

COMMITMENT TO STRONG GOVERNANCE

SUSTAINABILITY GOVERNANCE

To ensure effective and successful implementation of IOI Corporation Berhad (“IOI”) sustainability commitments and policies, clear lines of accountability, well-defined roles, and responsibilities within our Governance structure were established. To this end, we have both a Corporate Governance Framework as well as a revised Sustainability Governance Framework to better reflect our strong governance culture. Please refer to AR page 91 for details of the Board and the Corporate Governance Structure. These frameworks also enable IOI to transparently address and report on Environment, Social, and Governance (“ESG”) matters.

Sustainability Governance Structure



Revised Sustainability Governance Framework

This year, IOI took further steps to enhance the importance of sustainability within IOI by strengthening our sustainability governance framework. A new board committee, namely the Board Sustainability Committee (“BSC”) was formed and will be part of IOI’s Corporate Governance Structure and be accountable to the Board of Directors (the “Board”) in the performance of its duties and responsibilities. The main objective of this revision is to provide focus and direct board oversight on sustainability matters, provide clarity on the roles of different actors within the framework as well as alignment with IOI’s overall missions, values, and Strategic Enabler 2 (please refer to AR page 44 for details) on Sustainability.

Board Sustainability Committee (“BSC”)

The BSC was established and approved by the Board of Directors on 22 June 2023. The Committee, on behalf of the Board, shall have oversight of the sustainable development responsibilities within IOI and support the Board in setting high level direction and strategic focus on sustainable business models within IOI. This include formulating the strategies designed to manage ESG risks and opportunities including climate change. The committee comprises three members of IOI Board of Directors and will meet twice a year. The BSC has oversight on all the Group’s material sustainability issues such as:

- Environment protection including No Deforestation, No New Planting on Peat, No Social Exploitation (“NDPE”) and protection of biodiversity and ecosystem
- Climate change especially in the management of its greenhouse gas (“GHG”) emissions from all its businesses and operations
- Human rights including safeguarding the wellbeing of our workforce
- Safety and health
- Free, prior and informed consent (“FPIC”) rights of the local communities
- Welfare and socio-economic advancement of the wider communities
- Circularity including the efficient utilisation of resources
- Long term sustainability of business operations from the above perspectives

Group Sustainability Steering Committee (“GSSC”)

The GSSC reports directly to the BSC to ensure our Group’s sustainability agenda, commitments and issues are effectively discussed, approved and implemented. The membership of the Committee comprised of the GMD, Group Chief Financial Officer, Group Head of Sustainability, Sustainability Leads (Plantation, Refinery, Oleochemical, and Commodity Marketing), and Senior Management from Group Support Functions as determined by the Chairman of the Committee. Sustainability leads for each business divisions will play the main role in implementing all sustainability requirements and standards. They are also responsible to execute and monitor all relevant sustainability initiatives and group-wide commitment like IOI’s Net-Zero target. They will present

the sustainability highlights and divisions’ performance during bi-annual committee meetings. The committee also will exercise their responsibilities in reviewing policies, standards and sustainability risk, ensuring the efficient functioning of IOI’s Grievance Mechanism, including reviewing the contents of the Annual Sustainability Report as required under various local and international requirements.

Sustainability Advisory Panel (“SAP”) and Sustainability Consultation Forum (“SCF”)

The SAP is composed of NGOs, multinational brands and subject-matter experts, as well as representatives from IOI Group senior management. The panel is responsible for advising the Group on its sustainability commitments and is the core external panel members of the Sustainability Consultation Forum (“SCF”). The SCF is a platform that IOI introduced to discuss complex sustainability topics together with external stakeholders such as NGO’s, subject-matter experts, governmental departments, customers, etc., as well as to gather bottom-up feedback from our own internal stakeholders.

IOI Climate Change Action (“CCA”) Financial Disclosure Committee

A committee for CCAi was introduced in 2022 by IOI to help monitor climate-related financial risks and financial impacts towards achieving Net-Zero. The committee is also responsible to systematically track and document the financial investments or projects related to the reduction and/or removal of GHG emissions throughout IOI’s operation. The composition of the committee consists of the chairperson which is the Group CFO and project leads from relevant departments such as Finance, Sustainability, Operations, etc.

Group Head of Sustainability (“GHS”)

The Group’s daily sustainability matters are led by IOI’s GHS. In this position, the GHS communicates and reports directly to the GMD to ensure all the Group’s sustainability commitments, policies, guidelines, etc., are developed and implemented by the respective divisions (Plantation and Resource-based). GHS is also responsible for corporate sustainability and help aligns the Group’s strategy as well as oversees the overall implementation of sustainability policies and practices for the Group.

Sustainability Leads (for each business segment)

Sustainability functions across the business operations are assisted by the division’s Sustainability Lead by ensuring sustainable practices and compliances are fully embedded within each operating unit. Operating units together with regional sustainability teams are responsible in ensuring regular internal sustainability audits, engagement with relevant stakeholders as well as regional sustainability meetings and management reviews are being conducted in a timely manner.