

FOSTERING A POSITIVE WORK CULTURE



PROTECTING OUR WORKFORCE

MANAGEMENT APPROACH

As a vertically integrated oil palm company, we are well-aware of the importance of our workforce and their wellbeing in ensuring the sustainable success of IOI. In our SPOP, we clearly commit to the Universal Declaration of Human Right, the International Labour Organisation's ("ILO") core convention, ILO 11 Indicators of Forced Labour, United Nations Guiding Principles on Business and Human Rights, United Nation Global Compact ("UNGC") on human rights, etc. To further strengthen our commitment to safeguarding our workforce, IOI has adopted UNSDG 8.8, with the goal of protecting labour rights, eradicating forced labour, and promoting a safe and secure working environment.

IOI has also established and implemented various guidelines and procedures based on social related requirements arising from local and international laws and regulations, certification bodies such as RSPO, MSPO, ISCC, ESG requirements from Bursa Malaysia, rating agencies, and more to ensure that the rights of our employees are protected.

In terms of governance, we have Board oversight through the BSC where risks related to human rights, including safeguarding the wellbeing of our workforce, safety, and health were tabled. Any critical concerns identified or actions required were subsequently discussed for implementation at the GSSC (Please refer pages 22 - 23 for details of governance). To ensure checks and balances, we exercise due diligence by conducting regular sustainability audits, health & safety audits as well as internal audits. Additionally, we collaborate and partner with external parties to identify and monitor the working conditions of our workers in the plantations.

ACTIVITY DRIVEN APPROACH AND PERFORMANCE

Ethical Recruitment and Responsible Employment

Communication and socialisation of the 'Code of Conduct ("CoC") on Ethical Recruitment and Responsible Employment' introduced in 2021, have been periodically conducted, especially for our newly hired workers. This ensures that they are aware of their rights related to their pre-employment, employment, and post-employment process, including a clear definition of recruitment fees as outlined by the ILO. For detailed information about the CoC, please refer to the pull-out section in our Sustainability Report 2021.

With regards to our Recruitment Agents, as reported in ASR 2022, we had collaborated with one of our customers to conduct a 3rd party audit on our agencies. IOI completed the audits for agencies in Indonesia and Nepal towards the end of last year. The report, which consists of findings and recommendations, was shared by our customer in March 2023. The recommendations include the need for improvements in the recruitment agencies such as Standard Operating Procedure ("SOP") to manage their recruitment chain. In response, IOI has taken measures to engage with the respective recruitment agencies regarding this gap, to assist them in enhancing their practices and to strengthen their SOPs. Based on the positive audit outcome, we have jointly decided to extent this audit to our Indian recruitment agencies in the next financial year.



Recruitment agency briefing potential workers on the working condition and ethical recruitment process

Upholding Workers' Rights



Health checkup for our workers

Upholding workers' rights is a fundamental human right. At IOI, a worker's rights encompass various aspects, including freedom of association, collective bargaining, fair wages and compensation, decent working conditions, etc. About 78 % of our workforce consists of foreign workers from different countries and backgrounds and most of them work in our plantations (refer to the pie chart on page 61 for Employee Nationality Breakdown). As such, IOI is very much aware that they must be protected from exploitation and unfair treatment due to language and cultural barriers, given legal protection and a safe working condition free from harassment, among others. Our employees are entitled to equal rights in terms of promotion, fair treatment in work arrangement and no discrimination in training, opportunities, and career growth. These rights are regularly socialised, guided by the SPOP and related guidelines. In addition, we have posters and briefings as well as regular awareness trainings on topics such as physical and sexual violence, intimidations, and threats.

Employment terms and conditions for our workers in the plantations are based on local employment laws and collective agreements as stated in the Memorandum of Collective Agreement with the National Union of Plantation Workers ("NUPW"). These agreements cover matters such as wages, working hours, and overtime work, leave (e.g. sick leave, public holiday and annual leave),

accommodation, termination notice, etc. These collective agreements were signed between our Plantation Director and NUPW for workers in Peninsular Malaysia in 2020. To date, we have about 820 out of 4353 of workers in Peninsular Malaysia registered as members of NUPW.

