectively on progress.
- Such engagements will continue on an ongoing basis.

**Our Sustainability Dashboard**

- Reputed sustainability consultant, Proforest have been engaged
- 4% commitment to sustainability is further strengthened by the appointment of their own sustainability manager.

**Disclaimer**

PIL Dashboard is a work-in-progress dashboard and the content will be updated consistently. PIL looks to update this version in December 2018.
In our efforts to ensure a transparent, traceable and responsible supply chain, PIL reaffirms its commitments in:

**OUR SUSTAINABILITY COMMITMENTS**

In our efforts to ensure a transparent, traceable and responsible supply chain, PIL reaffirms its commitments in:

**COMPLIANCE**

**Legal Compliance:** PIL adheres to all national laws and existing industry best practices in our operations and sourcing of palm oil.

**Roundtable on Sustainable Palm Oil (RSPO):** PIL is a proud member of the RSPO – the palm oil industry’s certification and regulatory body – and remains committed to engaging and maintaining a dialogue with our business associates, clients and wider stakeholders to achieve the mutual goal of responsible and sustainable palm oil development.

Wherever possible, we will engage with our suppliers to implement RSPO best practices and standards within their operations.
OUR ENVIRONMENTAL RESPONSIBILITY

No Deforestation: PIL will not knowingly source palm oil from plantations established on areas of significant environmental or cultural importance. These include High Conservation Value (HCV) areas and High Carbon Stock (HCS) forests as assessed under accepted methodologies.

No Peat: PIL will not accept new development on peat regardless of depth. On existing peat plantations, best management practices for peat plantations must be implemented - preferably in accordance with the RSPO Best Management Practices Manual on Peat.

No Burning: PIL will not accept the use of fire/burning in oil palm production.

OUR SOCIAL RESPONSIBILITY

Human Rights: PIL is committed to the protection of human rights in its operations and those of our third-party suppliers.

Local Communities: PIL recognises the rights of local and indigenous communities within our operating areas toward economic development and a better, more sustainable future. In line with this, we will not knowingly source from areas that have not undergone a Free, Prior, and Informed Consent (FPIC) process with local and indigenous communities.

Fair Labour: PIL will not accept the use of child, forced or bonded labour in our operations and in its third-party suppliers. We believe that workers should have access to a grievance mechanism, be paid at least minimum wage, have access to passports and identification documents, be provided with fair contracts, access to freedom of association and decent work and living conditions.

Safety and Health: PIL ensures the rights of employees to a safe and secure working environment and expects third party suppliers to have the same commitments.
Supplier Engagement: PIL will engage with our key suppliers to uphold our commitments and policies. This will include verification and monitoring of grievances, policy compliance and supplier progress towards meeting our responsible sourcing policy.

Client Engagement: PIL will share the sustainability mechanisms for improvements with our clients.

Smallholders: PIL is committed to supporting the inclusion of smallholders in our supply base. In line with this, we will support actions and programmes among associates to increase capacity for smallholders.

TRANSPARENT AND TRACEABLE SUPPLY CHAIN

Traceability: PIL will work towards a traceable, transparent and responsible supply chain by 2020.

Grievances: PIL will establish a transparent grievance mechanism including an avenue for stakeholders to report grievances and a process to resolve complaints within our supply base.

Continuous Improvement: PIL will work towards continuous improvement to meet the standards and expectations of stakeholders in an evolving global market.
CONTACT US

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