

Enhancing Our Well-being, *Transitioning Together*

Kaamatan celebration at our estate in Sabah

At IOI, we are committed to a Just Transition. This means ensuring that the shift towards a sustainable future especially as we transition towards a low carbon economy, is inclusive, fair, and beneficial for all. Recognising the critical role that our employees and other stakeholders like local communities and indigenous people play, we prioritise their well-being and active participation in this transformation. We aim to not only mitigate environmental impacts but also create resilient livelihoods, fostering a collaborative approach to support customary-practice led conservation. Through continuous engagement and educational transfer of native culture, the journey towards sustainability is one where no one should be left behind.



Protecting OUR WORKFORCE



Sabah State Level Emergency Response Team (ERT Competition) in Sabah Estate

MANAGEMENT APPROACH

Despite moving towards mechanisation and automation, the oil palm industry is still reliant on a significant workforce to maintain their operations. Generally, this workforce consists of migrant workers from countries such as Indonesia, Nepal, India, Bangladesh, etc. In some instances, the language barriers and lack of adequate social support can make them vulnerable to exploitation and abuse.

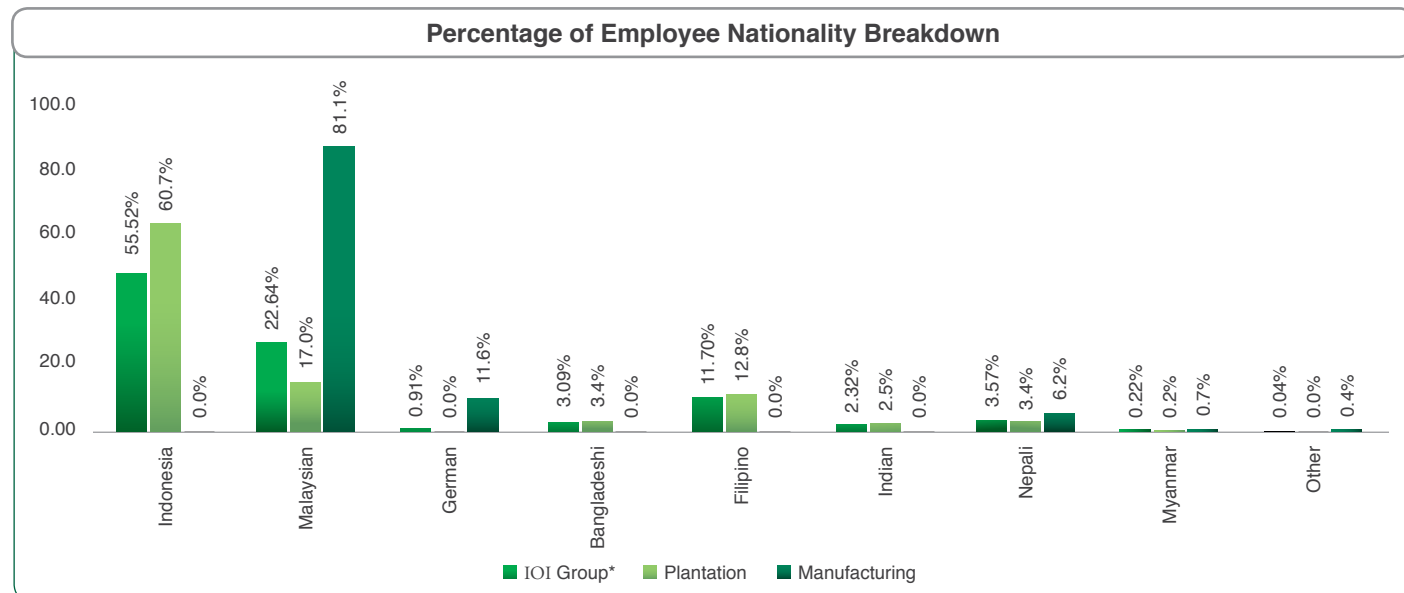
At IOI, it is our responsibility to uphold their rights within our operations by ensuring a safe and fair working environment by protecting them against potential forced labour, and maintaining overall workforce stability. Table below shows a breakdown of employees at IOI by nationality. As stated in the IOISP, our commitment includes freedom of association, eliminating forced labour, promoting equal opportunity, maintaining a safe and healthy working environment, complying with local labour laws and many more.

Neglecting these rights not only violates the tenets of human rights but can also result in increased turnover, absenteeism, a higher risk of accidents and injuries, and

ultimately, a decline in productivity. Another serious consequence for failing to respect human rights can be legal, financial, and reputational such as import bans in key markets like the USA and Europe, suspension of sustainability certifications, downrating by Rating Agencies such as Sustainalytics, and CDP.

Recognising the importance of protecting our workers' rights, we have a proactive approach that ensures that mitigation measures are implemented before issues arise or escalate. Our approach includes Annual Management Review Meetings at the operational levels, the GSSC at the senior management levels and the BSC meetings at the Board level. We also have regular risk assessments as guided by our ERM from the operational level up to the board level. The board maintains oversight of workers' rights-related issues, including safety and health, and reviews risk management strategies to minimise the likelihood of adverse impacts.

