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.

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 refine 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.

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**

**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

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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

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June 2017
July – October 2016
November 2016
December 2017
May – June 2014
Field research on labour condition by Finnwatch on IOI estate at Peninsular Malaysia

May to July 2018
Proforest was formally appointed to conduct the verification on SIP

September 2014
Report entitled ‘The Law of the Jungle’ by Finnwatch discusses the finding about labour conditions on IOI Group estate at Peninsular Malaysia

July – October 2016
Follow-up study by Finnwatch in IOI palm oil estates in Malaysia

August 2016
SPOT was revised with stakeholder consultation and released together with an accompanying Sustainability Implementation Plan (SIP)

November 2016
Report by Finnwatch on Working conditions at the IOI palm oil estates in Malaysia: a follow-up study

January 2017
Engagement with international labour rights monitoring consultant, BR on fair and proper labour practices across our plantations in Malaysia

March 2017
Project on Labour Rights Monitoring project by bSr commenced

June 2017
Published revised policies on human rights at workplace after extensive engagement with Finnwatch, Rainforest Action Network (RAN) and Tenaganita. The policies introduced are: (i) Foreign Workers Recruitment Guideline & Procedure in Malaysia, (ii) Minimum Wage & Leave Pay, and (iii) Equal Opportunity Employment & Freedom of Association

October 2017
Finnwatch visited Luangmanis, Moymod, Baturong 1 estates in Sandakan, Sabah

December 2017

May 2018
Proforest released a report titled ‘Working Conditions at IOI Oil Palm Estates in Sabah’

June 2018
Stage 1 verification process by Proforest, document review was conducted over a series of visits to IOI HQ. The stakeholders (internal staff, civil society organisations, IOI customers and recruitment agencies) were consulted

October 2018
Stage 2 verification process by Proforest

November 2018
April – June 2019
MOsH University started a collaboration with IOI to conduct Fair and Decent Wage Study

May to July 2018
Full implementation of new guideline and policies.

July – September 2018
IOI customers and recruitment agencies were consulted

November – December 2018
MOsH University started a collaboration with IOI to conduct Fair and Decent Wage Study

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• 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.

For Sustainability inquiries, please contact:
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(603) 8947 6781
(603) 8947 8686
ioisustainabilityteam@ioigroup.com

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.