



**IOI CORPORATE
GOVERNANCE
DEFINITION**

IOI Corporation Berhad ("IOI" or "the Group") is one of the world's largest palm oil producers. The Group's corporate governance practices are guided by its "Vision IOI" whereby responsible and balanced commercial success is to be achieved by addressing the interests of all stakeholders. A set of core values guides our employees at all levels in the conduct and management of the business and affairs of the Group. We believe that good corporate governance results in quantifiable and sustainable long-term success and value for the shareholders. Furthermore, IOI believes that by aligning its long-standing commitment to the three pillars (People, Planet, Prosperity), the Group will be able to accelerate its drive to materialise its sustainability priorities.



Eco-friendly labour quarters at one of IOI's estates at Sabah



**EXTERNAL
ASSESSMENTS AND
COLLABORATIONS**



**CAPACITY AND
COMMITMENT ON
SUSTAINABLE PALM
OIL POLICY (SPOP)**



**STRICT
COMMITMENT
TOWARDS
IMPLEMENTING
ETHICAL
RECRUITMENT
PRACTICES**

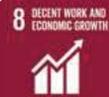
IOI stands firmly committed to the implementation of its sustainability policies and ensures that our stakeholders adhere to the commitments stated in our Sustainable Palm Oil Policy ("SPOP").

- ✓ Respect and uphold the rights of all workers
- ✓ Right to freedom of association and collective bargaining
- ✓ Eliminate all forms of illegal, forced, bonded, compulsory or child labor
- ✓ No retention of workers' identity documents
- ✓ Adhere to minimum wage and overtime compensation
- ✓ Provide fair and equal employment opportunities for all employees
- ✓ Safe and healthy working environment
- ✓ Training and development to employees
- ✓ Positive socio-economic impact for local communities
- ✓ Transparency and wider engagement
- ✓ Support inclusion of smallholders in the palm oil supply chain

IOI has a strict commitment towards ethical recruitment practices in its operations by ensuring that the practices are aligned with internationally-recognised standards such as; Universal Declaration of Human Rights; the International Labour Organisation's Core Conventions; the United Nation's Guiding Principles on Business and Human Rights; the Principles of Free and Fair Labour in Palm Oil Production, NDPE, and related certification standards (RSPO, MSPO, ISCC).

IOI supports the United Nation Sustainable Development Goals ("SDGs") specifically SDG 2, 8, 12, 13, 15 and 17. On human right and labour commitment, the target adopted is:

SDG Goal 8, Target 8.8 : Protect labour rights and promote safe and secure working environments of all workers including migrant workers, particularly women migrants, and those in precarious employment



As part of the Group's commitment to continuous improvement in its human and labour rights practices, IOI has conducted several independent labour assessments since 2014. IOI collaborated with multiple civil society organisations and institutions to establish, monitor and refined the existing ethical recruitment practices including developing a more comprehensive recruitment procedure, study on fair and decent wage, equal opportunity employment, as well as development of empowerment programme for its stakeholders and communities.

With more than 28,000 workforce in our operating units in Malaysia and Indonesia, it is imperative for IOI to have commitments to ensure that our employees are treated fairly and appropriately under the ethical recruitment and employment standards.



Pre-employment
outlines the roles of IOI's human resource Department, external recruitment agencies and relevant procedures



Employment
includes procedures for arrival of the workers at the airport, orientation and induction training, health screening, passport handling, and grievance mechanism, amongst others