The IOI Employee Consultative Committee (“ECC”) remains a practical committee, representing 100% of the workers in our plantation and served as a medium for collective bargaining. Workers are free to highlight issues such as wages and compensation, working hours, grievances, non-discrimination, etc., and any outcome from these meeting will be shared with the rest of the workers. Details of grievances raised by the ECC representatives at the Joint Consultative Committee (“JCC”) meetings which are held every two months are discussed in the next section.

There are no restrictions on movement as our workers hold their own personal documents, except when the documents are required to be sent to the operating unit’s office for renewal purposes. Workers are also permitted to leave the operating unit outside of working hours, and the company provides transportation upon request.

Majority of our workers in the plantation are provided with reasonable accommodation and necessities as required by respective local laws. We continue to build and upgrade housing facilities to support workers needs and wellbeing. Regular inspections of the working and housing areas are conducted by Estate Hospital Assistant and Sustainability staff to ensure safety aspects such as fire prevention, safety hazard, cleanliness of the area, etc. are being kept up to the required standards.

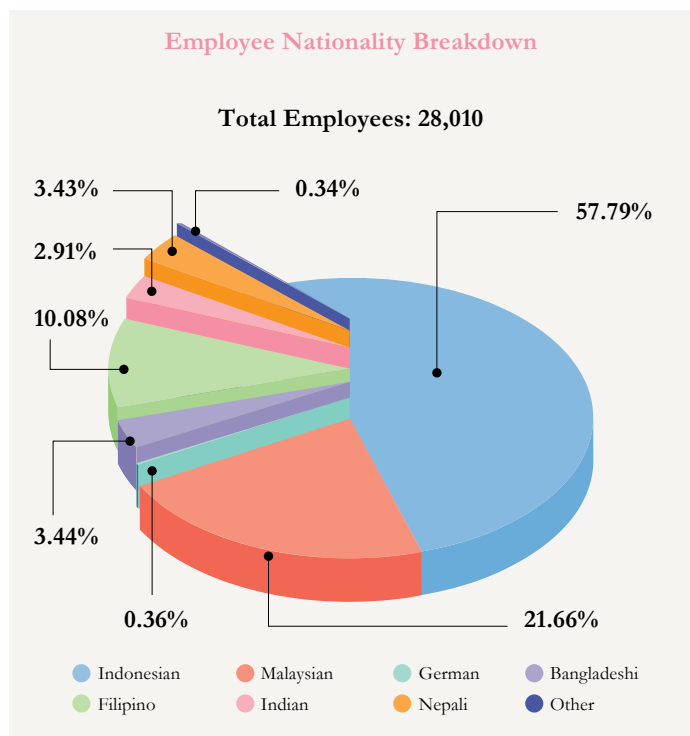
Grievance Mechanism and Progress Update

Effective grievance handling can prevent conflicts and disputes from escalating. We provide various grievance channels (refer to the pie chart on Percentage of Grievance Channel Used by Employees) to address and resolve complaints received from employees, customers, communities, NGOs, and other stakeholders. It was noted that different stakeholders have varying preferences regarding how they would like to raise their concerns.

We have established a Grievance Procedure where any party can submit their grievance to grievance@ioigroup.com. This channel applies to all IOI Group’s plantation, resourced-based manufacturing, trading operations and all third-party suppliers. Currently, all grievances shown in our websites that are related to ESG have either been closed or addressed. Meanwhile, as shown in our website, 33% of supplier-related grievance are in progress. As a RSPO member, we also monitor grievances raised by third parties through the RSPO Complaints System. There is only one RSPO complaint case on Mekassar estate for which we have already received the Decision Letter from RSPO indicating that the case is considered closed. Please refer to RSPO Complaint Panel website for details¹.