To ensure that we implement the policies, guidelines, and SOPs appropriately and are compliant with our human rights commitments and requirements, we conduct regular internal audits across all operating units. These audits, conducted by our Internal Audit Department, Sustainability Department including Safety Department, enable us to detect potential issues early on and to manage them effectively. As a fully certified RSPO and MSPO company, we also undergo annual external audits which rigorously assess our adherence to standards, including forced labour indicators, to ensure our ongoing compliance.



* IOI Group = Total workforce (Plantation and Manufacturing)

ACTIVITY DRIVEN PERFORMANCE AND IMPACT

UPHOLDING WORKERS' RIGHTS

Eradicating Forced Labour

To ensure all our workers are fully aware of their labour rights, we provide awareness training on the ILO Forced Labour Indicators and our Code of Conduct ("CoC") on Ethical Recruitment and Responsible Employment. Workers are also trained to understand our grievance mechanisms and have access to various channels to report any instances of unfair treatment. Our Employee Engagement and Sustainability teams also monitors the grievances received to address any forced labour related issues.

To also help us to prevent and address risks related to human rights impacts, IOI has a due diligence process which is guided by the United Nations Guiding Principles ("UNGP") on Business and Human Rights. This human rights due diligence process consists of the steps below:

- Identifying actual and potential human rights risks
- Preventing and Mitigating Impacts of identified risks
- Tracking and Monitoring effectiveness of actions
- Solutions to address any further issues or matters arising, if any
- Transparency and Reporting outcomes to stakeholders

Good Labour Practices are stated in our IOISP. Some actual examples of our commitment being implemented are:

Equal opportunity and non-discrimination policies

- Provides equal opportunities for all employees, regardless of background, gender, age, nationality, sexual orientation, or other characteristics
- Ensure non-discrimination in all aspects of recruitment and employment, ensuring every employee is treated fairly and equitably

Working hours

- Adhere to legal standards regarding working hours and strictly monitor working hours to prevent excessive overtime

Right of workers to join, participate or organize trade union or association and collective bargaining

- Employee Consultative Committees ("ECC") in each plantation operating unit to facilitate open dialogue. These committees meet at least six times a year to discuss concerns and raise any issues during Joint Consultative Committees ("JCC") meetings
- In Peninsular Malaysia, we subscribe to collective agreements with the National Union of Plantation Workers ("NUPW") while many of our workers in Sabah are registered members of the Sabah Plantation Industry Employees Union ("SPIEU")

GRIEVANCES MECHANISM AND ANALYSIS

Whistleblowing Channel

In 2024, all reports received through our whistleblowing channel were thoroughly investigated, and appropriate actions were taken to address the issues raised. This year, we recorded 13 whistleblowing reports compared to 19 reported last year. Most of the complaints are related to work arrangements. There were no incidents of corruption, underscoring the integrity of our operations.

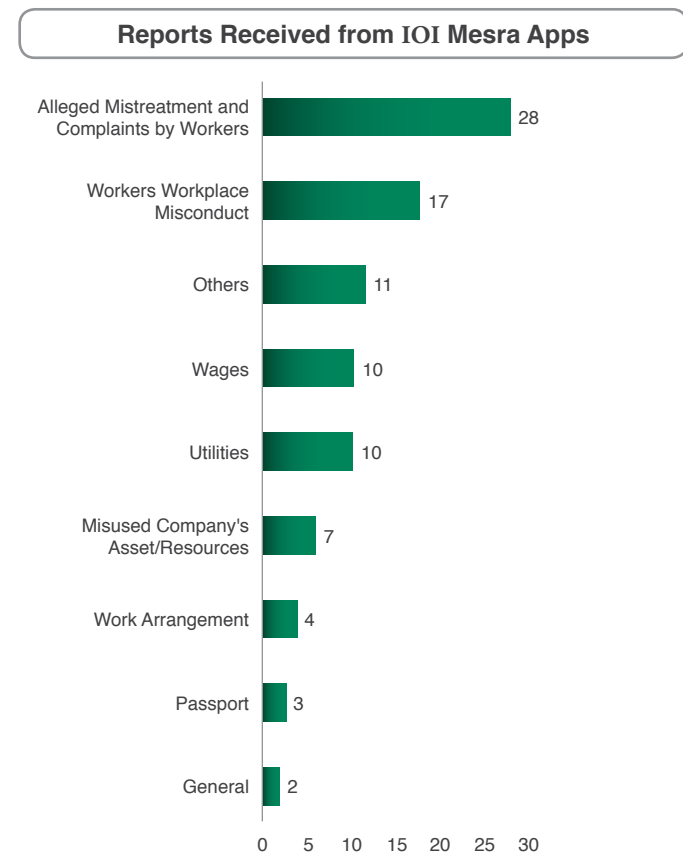
IOI Mesra Application

IOI Mesra Apps is a digital platform that enables our workers in the plantations to report their concerns. This widely accessible application offers multiple language options and allows users to report any grievances anonymously if they want to, and without requiring an active internet connection, ensuring that their concerns can be raised at any time.

PROTECTING OUR WORKFORCE

Notably, all 92 grievances reported this year were submitted anonymously, highlighting the importance of confidentiality in encouraging employees to come forward. Most of the confirmed substantiated complaints are about alleged mistreatment by workers (<30). The next highest is about misconduct among workers themselves (<20). After a thorough investigation of the complaints, all cases are now closed.

The graph below illustrates the number of complaints received and resolved during this reporting period.



