



IOI GROUP

IOI CORPORATION BERHAD

CGS-CIMB 2nd Malaysia Virtual
Corporate Day
19 July 2022

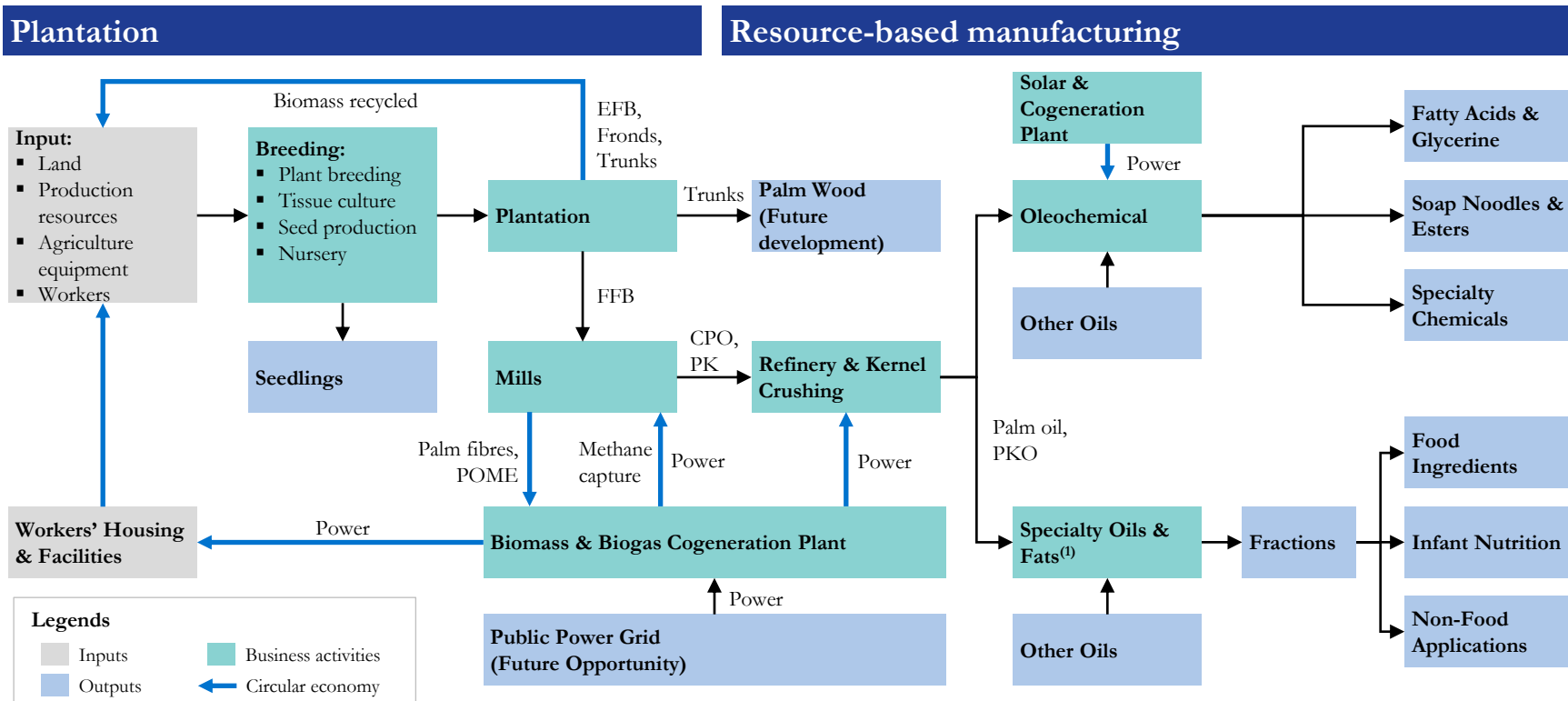




IOI GROUP

Integrated Value Chain

- Fully integrated business model with upstream and downstream operations to mitigate the impact of commodity price fluctuations.
- The downstream business creates a natural hedge against palm oil volatility due to negative correlation of its earnings with palm oil prices.