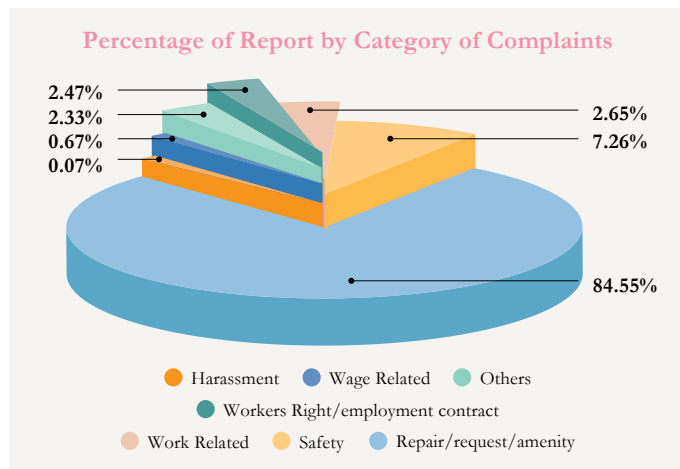
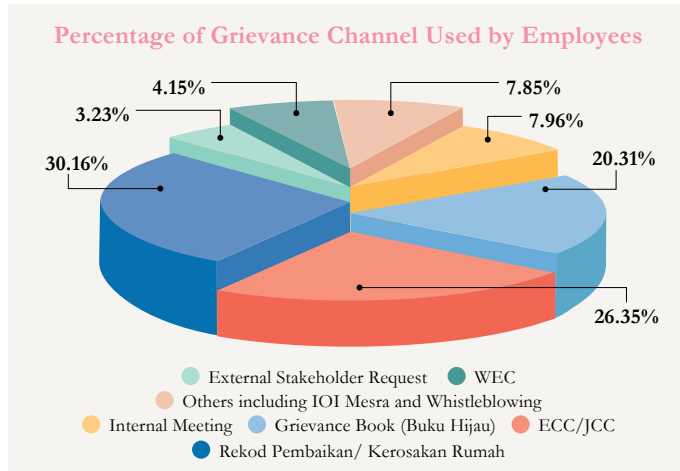
We have a Whistleblowing Policy which outlines our commitment to achieving and maintaining the highest standards of work ethics in the conduct of our business. The whistleblowing channel provides an avenue for all employees and external stakeholders to raise concerns regarding any improper conduct within IOI. For this financial year, we received 19 complaints, all of which have been resolved. There were zero reported incidents of corruption via this whistleblowing channel or grievance channels within IOI.

For IOI’s Plantation division, most of the complaints, requests, or grievances are handled directly by the Operating units’ management and will be shared with the Regional Human Resources Department if required. The report will be attended in a timely manner. Simple requests will be addressed within 5 working days, while complicated issues that require other department’s involvement will be addressed following our standard grievance procedure as published in our website. The regional sustainability team will monitor the action (s) taken to ensure that remediation and resolution are appropriately carried out. We monitor grievances and complaints received through various channels such as the Grievance Book, ECC/JCC, WEC, internal meetings, etc., as explained in the pie chart on next page. The data compilation and analysis are conducted to identify the most used channels by our employees and the types of issues reported.



¹ <https://rspo.my.site.com/Complaint/s/case/500000000341DnYAAU/detail>

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These grievances or complaints are categorised into groups such as repair/request/amenity, work-related issues, wage-related issues, harassment, etc.

For this year, we recorded 7,328 reports of complaints/requests/grievances through all available channels including IOI Mesra and Whistleblowing. Most of the reports were raised using the 'Rekod Pembaikan/Kerosakan Rumah' followed by ECC/JCC. Most of the complaints are related to house and facilities' maintenance, transportation, etc. Cases categorised as 'Others' mostly involved suggestions for WEC activities, sport activities, etc.

Under IOI Mesra, almost all who reported when using this app, did so anonymously. The cases reported were found to be mostly legitimate and have been resolved fully according to our procedure. The numbers of reported cases demonstrated that our grievance procedure is working well and employees have trust in our grievance mechanism.

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We have received zero cases of discrimination, incidence reported related to corruption, and complaint concerning breaches of customer policy reported during this reporting period.

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IOI Pelita Update

The IOI Pelita dispute, which began in 1997 and later escalated into an RSPO complaint case, has been a long-standing issue. Please refer ASR 2018 - 2022 and our website for historical details. On July 18, 2022, we received a letter from RSPO notifying us that the RSPO Complaint Panel has officially closed the complaint on this land dispute grievance.

As of now, we continue to implement the requirements of the resolution. For example, with regards to the participatory mappings, the company bore all the additional costs to conduct an independent land survey for the impending land excision process by hiring an independent, locally licensed surveyor. Despite facing challenges due to the rainy season and limited access roads, the independent ground survey was successfully completed in FY2023. As of today, the land survey maps have been generated and are currently in the process of being endorsed by the relevant authorities.