Other Grievance Channels

In addition to our whistleblowing platform and IOI Mesra Apps, we actively monitor and address complaints raised directly by employees with management at their respective business units, through various grievance channels.

In 2024, we received 511 reports across our business divisions including manufacturing compared to 1132 reports in 2023. This report covered all types of complaints except for repair and request.

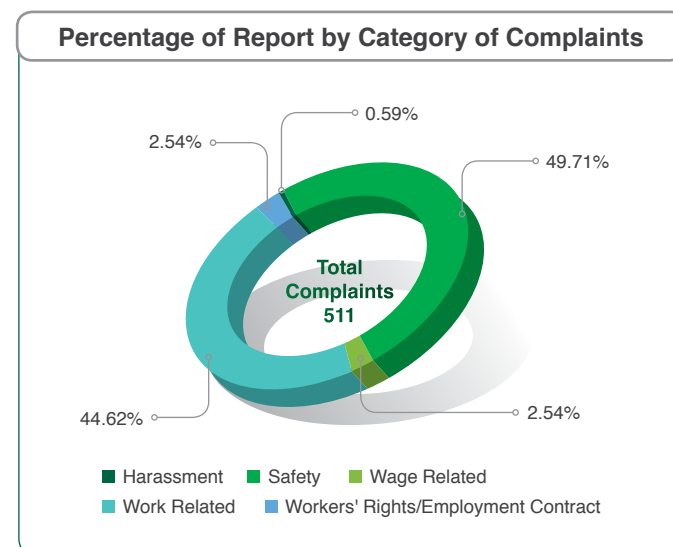


Zero tolerance badge distributed to all level of staff and management

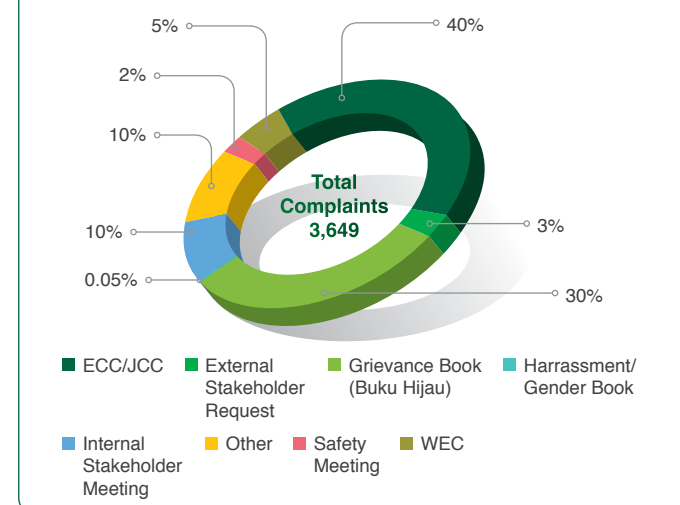
This figure reflects a huge decrease compared to the total complaints reported in the Sustainability Report 2023 (7328), because we have refined our analysis to focus on potential grievances and exclude routine requests or repair/request-related reports.

Complaints related to human rights issues such as harassment, safety, wage-related concerns, and workers' rights were carefully screened to identify any substantiated claims of human rights violations, including discrimination. This targeted approach ensures that any critical issues impacting employee welfare are identified and addressed swiftly and effectively, reinforcing our commitment to uphold workplace rights and to maintain a safe environment for all employees.

The distribution of complaints by categories and grievance channels are as follows:



Percentage of Grievance Channel Used by Employees



Since 2022, we have implemented regular housing inspections by sustainability personnel at their respective operating units in our plantations. During these visits, any repair requests are systematically recorded using the 'Rekod Pembaikan/Kerosakan Rumah' form. This initiative has led to a significant improvement in tracking and addressing house maintenance issues. The recorded inspections have increased from 36% to 52%, which correlates with a notable reduction in direct worker complaints through other channels, which decreased from 64% to 48%. This initiative ensures that housing conditions are consistently monitored and maintained, allowing us to promptly resolve any issues and improve the overall living standards for our workers.

ETHICAL RECRUITMENT AND RESPONSIBLE EMPLOYMENT

IOI has continued collaboration, since 2022, with one of our customers in conducting a 3rd party audit on our recruitment agencies. We had already completed the audits on our agencies in Indonesia and Nepal. This year, we finally completed the audit on our agencies in India. This has resulted in a comprehensive findings and recommendations from the third-party auditors on

our agencies' practices in their origin country. Meanwhile, IOI continues to engage with our respective recruitment agencies on the findings, recommendations and gap as well as areas that the recruitment agencies can improve to ensure their practices are in line with IOI's policy and best practices. We are now assisting the independent recruitment agencies to close the gaps and address the findings. A summary report will be issued once this exercise is completed.

OCCUPATIONAL SAFETY AND HEALTH

MANAGEMENT APPROACH

As safety and health are recognised as the #1 material matters for IOI at both operational and management levels, matters concerning this materiality are reviewed and discussed at different Board Committees like the ARMC and BSC.

At the operational level, we monitor control measures to ensuring adherence to our safety policy and compliance with such standards like ISO45001.

ACTIVITY DRIVEN PERFORMANCE AND IMPACT

Occupational Safety and Health Management System

The ISO45001 Occupational Health and Safety ("OHS") Management System protocols encompass 100% of our employees, as well as workers from external providers and contractors who work in our premises. This ensures that every individual within our operations benefits from the highest standards of occupational health and safety.