Note: EFB – Empty Fruit Bunches; FFB – Fresh Fruit Bunches; CPO – Crude Palm Oil; PK – Palm Kernel; PKO – Palm Kernel Oil; POME – Palm Oil Mill Effluent

(1) 30% owned associate company, Bunge Loders Crokiaan.

Key information

Total planted area⁽¹⁾
175,361 Ha

Total FFB production
2.7m MT

Operating Units
96 estates & 15 mills
(Malaysia & Indonesia)

R&D Capabilities
4 R&D centers & 1 Bio-Tech center



Key Competitive Strengths

- Strong agronomy capabilities & estate management practices.
- IOI Palm Biotech is a leading tissue culture facility producing high-yielding planting material.
- 100% of Malaysian plantations⁽²⁾ are both RSPO and MSPO certified.



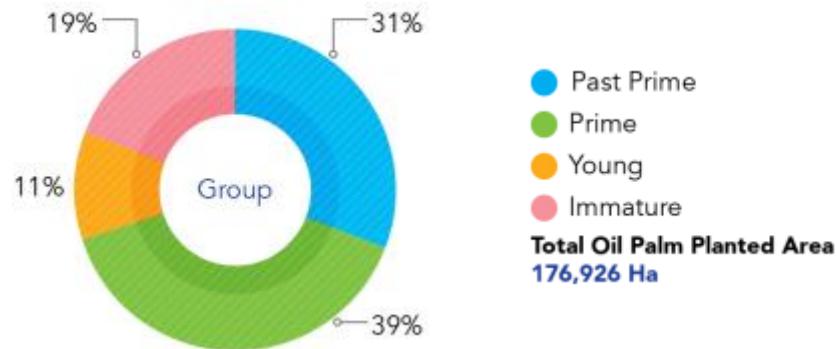
Holds 32% interest in an associate company, Bumitama Agri Ltd, which has a planted nucleus area of 133,000 ha as at 30 June 2021 (effective interest is approx. 43,000 ha).

(1) Excludes those owned by associate companies

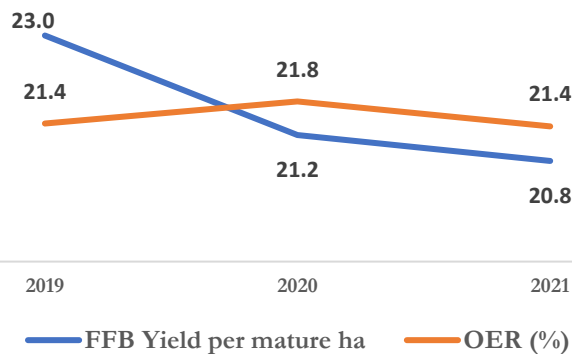
(2) Excluding Serawak concessions, which are 2% of total group planted area

Plantation – Oil Palm Age Profile

Oil Palm Hectarage by Age



FFB yields and Oil Extraction Rates (OER)



Weighted
average
planting age:
13.5 years



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Plantation

Highlights

- Implemented mechanisation of **FFB Main Line Evacuation** to **75%** of total estates areas as at June 2022, and expected 100% completion by year 2023.
- Implemented **e-wallet payment system** to **93%** of plantation operating units to automate and simplify workers' payroll system as at end of FY2022.
- Full implementation of **SAP ERP system** and **mobile crop monitoring system** in all Malaysian plantations.



Resource-Based Manufacturing

- The resource-based manufacturing business, comprising of **refining**, **oleochemical** and **specialty oils and fats** sub-segments.
- Presence in specialty oils and fats sub-segment is represented by Bunge Lodars Croklaan, a 30%-owned associate company.