With respect to the communities, the company has been actively engaging with them to ensure the completion of all remaining ex-gratia payments throughout FY2023. Efforts have also been directed towards strengthening relationships with the neighbouring communities by providing fire-fighting awareness and distributing fire extinguishers. The company further extended its support to the surrounding communities by repairing access roads to the community areas and encouraging the neighbouring communities to work at IOI Plantation estate as an alternative source of livelihood.

Safe and Healthy Working Environment

Safety-related matters are managed and monitored closely by the respective Safety, Health, and Environment (“SHE”) department at each business division. Safety officers play a key role in implementing health and safety policies, guided by relevant guidelines to achieve their target key safety performance indicators.

IOI aims to achieve 100% certification for ISO 45001: 2018 Occupational Health and Safety Management System (“OSHMS”). Currently, all resource-based manufacturing divisions have been fully certified. In the Plantation division, Gomali mill and Gomali estate are the first two operating units to be certified for ISO 45001:2018 this year. Other operating units in the Plantation division are implementing the management system and will undergo the audit by phases. The OSHMS covers 100% of employees and workers, including contractors. Operating units are required to report all work and non-work-related incidents to the Safety and Health department, management, and relevant government agencies. Safety related data and compliance are also verified annually by sustainability certification during their annual surveillance audit.

Safety and health training are conducted for all level of employees as part of the annual training programme which covered the implementation of specific SOP, Emergency Response Team/Plan (“ERT/P”), schedule waste management, firefighting, chemical handling, first aid, etc. The training was designed and delivered by experienced staff in a language understood by employees. Awareness and updates on training are also conducted through safety campaign, morning briefing, poster, digital tool and discussed directly during safety committee meeting, held every three months. 286 employees received external and paid training on specific topics such as Authorised Entrant & Standby Person for Confined Space, Authorise Gas Tester, First Aid, etc.

Since some of our plantations are located in remote areas with limited access to external medical facilities, we have installed clinics within our plantations. Currently, there are 67 clinics within our plantations which are accessible to all employees and their dependents. The communities can also access the medical services that is attended by the Estate Hospital Assistant and regularly visited by Visiting Medical Officers. All our employees including foreign workers, are insured under a regulated insurance scheme that covers both fatalities and work-related injuries.

	Plantation Segment	Resource-Based Manufacturing Segment	
	IOI Plantation	IOI Refinery	IOI Oleochemical
Total number of injuries	1809	7	10
Injury rate per million hours	35.34	5.23	2.51
Total number of fatalities	5	0	0
Fatality rate per million hours	0.1	0	0

* Data as reported to government departments for year 2022

Climate Social Justice

Climate change is a global challenge that affects everyone, but its impact is particularly severe for the poor and the vulnerable, especially those living in developing countries. The extreme climate events such as drought, heat wave, flood, etc., which is a consequence of climate change, can result in damages to crops and livestock, etc., ultimately affecting peoples’ livelihood. IOI is aware that many of our foreign workers come from these types of socio-environmental economic stress countries and they may migrate to seek work to alleviate poverty within their communities. So, in addition to their salaries, we provide “Shared Prosperity” gratuity payments as additional earnings to our eligible foreign workers to

express our appreciation for their hard work and loyalty. We hoped that these additional remittances together with their monthly income can further improve their families’ living standards.

At the operational level, we are working on mechanisation and automation to increase efficiency and productivity with the aim of simplifying or lightening the workload of our workers which is very much in alignment with UN SDG 8.2. Through mechanisation, workers’ productivity has also improved by about 30%, especially on labour intensive tasks and improve earnings by increasing the worker’s ratio per tonne of fresh fruit bunch (“FFB”) and hectare (“ha”). This can also have an intended consequence of attracting more local workers to work in plantations where mechanisation would reduce the level of difficulties as well as help to reduce their exposure to extreme weathers. This is in line with our efforts to promote climate justice within our operations.

Among stakeholders especially our own employees, we continue to create awareness on how to mitigate and adapt to the impact of climate change. Annually, we organise the IOI Earth Month Campaign where our theme for this year is “Protecting Our Future Together”. During the campaign, we organised various activities such as meatless cook-off challenge, swap project, panel discussions on IOI’s Pathway to Net-Zero, etc. The main objective of this campaign is to inspire and empower our people to contribute to mitigating climate change through climate friendly activities.