Actual and potential hazards are identified using the Hazard Identification, Risk Assessment & Risk Control ("HIRARC") method, a systematic approach fundamental to the management system. This process involves identifying hazards, assessing risks, and implementing controls to manage workplace safety. All operations undergo risk assessment before work begins and are reviewed whenever there are changes to processes, materials, practices, or following an accident.

PROTECTING OUR WORKFORCE

All our refineries and oleochemical facilities are ISO45001:2018 certified, along with six (6) of our operating units in plantations. Targets to achieve have also been established such as zero fatality cases and a 10% reduction for occupational accidents, occupational diseases, and occupational poisoning compared to year 2023 for the plantation.

Health Surveillance

- Regular health check-ups and monitoring of workers, especially those exposed to health hazards such as chemical handling and noise exposure.
- Annual medical surveillance is carried out by Occupational Health Doctors.

Medical Care

- Primary medical care at estate clinics and first aid for injuries and illnesses and referrals to specialised medical services when necessary.
- Fortnight visits by Visiting Medical Officer (“VMO”) to workers’ quarters and clinics.

Health Promotions and Regular Training

- Occupational health and safety practices through briefings and safety campaigns
- Safe operating procedure and standard operating procedure including use of personal protective equipment.

Emergency Response Plan

- To manage various emergencies such as fires, chemical spills, accidents, and etc.
- Availability of qualified Estate Hospital Assistants, VMOs and well-equipped clinics.

Workers Participation in Safety Committee and Meetings with Management

Safety Committee which comprise of contractors, employees and employer’s representatives meet at least once every 3 months to highlight and discuss safety matters and to find ways to further improve the implementation of the

OHS management system. The committee discusses the following topics:

- Review of incident reports and near-misses.
- Updates on ongoing safety initiatives.
- Discussion of new hazards and risk assessments.
- Review of training programs and safety communications.
- Recommendations for improvements in safety policies and procedures.

Training on Safety

Occupational safety and health training cover the specific safety standards and procedures relevant to the workplace. This includes general safety practices as well as task-specific procedures, hazard identification, emergency response and safety awareness. Training needs assessment will be conducted to identify specific training requirements based on job rules, tasks and potential hazards. All workers must be trained on safe operating procedures before they are allowed to commence work. In addition, contractors are required to acknowledge and adhere to the 'Safety and Health Requirements for Service Provider' and comprehensive briefing on the 'Prosedur Kerja Selamat Pekerja Contractor' before commencing any work. These rigorous processes are in place to ensure that all employees including contractor workers remain safe while operating within our operation.

Accident Reporting

We deeply regret to report that our zero-fatality target in plantations was not achieved this year, with three work-related fatalities occurring. These incidents are a significant loss for IOI and are taken with utmost seriousness. The fatalities were the result of not adhering to the company's Standard Operating Procedures (“SOP”) and safe operating procedures when handling harvesting tools, road safety and transportation by water.

In response, we have conducted thorough investigations to identify the root causes and are taking decisive corrective actions. Enhanced safety measures are being implemented, including updates to our safety procedures, increased awareness and precautionary signage, and comprehensive communication of these corrective actions to all relevant employees to prevent any recurrence.

All fatality incidents or cases of total permanent disability are immediately escalated to our top management, including our Plantation Director. He reviews the thoroughness of

the investigations, the adequacy of the corrective actions, and the effectiveness of preventive measures to ensure that such tragedies do not happen again.

On a positive note, we are pleased to report that there have been zero fatalities related to contractor workers this year, reflecting the effectiveness of our stringent safety protocols. For more details on our safety performance, please refer to page 85-86.

Global Health Issues

To address global health issues such as tuberculosis, malaria, and etc., our operating units implemented comprehensive health and safety measures for all workers such as mandatory medical check-ups in their country of

origin before traveling to Malaysia. Upon arrival, workers undergo a medical check-up by FOMEMA, which are repeated annually to monitor the health status of foreign workers. Additional measures, such as isolation, fogging, wearing of masks, and vaccination, are recommended and enforced as advised by local authorities. Briefings and awareness programs on prevention and control are also conducted. An example of such briefings is a health talk on “Tuberculosis (TB) & Covid-19 Prevention – Addressing the Resurgence of Cases in Malaysia” organised by our Training Department via an online platform.

Safety-related activities

Here are several examples of activities related to safety, health, and well-being within the IOI Group