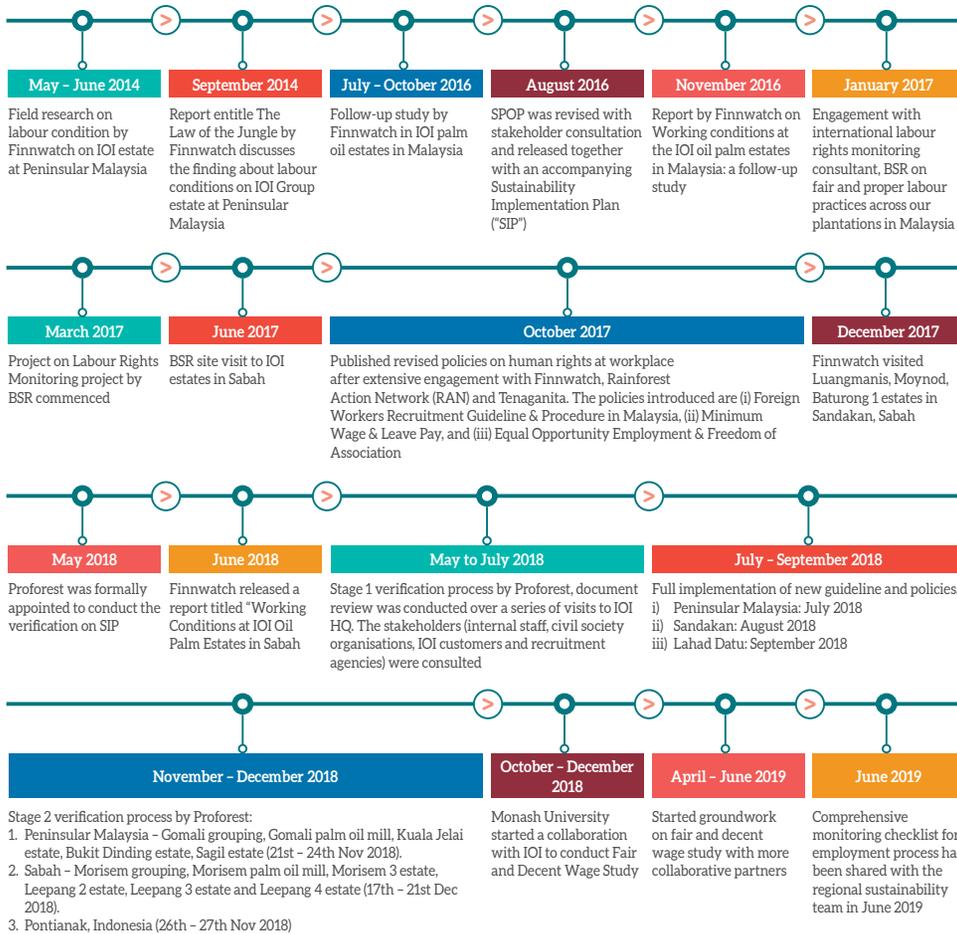


Post-employment
includes procedures for repatriation of unfit workers, contracts, work permit renewal and exit interviews

Scope of assessment

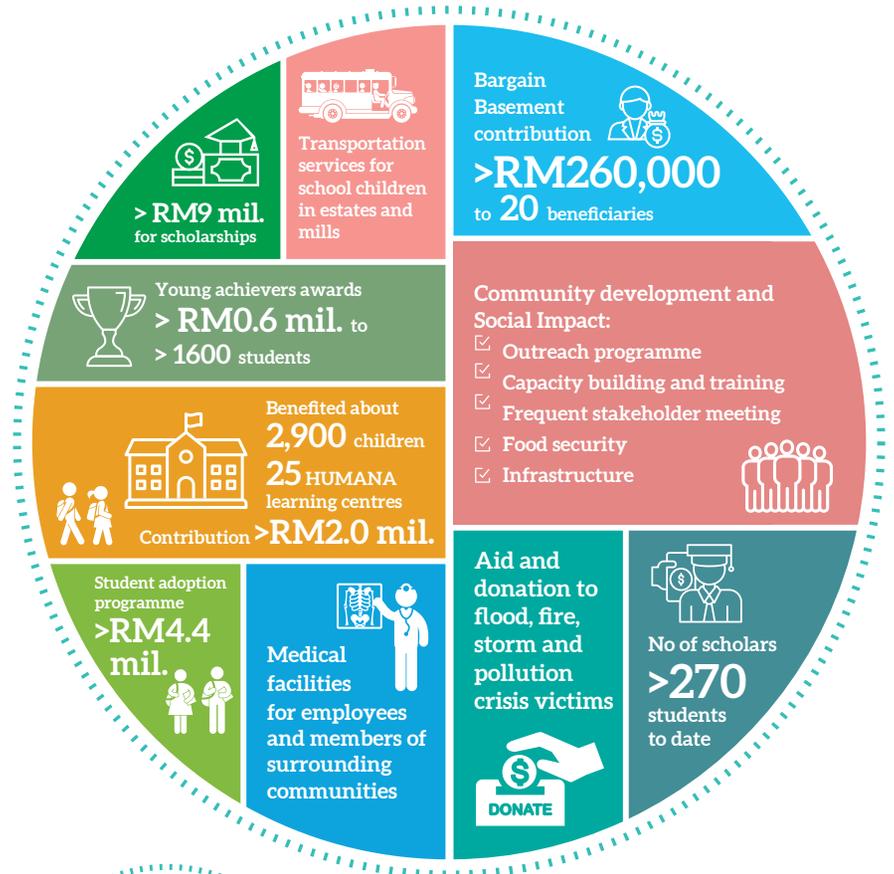
- ✓ Human Rights policies and implementation
- ✓ Human capital development
- ✓ Ethical recruitment including no recruitment fee
- ✓ No forced labour
- ✓ No child labour
- ✓ Minimum wages
- ✓ Workers contract agreement such as working hour, pay and leave condition etc
- ✓ Orientation and induction training
- ✓ Compensation and benefits
- ✓ Protection from sexual harassment and abuse
- ✓ No retention of workers' passports
- ✓ Freedom of association
- ✓ Equal opportunity and non-discrimination
- ✓ Grievances handling process and mechanism
- ✓ Fair & Decent Wage and workplace
- ✓ Women and Empowerment
- ✓ Living condition, utility, access to medical, services, transportation and education
- ✓ Details record of workers
- ✓ Social and community engagement
- ✓ Occupational safety and health including PPE

Journey on labour assessment and implementation from 2014 - 2019



SOCIAL IMPACT AND COMMUNITY DEVELOPMENT

- IOI strives to drive positive socio-economic impact and to enhance the wellbeing of the communities in which we operate. Recognising the necessity of effective stakeholder consultation to truly make positive social impact, IOI is diligently increasing its efforts to actively engage with the communities surrounding our operations.
- As part of the equal opportunity of employment policy, IOI encourages participation and provides similar benefits to all employees regardless of gender. IOI also allows some of the women employees to work part-time so they are able to allocate their time both to their family and other income-generating activities. In order to prevent child labour issues, IOI provide schools and childcare centres to ensure the children are well taken care of while their parents are at work.



TRACKING LABOUR PRACTICES WITHIN IOI'S SUPPLY CHAIN

With our established good labour practices, we will also disseminate them along our supply chain. Where IOI supply chain players are concern, they are required to adhere to our NDPE and labour commitments.

IOI also engages with new suppliers through a pre-qualification and screening process to ensure the new suppliers meet IOI's sustainability requirements such as NDPE commitments. IOI will not approve any new suppliers that are unable to commit to these requirements.

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