One of our workers using a motorised cutter for harvesting

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37.5% of our board members are women bringing with them diverse backgrounds with different thought processes and skills to the table.

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UPLIFTING OUR PEOPLE

MANAGEMENT APPROACH

Apart from upholding human rights, IOI places a high emphasis on providing training and development to our people. The company also promotes gender equality including promoting women’s empowerment and diversity and to creating an environment that supports employee’s well-being by promoting a healthy work-life balance and facilitating personal growth.

This chapter on uplifting our people also aligns with our commitment towards UNSDG 2.4, focusing on food security and improved nutrition for our employees through awareness campaigns on healthy living and the “Plant Your Own Food” initiative. Additionally, we are committed to promoting a sustained, inclusive, and productive employment in line with UNSDG 8.2. Furthermore, to align with the Fourth Industrial Revolution, we are integrating digitalisation into our business operations while also supporting Enabler 3 (Technology and Digitalisation), as outlined on page 45 of the AR.

ACTIVITY DRIVEN APPROACH AND PERFORMANCE

Gender Equality, Diversity, Inclusivity and Women Empowerment

Gender equality, diversity, inclusivity, and women’s empowerment are all important concepts that address matters of social justice and human rights. These principals are embedded in our sustainability practices. As indicated in our AR, 37.5% of our board members are women bringing with them diverse backgrounds with different thought process and skills to the table.

Although the number of men to women ratio as a total workforce is **2.8 : 1**, at the Corporate HQ where the gender ratio of men to women is **1.25 : 1**, 44.4% of women hold departmental head positions. At the manufacturing division where the gender ratio of men to women is **4.6 : 1**, 17.9% of women are departmental heads. At the plantation division where the gender ratio of men to women is highest at **14 : 1**, the number of women who are departmental heads is only 6.7%. It is to be noted that although we encourage women to work in the estates, there is still a reluctance for them to join due to the remoteness of working in a vast estate and physical nature of the work.

In IOI plantation division, the Women and Empowerment Committee (“WEC”) was established to address gender related concerns and serves as a platform for planning and implementing gender focused activities at the operating unit level, ensuring the privacy and confidentiality of these matters. The committee generally meets every 6 months unless otherwise required.

One of our WEC’s activities is a group-wide celebration spanning across our operations (plantation, refinery, and oleochemical) in Malaysia and Indonesia, is the annual International Women’s Day (“IWD”) celebration. This year’s celebration was centered around the theme of #EmbraceEquity, which emphasises the importance of gender equity and inclusion in all aspects of society. The on-site activities encompassed health awareness talks, health screening, self-defence demonstrations, exhibitions, and more. Building on our social initiative ‘Women and Digitalisation’ introduced in 2022, we organised more digital awareness talks covering topics such as digital education, cyber security, advantages of e-wallet, etc. These efforts are aimed to foster digital inclusion among women and inspire them to embrace the digital revolution. A significant outcome of the IWD celebration was the decision to establish a gender committee at the IOI Group level, which will be officially introduced in the upcoming financial year.



IWD celebration at our Pamol region

Talent Development and Capacity Building/ Human Capital Development

IOI have an unwavering commitment towards the growth and development of our employees. This commitment is evident through our talent development and capacity building programme facilitated by the Human Resource Department at each division and the Corporate Learning & Organisational Development Department. The training programme was developed and delivered to cater both technical and soft skills relevant for employees’ respective roles and positions. This approach includes training sessions, online webinars, in-house training, e-learning platform, etc. At least 164 trainings had been organised and conducted by the Corporate Learning & Organisational Development Department who engaged both internal and external training providers. These trainings benefited about 1317 employees at the staff level and above.

As part of IOI’s drive towards digitalisation, IOI Grow, an e-learning platform, was introduced in October, 2020 to promote the concept of “Learning Excellence, Unleashing Potentials”. It offers a range of engaging features such as quizzes, games, etc., to enhance a learner’s understanding and is a platform with learning programmes such as Employee Onboarding, Leading Organisation, Leading Self, People Development, Risk & Compliance, Workforce Development, etc.



As part of IOI's business continuity strategy, initiatives have been taken to identify potential successors and Heads of Departments play a key role in training them to become successful leaders. This business continuity strategy is aimed at enhancing the resilience of the business and minimising turnover by offering career opportunities within a competitive work environment. In addition, annual performance reviews are conducted for all employees at the level of staff and above. This review involves evaluating an employee's Key Performance Indicators ("KPI") and identifying areas for improvement, ensuring that every employee has the opportunity for career development and improvement.