- **Sabah State Level Emergency Response Team (“ERT”) Competition**
IEO and IBE participated in the Sabah State Level ERT competition organised by the Fire and Rescue Department of Malaysia. Out of 55 teams in the 'Factory Category,' IEO and IBE won the 'Best Personal Protective Equipment (“PPE”) category and achieved 1st Runner-Up in the 'Kawad Pemadaman Kebakaran' category.
- **Safety, Health & Environment Campaign Week**
IEO and IBE organised a Safety, Health & Environment Campaign Week. The event featured a variety of activities such as seminars, quizzes, virtual runs, CPR training, mock drills, a 5S competition, drawing and photo contests, and *gotong-royong*.
- **Blood Donation Drive**
The HR Department of IOI Acidchem collaborated with Committee Service Community, Hospital Seberang Jaya, and Adventist Hospital Penang to set up a blood donation booth for employees.
- **Health Day**
At the Wittenberge location in Germany, a health day was organised where employees had access to health checks, body checks (including back checks), skin screenings by a dermatologist, and workshops on “healthy sleep.”
- **Flu Vaccination**
Flu vaccinations were offered to all employees at the Witten site in Germany, contributing to the overall health and well-being of the workforce.
- **Safety Campaign**
This campaign at Ladang Sabah Palm Oil Mill, Sabah, which involves training and activities by DOSH, the Fire Department, a VMO, Hospital Duchess of Kent, and etc, was aimed at enhancing safety and health awareness among employees. Other palm oil mills in Peninsular had also conducted their yearly safety campaigns aimed at enhancing workplace safety and promoting a culture of safety and health among their employees.
- **OSH award**
The Safety, Health & Environment Department (Peninsular) organised a yearly program to recognize and reward outstanding contributions to workplace safety and health across our operating units in the plantation (Peninsular). The winners for this year were announced during the IOI Plantation Gala Dinner in May, with Bahau Estate taking first place, Regent Estate securing second place, and Gomali Estate finishing in third place in the Estate and Research Center category. In the Mills category, Gomali Palm Oil Mill took top honors.

Uplifting OUR PEOPLE

MANAGEMENT APPROACH

Our approach to uplifting our workforce is deeply rooted in our recognition that our people are our greatest asset and our commitments to diversity, equitable transition, continuous learning which are in alignment with both our company policies and the UNSDGs. We emphasise diversity at all levels, starting at the Board level. Guided by the Board Diversity Policy, we ensure that board candidates are selected from a wide variety of backgrounds without discrimination based on gender, age, religion, ethnic group, or other characteristics. (Further details in our AR page 99). This commitment extends to all employees, as outlined in our IOISP, where we provide equal opportunities regardless of gender, age, nationality, and more.

IOI is also committed to ensuring a just transition for all our employees as we move towards a low carbon economy. Our just transition agenda, guided by UNSDG 8: Decent Work and Economic Growth, focuses on maintaining job security and providing growth pathways as the industry evolves. This includes supporting those affected by changes in operations or technology through reskilling and upskilling opportunities. Continuous learning and development are central to our strategy, with IOI investing in a wide range of training programs designed to enhance both technical and soft skills, enabling our employees to excel in their current roles and prepare for future opportunities.

ACTIVITY DRIVEN PERFORMANCE AND IMPACT

DIVERSITY AND GENDER EQUALITY

In 2024, IOI made further strides in advancing gender equality, diversity, and inclusivity across all levels of the organisation. A major highlight of the year was our Group-wide celebration of International Women's Day, where we hosted a dynamic panel discussion participated by managements from the HQ, Plantation and Manufacturing



as well as an invited guest from the United Nations Population Fund (“UNFPA”) based on the theme "Inspire Inclusion: Challenges and Opportunities". This event not only underscored our commitment to fostering a culture of inclusion but also provided a platform for meaningful dialogue on the challenges and opportunities faced by women in the workplace.

Panel Discussion at IOI HQ on International Women's Day 2024

Building on this momentum, we established the IOI Group WEC at our headquarters and within our Oleochemical and Refinery divisions. Meanwhile, the more established WEC from the Plantation Division has been excelling and leading the way with numerous engagements, seminars, and awareness programs that have made a significant impact on our workforce. IOI Oleochemicals has also actively contributed to these efforts by conducting vital health awareness and wellness programs, such as the Health Awareness Talk & International Women's Day Promotion (Fertility Health Talk) on 12th March 2024 and the Women's Health and Wellness Seminar focusing on women's health issues and promoting overall wellness among our female employees.

On gender equality, we are particularly proud to report that 43% of our board members are now women, reflecting our commitment to gender representation at the highest levels of leadership. This percentage is above Bursa's requirement for 30% women representation in the Board.

Where inclusivity is concerned, we do not tolerate ageism within our company.

Employee Category	Under 30 (%)	30-50 (%)	Above 50 (%)
Management	0.3	66.3	33.4
Executive	28.2	62.2	9.6
Non-Executive	28.1	57.6	14.3

JUST TRANSITION

In our transition towards net zero, among our focus areas are on optimising resource use and integrating advanced, more efficient machinery, especially in our manufacturing plants. We are committed to supporting workers displaced by these changing technologies by offering accessible retraining programs that equip them with new skills relevant to the green economy. Upskilling employees require time and resources to ensure they can effectively learn and excel in their new roles, improving both their skills and overall operational efficiency. During this transition, the group's plantation workers' productivity decreased by 2% compared to last year due to the new and unskilled estate employees.

To support our transition effort, the mechanised mainline FFB evacuation system has been implemented across 99% of the targeted hectares, with full completion anticipated by August 2024. For more details on our mechanisation efforts, please refer to page 76-77 of the Annual Report.

Expanding social dialogue with stakeholders in the decision-making process is also crucial to ensuring that the concerns of all employees across the group are thoroughly considered. We are continuously educating our employees on the risks posed by current climate change, including strategies to mitigate and adapt to its impacts, such as heat waves. We regularly advise our employees to stay hydrated, minimize exposure to extreme temperatures, and wear appropriate attire during high temperatures to safeguard their health and well-being. Please see more info related to just transition in the last section of this sustainability report. Additionally, the implementation of our Work from Home and Flexible Work Arrangement Policy was designed to better support work-life balance by accommodating the diverse needs of our workforce.

TALENT DEVELOPMENT AND CAPACITY BUILDING

Recognizing the essential role of building growth and upskilling employee development, IOI is committed to fostering continuous skill enhancement among our employees. We aim to provide numerous training and opportunities on a wide range of topics, from leadership and communication to specific operational and technical skills, for all our employees. Our Human Resource Department and Learning & Organisational Development Departments spearhead these initiatives, providing a comprehensive range of programs including online courses, webinars, in-house training, and e-learning platforms. This financial year, our Corporate Learning & Organisational Development Department has facilitated at least 280 training sessions with a total investment of RM425,069. Additionally, other divisions have conducted numerous training sessions for employees' talent development and capacity building. For detailed information on training hours and employee participation, please refer to the page 83 and 85.

Beyond these training programs, IOI evaluates employee growth through annual performance reviews for all staff levels and above. This review assesses employees based on their Key Performance Index (“KPI”) which enables IOI to identify areas of improvement and opportunities in employee's career development. Additionally, targeted training initiatives have been implemented for specific groups, such as the Estate Managers' Accelerated Development Program (“EMADP”). This program is designed to enhance both soft and technical skills, ensuring that participants receive focused development tailored to their professional needs.

Apart from providing comprehensive training to our employees, we assess our employees' satisfaction and perceptions of their work, talent focus, our company culture as well as management leadership using the Kincentric Employee Engagement Survey 2023 which aims to align with the company's goals. The survey consists of 81 close-ended, culture close-ended, ranking, and open-ended questions. This anonymous survey received an 89% response rate from employees across the IOI Group.

As digitalisation becomes more significant to running an efficient business, IOI too has started by introducing digitalisation within our operations as detailed on page 38-39. Our practice through IOI Grow, an e-learning platform

that was introduced in 2020 with a concept of “Learning Excellence, Unleashing Potentials” have benefitted 80 employees. In March 2024, 18 Learning Champions were invited to a Learning Champion Appreciation Session and they were nominated by their departmental head for their dedication and commitment in using the platform. To also address mental and social wellbeing of an employee, IOI introduced and launched a digital health platform called IOI Cares, a personalised and comprehensive employee wellness program. This program is designed to improve overall employee wellbeing by addressing mental health, nutrition, fitness, and general wellness. It offers customised coaching, goal-setting tools, progress tracking, and direct access to experienced coaches and healthcare professionals.

IOI URBAN GARDEN

As part of our commitment to sustainability and employee well-being, we encourage initiatives like the "Plant Your Own Food" project. Initially implemented at our plantations, we now encourage our urban employees to also participate by growing their own food in a designated area near our HQ, promoting both environmental stewardship and personal well-being.

This initiative, first launched in March, 2023, is now further expanded to include enhancing the garden's biodiversity, by partnering with IOI City Farm. This new collaboration aims to introduce a wider variety of plant species, creating a richer ecosystem within the garden. This collaboration has also provided additional value to our Urban Garden initiative through learning sustainable gardening practices such as how to manage pests and common plant diseases from IOI City Farm's botanists and education officers, further enhancing the skills and knowledge of our employees. To further spark interests among our employees to take up urban gardening at our IOI Urban Garden and within their own home, we also conducted a workshop on “How to make mini self-watering pots using used plastic bottles” during IOI's Earth Month in March 2024.

Expanding OUR IMPACT

MANAGEMENT APPROACH

Beyond our employees, IOI commits to have positive influence on stakeholders that are impacted by our presence such as local communities, suppliers, smallholders, etc. Through our targets adopted under UN SDG 8, we continue to empower children who reside in the plantation with their families with the necessary education for a better future. We further expand our engagement and subsequent community outreach activities to ensure local communities benefits from our operations and presence. Finally, in full alignment with UN SDG 17, IOI is committed in having constructive partnerships with multi-stakeholders to promote effective partnership with stakeholders such as civil societies, state organisations, and etc, to address matters such as FPIC, human rights, child labour, and others.

ACTIVITY DRIVEN PERFORMANCE AND IMPACT

ERADICATING CHILD LABOUR THROUGH EDUCATION

IOI continues to provide access to education for our worker's children in Sabah. 42 Humana and CLC schools were established in our operation in Sabah under the "Child Education" Initiative. This financial year, IOI has built one additional school in Leepang 5 Estate maintaining our status as the largest private provider for education based in plantations. This initiative has benefitted 4,311 children, with a 15% increase in enrollment, compared to the last financial year.

Our care for the well-being of the children, given the unique challenges posed by the remote and isolated nature of our plantation locations, was demonstrated further by the implementation of the 'Full-Day Zero Cost Education Platform' since 2021. This educational program fully funded by IOI, eliminates any financial barriers for our plantation workers in Sabah to send their children for education, balanced meals, and a brighter future. For this financial year, we spent about RM3,687,013 to cover expenses such as lunch, school fees, uniforms, and related cost. On top of these efforts, these children are also entitled to a range of essential benefits like medical coverage and childcare facilities provided by IOI.