Digitalisation

We have progressively implemented the Group-wide SAP system to streamline our diverse and stand-alone system into a single unified platform called the ONE IOI Integrated Platform. To date, all our plantation operating units are fully integrated with the SAP system as well as the Electronic Plantation Monitoring System ("EPMS"). The EPMS is a mobile crop monitoring system that reduces dependency on manual data entry and help increase workforce productivity.

To protect our foreign workers from wage discrepancy, we utilised the Enterprise Resource Planning ("ERP") system to monitor their working hours and work done thus ensuring prompt and fair wage disbursement. In another digitalisation approach in simplifying the payroll process, Merchantrade e-wallet salary crediting system has been introduced in 95% of the estates with 5% pending due to poor connectivity, especially in remote areas in Sabah. This e-wallet system benefited many foreign workers by facilitating their expenses and enabling ease of money transfers to their families in their home countries.

Another initiative involving digitalisation, is our grievance reporting application called IOI Mesra that we had developed in May 2022 (refer to details in ASR 2022). To date, this digital platform has been accessed by 842 numbers of workers. Workers also have the option to report issues anonymously if they preferred to do so. For further details on the grievance reported for this financial year, please refer to pages 61 - 62.



Example of the EPMS being used in our estates

Plant Your Own Food and Urban Garden Initiatives

With three successful years behind us, our employees have embraced the opportunity to grow their own food through this initiative (Refer to ASR 2022 for more details). As a further update, this initiative is also implemented by our plantation employees in Indonesia and it is wonderful to see 95% of the harvested crops are being consumed by our employees for their own needs, while 3% are being shared with their neighbours, and 2% are sold. They have cultivated vegetables, including chilies, eggplants, corn, and potatoes as well as various fruits such as mangoes, papayas, pineapples, and even the exotic durian.



HQ employees harvesting vegetables from their plots

As an expansion of this initiative beyond our Plantation division, IOI Foundation launched the 'IOI Urban Garden' initiative in collaboration with IOI Corporation Bhd and IOI Properties Group Bhd in March 2023. This initiative transformed a space of around 0.75 Ha and about 500 meters away from our IOI City Tower 2 office into a green garden. The garden is for the exclusively use of our HQ employees. With 20 plots, each measuring 4ft x 10ft, employees can grow their own fruits and vegetables. These plots are easy to maintain and offer a way to connect with nature during the workday. Since its launch, our employees have harvested long beans, sweet potatoes, ladyfingers, etc., from their plots. Based on the feedbacks of the participants, the IOI Urban Garden represents our employees' commitment to sustainability and teamwork with a clear positive impact on our workspace and the environment.

FOSTERING A POSITIVE WORK CULTURE



EXPANDING OUR IMPACT

MANAGEMENT APPROACH

Our impact on relevant stakeholders such as our employees, communities, NGOs and smallholders, extends through various ways. Notably, our employees in Sabah are part of families that reside together with children within their households. The presence of children in the plantations can potentially give rise to risks associated with child labour if their rights are not adequately protected and if proactive measures to eliminate child labour are not in place. Considering this, we have further expanded the targets adopted under UN SDG 8 to include an additional target, which is target 8.7. The goal of this target is to eliminate the worst forms of child labour, including the recruitment and use of child soldiers, and to completely end all forms of child labour by the year 2025. We have put in place initiatives to see that we meet the goal of eliminating child labour within our operation.

At the group level, our CEO mentioned in his message that *constructive engagement and collaboration with various stakeholders are critical in addressing any disparities in understanding certain issues and in achieving good outcomes across the many different business cycles*. This is a further affirmation of the stance IOI has towards multi-stakeholder partnerships and is in alignment with UNSDG 17. The sustainability policy from IOI Oleochemical mentions that ensuring positive social impact on people and communities can be achieved by supporting corporate social responsibility. Together with partnerships, constructive engagements are crucial, not only with the local communities to enable us to identify their needs and contribute positively to their development but also with both our direct and 3rd party suppliers.