Aside from the above mentioned initiatives, we proactively engaged with key stakeholders on issues related to child labour. Notably, we engaged with the ILO by participating in the Project Launch and Consultation Workshop held on World Day Against Child Labour. This workshop, titled 'Promoting Socio-Economic Inclusion through Enhanced

"Child Education" Initiative benefitted

4,311 students

Access to Education for Children and Training Opportunities for Young Workers on Oil Palm Plantations in Sabah, served as a vital platform for discussing child rights and addressing the challenges faced by children and young workers in plantations. Through these collaborative efforts, we reaffirm our commitment to advancing the rights and well-being of children in our plantations.



New humana school at Leepang 5 Estate, Lahad Datu, Sabah

EXTERNAL ENGAGEMENT

IOI was involved in a research project on "Climate Change, Environmental Degradation, and International Labor Migration in Asia: Exploring the Role of Business" by IOM that was conducted in 2022. The data from the report helped to highlight how climate change drives workers' migration to other countries such as Malaysia and Thailand. IOI continues collaborating with IOM to develop pre-employment orientation programmes for our migrant workers at their home country. This activity will prepare the workers with work expectations and acknowledge workers' rights, as well as IOI's employment processes and related policies.

Additionally, a series of supplier trainings were organised in collaboration with other industry partners, coordinated by the Earthworm Foundation. These sessions focused on two key areas: Decent Work Practices and Ethical Recruitment. The Decent Work Practices training addressed labour standards, workers' rights, and business impacts, NDPE, laws, and strategies for mitigating forced labour risks. Meanwhile, the Ethical Recruitment training covered fundamental principles and international standards

for ethical recruitment, emphasised the employer pay principle for managing recruitment fees, and practical steps companies can take to implement ethical recruitment practices, including the use of the EF tool to ensure due diligence. These trainings were held at multiple locations to ensure coverage of our suppliers in different locations.

Our engagement with a human rights due diligence service provider has given us some insights related to worker's well-being and working conditions in several estates in Peninsular Malaysia. The survey was done to monitor the well-being and working conditions of our plantation workers, as well as to serve as a pre-alarm system to the management of any concerning issues related to labour rights. Some of the indicators covered in this survey were basic needs and housing amenities, fair and equal treatment, freedom of movement, grievance mechanism, fair recruitment including no recruitment fee, training, wages, etc. We have completed the survey for four out of six estates by the service provider in which all workers who participated in the survey needed to answer a pre-recorded questionnaire. All workers were given anonymity and freedom to answer the call without interference by the management. According to the survey, all the indicators exhibit positive responses exceeding 50%. The indicators that received more than 80% positive responses are basic needs and housing amenities, grievance mechanism, safety and health, training, and working hours. Unfortunately, the overall response rate of 17.82% for the survey was rather low. Due to this low response, we decided not to expand this project to our operations in Sabah.

PLASMA, SMALLHOLDER

Plasma smallholders play a crucial role in our Indonesian plantations and within the IOI PT SNA supply chain. These smallholders are integral to our operations, contributing significantly to the productivity of our plantations. In accordance with local legislation and as part of our commitment to supporting local communities, the IOI PT SNA Group has dedicated 20% of our total planted area to plasma smallholders. This allocation is not only a regulatory requirement but also a reflection of our dedication to fostering local economic development and empowering smallholder farmers. By integrating these smallholders into our supply chain, we aim to enhance their livelihoods, promote inclusive growth, and ensure that our practices align with both legal standards and our corporate values.

As of today, the IOI PT SNA Group oversees seven plasma cooperatives, which collectively involve 3,690 participating families. These cooperatives are spread across seven villages and two sub-districts, reflecting our extensive reach within the region. The total hectareage managed by these cooperatives has increased to 5,465.57 hectares. This growth signifies our ongoing commitment to expanding our support for smallholder farmers.

Beyond complying with local legislation, IOI has brought plasma smallholders along to obtain RSPO and ISPO certification together with our PT SNA Group estates. Our main objective is to expand our impact on the smallholders by promoting regenerative and precision agriculture practices, as well as fostering their understanding and commitment to overall sustainability. Additionally, our engagement with communities through the plasma program also includes our CSR initiatives like assistance in repairing infrastructure like roads, bridges, etc, and within the company's capabilities, providing support in areas such as education and culture.

20% of IOI PT SNA planted area for plasma smallholders

3,690 participating families

overseeing **7** plasma cooperatives spanning

5,465.57 hectares

COMMUNITY OUTREACH AND INITIATIVE

Community outreach is vital for a company as it builds trust, strengthens local relationships, and enhances our reputation. By engaging with and supporting the local community, we foster goodwill, boost employee morale, and gain valuable insights into local needs. This not only contributes to the community's well-being but also creates a stable, supportive environment for the business, leading to long-term value and sustainable growth.

At IOI, annual stakeholder meetings by respective plantation groups are held with local villages, communities, nearby schools, and other relevant stakeholders to discuss concerns and gather input as part of our Social Impact Assessment.

EXPANDING OUR IMPACT

This engagement provides an opportunity to address issues such as road maintenance, electricity supply, carpenter work, etc. thus fostering collaborative spirit and ensuring that our efforts align with the needs of the surrounding communities.

Beyond the efforts of our charity arm, IOI Foundation (please refer to page 81 for more details), our operations across the group are also committed to conducting various activities that benefit their local communities. Our business divisions in manufacturing and plantation have specific corporate responsibility teams to implement activities related to communities such as:

<p>Donation Drive</p> <p>Donated packed food and blankets to 30 homeless individuals in Seberang Jaya, providing essential support to those in need.</p>	<p>Hari Raya Celebration</p> <p>Held a festive celebration at Children’s Home Taman Sena, Kepala Batas, where we distributed goody bags filled with biscuits, water bottles, and colored pencils to the children, who were delighted and grateful.</p>	<p>Gotong Royong at Kampung Jawa, Seberang Perai</p> <p>Organised a community clean-up program with the participation of 80 to 100 people, promoting environmental stewardship and community spirit.</p>	<p>Earth Day Awareness Talk</p> <p>Conducted an educational session at SK Seberang Jaya to raise awareness about environmental conservation among young students.</p>
<p>Malaysia Day Celebration</p> <p>Celebrated Malaysia Day with the children of Permata Kasih Children’s Home, fostering a sense of national pride and community.</p>	<p>Deepavali Celebration</p> <p>Brought joy to children from Crystal Family Home in Penang by celebrating Deepavali with them, strengthening our connection with the community during this important cultural festival.</p>	<p>Community Spirit</p> <p>Unico 1 Estate donated a lawn mower to SK Sri Ganda and a brush cutter to the Kampung Sri Ganda community. This act of public service is aimed at easing the maintenance of lawns in these respective areas, contributing to the overall upkeep and cleanliness of the community.</p>	<p>Poultry Farming Program</p> <p>Provided financial aid to Air Hitam Besar Village in Indonesia for the construction of a chicken coop. This initiative is aimed at improving the standard of living of local farmers and creating meaningful alternative job opportunities for those not employed in the oil palm plantations.</p>

IOI PELITA

IOI has continued to engage in regular consultations with the local communities regarding the progress of the land survey and dispute resolution, while providing a platform for them to express their concerns and feedback. This engagement was important because navigating the complexities of securing the land title held various challenges, particularly in balancing community expectations and ensuring transparent communication. IOI has addressed these challenges by employing an independent local facilitator who understands the local cultures and language, thereby ensuring effective communication throughout the process. In addition, we also prioritize hiring local community members as estate workers.

This year, IOI entered the final phase of the IOI Pelita land dispute resolution process. A comprehensive and independent land survey was conducted to ensure that all boundaries were accurately mapped. The resulting land mapping has been formally submitted to the Land & Survey Department of Sarawak, and we are now awaiting the issuance of the Land Code Title. Upon approval, the Sarawak Land Department will release the designated land to the entitled communities, marking a pivotal milestone in the resolution process. While awaiting the issuance of the Land Code Title and maintaining ongoing communication with the communities, IOI is confident that excising the land in alignment with the final settlement agreement with the communities will foster a lasting positive change with the local communities.

Sharing PROSPERITY

MANAGEMENT APPROACH

IOI Group’s charity arm, ‘IOI Foundation’ formerly known as Yayasan Tan Sri Lee Shin Cheng is committed to having positive impacts to our local communities by sharing our prosperity. This commitment aligns with IOI’s mission, caring for the community and IOISP. As mentioned earlier, as the Group’s charity arm, we are dedicated to driving positive socio-economic impact for local communities and contributing to their quality of life and well-being where we operate. IOI Foundation’s beneficial contribution through providing education, community welfare, medical assistance and the promotion of Science, Technology, Engineering & Mathematics (“STEM”) has had a remarkable positive influence on the Group’s morale and sense of corporate social responsibility.



IOI Foundation sharing and spreading a cheerful Hari Raya at Pertubuhan Anak Yatim Darul Aminan

ACTIVITY DRIVEN PERFORMANCE AND IMPACT

IOI Foundation has significantly contributed to the community, specifically 141 beneficiaries which consist of both individuals and organisations, for a cumulative amount of RM65.4 million as of FY2024 and RM2.7 million for this financial year through various educational, social, and medical programmes as well as its Social Enterprise, Bargain Basement.

IOI Foundation has contributed extensively to schools, universities, and educational organisations as well as individuals. To date, at least 348 students were awarded scholarships while the IOI Foundation has successfully adopted 1570 students through its Student Adoption Programme. Additionally, other education-related programmes include several impactful initiatives such as IOI Leadership Youth Camp which was conducted twice in the last financial year, i.e., in August 2023 and May 2024. This programme was organised for the children of our employees to cultivate their leadership skills and to inspire and empower them to be the next generation of leaders. In addition to supporting students, IOI Foundation has actively engaged in a variety of educational initiatives, including IOI Public Speaking Workshops and Competition, which featured both primary and secondary schools.

Besides that, the IOI Foundation is actively involved in numerous social programs and charitable activities. Through its Social Enterprise, Bargain Basement made a significant contribution in 2024 by providing RM400,000 of its net to

18 beneficiaries from schools, orphanages, animal shelters and various non-profit organisations, marking a significant milestone of nearly RM1,000,000 contribution since its inception in 2016. These efforts reflect our commitment to advancing education, supporting youth development, and contributing to the broader community through targeted and meaningful initiatives.

Cumulative contribution (in RM) as of FY2024:

School Building Funds	Scholarship Awarded (348 Students)
28,952,437.56	11,568,309.00
Young Achiever Awards	Student Adoption Programme (1,570 Students)
680,185.00	5,314,079.91
Others – Education	Medical aid purposes
2,232,986.47	1,200,970.33
Social Programme and Donation	
15,470,473.07	