ACTIVITY DRIVEN APPROACH AND PERFORMANCE

Eradicating Child Labour through Education

The dependents of our plantation employees are entitled to various benefits, including medical coverage, childcare facilities, education, and accommodation. These provisions are especially crucial due to the remote and isolated nature of our plantation locations, which often limits access to external facilities. Children within the plantations faces distinct challenges and vulnerabilities that demand our attention. Ensuring their well-being, education, and overall development is a priority for us. To guarantee that they received an education, we have taken the initiative of providing access to education for our workers' children in Sabah. This is accomplished through 41 Humana and CLC schools under the "Child Education" Initiative which benefited 3728 children. We further expanded the initiative to encompass a 'Full-Day Zero Cost Education Platform' introduced in 2021 where about RM3,624,835 were spent to cover expenses such as lunch, school fees, and related costs. This programme has significantly aided our workers whose children have the benefit of receiving balanced meals while alleviating food costs that would otherwise be borne by their parents. Additionally, IOI Foundation has also allocated approximately RM97,000 for school bags for the children attending the Humana schools. IOI Foundation has also contributed to improving digital accessibility by providing 101 refurbished computers to Humana and CLC. In the meantime, we continuously encourage our workers with children, through company policy and parental engagements initiatives, to ensure that all the children receive proper education and are safeguarded from harm and exploitation.

External Engagement (IOM, ILO, &Wider)

In June 2022, IOI was invited by the International Organisation for Migration ("IOM") to participate in their research on 'Climate Change, Environmental Degradation and International Labor Migration In Asia: Exploring The Role Of Business'. The objective of this research was to comprehend how environmental factors, such as climate change, can impact migrant workers. The report is currently in review by IOM and we expected to share the outcome of this research in the next financial year.

In another collaboration with IOM, we are going to establish a pre-employment orientation programme for our migrant workers to be socialised in their home countries before their departure for Malaysia. The objective of this programme is to prepare the migrant workers to be aware on their rights as migrant workers, clarifying IOI's employment process, work expectations and IOI's policies especially on "no recruitment fees" as well as equipping them with information about labour laws.

In September 2022, IOI was invited by the ILO to share our examples of responsible labour practices and to discuss mechanisms to address forced labour and child labour in a workshop organised by the ILO's Advancing Workers' Rights in the Palm Oil Sector in Indonesia and Malaysia Project (Palm Oil Project). The workshop was attended by other palm oil industry leaders and representative from various government departments in Malaysia. This workshop was funded by the US Department of State Bureau of Democracy, Human Rights, and Labour. The purpose of the workshop was to provide a platform for IOI and other industry peers to share good labour practices and effective grievance mechanisms that address issues related to forced labour and child labour.

Since 2022, IOI continued our engagement with &Wider, a human rights due diligence service provider and an expert in workers' engagement. Their role in this initiative involved conducting a year-long independent survey among our workers in the plantation with the particular focus on our migrant workers across our plantation operating units in Peninsular Malaysia.

The objective of this survey is to monitor the wellbeing and working condition of our workers in the plantation, serving as an essential part of our due diligence process. The labour right indicators covered in this survey include fair recruitment, wages and working conditions, freedom to leave, health and safety, respectful treatment, labour rights and freedom of association, as well as training and induction. The service provider has direct engagement with our workers for the survey, and the results were compiled within a few days. Subsequently, the results were communicated to the management teams of the respective operating units that participated in the survey. Having completed two survey cycles with approximately 200 responses, these efforts have provided initial insights to IOI regarding workers' wellbeing and their working conditions which will lead to the final phase, i.e., the forensic analysis of the data collected. The final analysis will serve as an alert to the management of operating units regarding potential labour issues and plan the appropriate actions.

Community Outreach and Initiatives



IOI participating in a workshop organised by ILO

Engaging with communities play a crucial role in promoting sustainable practices, environmental protection, and social development. As a RSPO and MSPO certified company, our engagement with stakeholders, including communities, neighbouring villages, and plantations, is a standard requirement that must be adhered to. Every plantation within our group conducts an annual stakeholder meeting. During these meetings, the management

shares essential information about the company, including policies, grievance procedure, and harassment procedures, as well as landowner dispute procedure. Furthermore, stakeholders are encouraged to outline both positive and negative impacts of conducting business with IOI, encompassing social, environmental (including IOI's conservation areas), and any other feedbacks. Subsequently, these issues are deliberated upon and any advancements or progress made are communicated back to the stakeholders who are affected.

Community approach activities that promote engagement with communities include annual blood donation campaigns conducted either by our plantations or resourced-based manufacturing units. The Corporate Social Responsibility ("CSR") team at IOI Oleochemical Prai for example, has undertaken several community service projects. These include visiting and donating daily necessities to children's home, as well as organising movie outings with orphaned children. Additionally, they made monetary donation of RM1000 to each of the following homes i.e., Persatuan Kebajikan Anak-anak OKU Taman Island Penang, Pure Lotus Cancer Foundation, Naam Home Penang, Pusat Kebajikan Kanak-Kanak Cacat Yee Ran Jing Sheh, Pertubuhan Kebajikan Anak Kesayangan, Persatuan Kebajikan Sinar Ceria Seberang Prai Tengah, and Pertubuhan Penyayang Chi Yun. Other details regarding contributions by our charity arm IOI Foundation, can be found on page 68.

In Sandakan, IOI Bio-Energy organised a social environmental service initiative with the local municipal, Majlis Perbandaran Sandakan ("MPS"), and government agencies such as the Statistics Department to assist them in the responsible and secure disposal of their outdated documents. This endeavour enables us to support government agencies in disposing their documents responsibly, while securing a sustainable fuel source from waste papers.

Smallholder Programme and Initiatives

IOI proactively engage and assist our third-party suppliers including smallholders to be compliant with our policies and commitments. Among our plantation units in Malaysia, Unico Group, Sabah is the only site in Malaysia to receive the Fresh Fruit Bunches ("FFB") from its surrounding smallholders and out growers who has since received their MSPO certification since 2022. We have continued to support them by providing various training sessions on topics such as good agricultural practices, Personal Protective Equipment ("PPE"), FFB grading, sustainability awareness as well as stakeholder meetings to all 49 smallholders and out growers. We have also conducted site visits and generated internal audit reports which highlighted recommendations for their improvements in line with their MSPO certification requirements.

Meanwhile, in our plantation at Indonesia, SNA Group has dedicated 20% of our total planted areas to the plasma scheme as required by their local regulation. Although these lands fall under the plasma category, they are cultivated and managed sustainably, following the approaches and best practices established by IOI. Currently, we have 7 plasma cooperatives, with 3,690 participating families registered. They are located in 7 villages and 2 sub-districts with a total area of 5,440.85 hectares. We are heavily engaged in supporting all our plasma participants by improving the irrigation system in the community's farmland, assisting in clearing their agricultural land without burning, repairing roads in their villages, etc. In essence, the IOI team has overseen and supported the sustainable management of their planted areas, leading to RSPO certification under the IOI SNA RSPO Certification in 2023.



Workshops being carried out for our smallholders

FOSTERING A POSITIVE WORK CULTURE

SHARING PROSPERITY

MANAGEMENT APPROACH

'IOI Foundation' formerly known as Yayasan Tan Sri Lee Shin Cheng is IOI Group's charity arm. We continuously strive to deliver positive impacts to the communities by sharing our prosperity. This in line with our SPOP where we are committed to drive positive socio-economic development for our local communities and thereby, contribute to their quality of life and wellbeing. The Foundation fulfils the Group's corporate social responsibility via education, community welfare, medical assistance, medical assistance and the promotion of Science, Technology, Engineering & Mathematics ("STEM") subjects that can help enrich the lives of the less fortunate.



The launching of Bargain Basement outlet in UTAR by IOI Foundation

ACTIVITY DRIVEN APPROACH & PERFORMANCE

In September 2022, IOI was cited in Wikiimpact.com's "Who's The Most Charitable?" company list. This was because IOI was listed as No 17 in Bursa's Top 20 "Earners & Their Giving" based on what was disclosed in ASR 2021 regarding our various contributions such as cash or in-kind through the IOI Foundation, donations of face masks during Covid-19, our support of smallholders' programmes, etc. (refer for more details in ASR 2021, Page 53).

This financial year, we are continuing with our tradition of contributing back to the community under IOI's Foundation. As of FY 2023, the Foundation has contributed a cumulative amount of RM 63.19 million through programmes related to education, social, and medical purposes. This year specifically, at least 1,837 students benefitted from the Foundation's education programme while for the Social Programme and Donation, 46 recipients (individual or organisation) benefitted.