Key information

Oleochemical capacity

780k MT/year

Refining capacity

1.8m MT/year

6 Manufacturing facilities (in Malaysia and Germany)

Specialty oils and fats
capacity

1.1m MT/year

6 Manufacturing facilities (in Malaysia, Netherlands, USA, Canada, Ghana and China.)

Key Competitive Strengths

- **Largest** fatty acids producer in Malaysia
- **Pioneer** and **first** in the industry to manufacture palm based oleochemical products.
- Established global partnerships with food, pharmaceutical and cosmetic MNCs with export to over **80** countries worldwide.



Resource Based Manufacturing

Highlights



Refinery

- CPO is 100% traceable to mill and 93% to plantation.
- PKO is 100% traceable to mill and 87% to plantation.



Oleochemical

- New 110,000 MT/year capacity oleochemical plant in Prai, Penang is slated to complete by Q3 2022.
- New soap noodle plant in Pasir Gudang, Johor to be completed by Q3 2022.
- Owner of 19 patents for pharmaceutical applications via IOI Oleo GmbH, Germany.
- Production sites in Witten and Wittenberge completely switched to 100% green electricity.



Specialty oils & fats (associate)

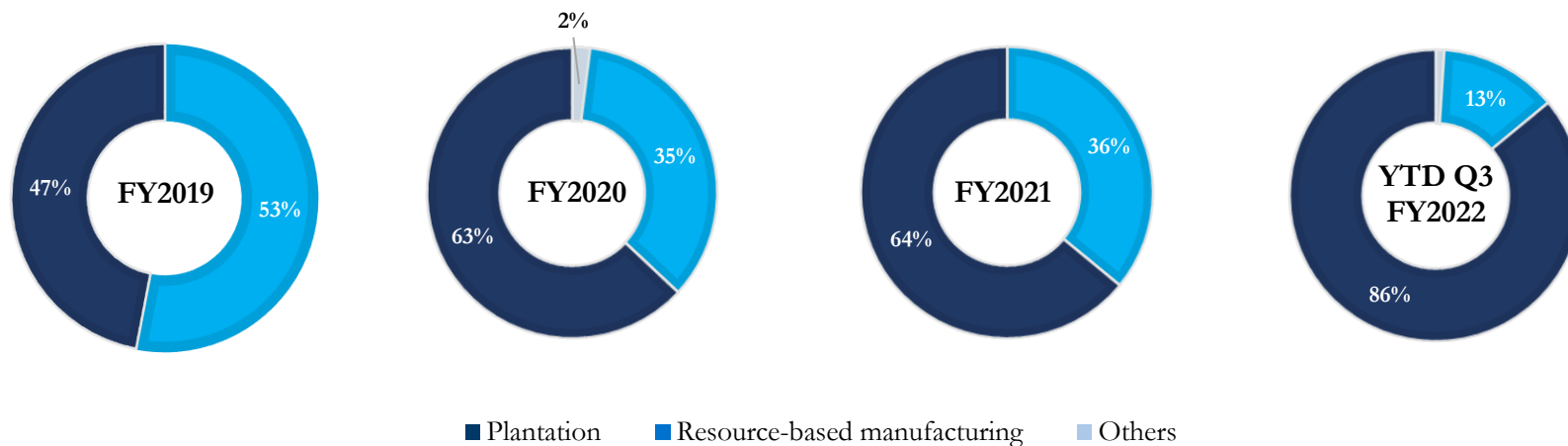
- Bunge Lodars Croklaan's launched a premium lipid ingredient for infant milk formula that mimics the fat composition of mother's milk.
- Increased sales of low 3-MCPD and high-end MCT ("medium chain triglycerides") use in nutritional and healthcare products.

Group Financial Snapshot

Key financials and operational statistics (financial year ending 30 June)

(RM million)	FY2019	FY2020	FY2021	YTD Q3 FY2022
Revenue	7,386	7,802	11,252	11,843
EBIT	1,077	1,138	1,741	1,739
Net profit ⁽¹⁾	618	602	1,416	1,219

Segment result ⁽²⁾



Source: Company annual report.

Note: FFB: Fresh fruit bunches. MT: tonnes. Ha: hectares.

(1) Net profit after tax including profit attributable to both owners of parents and non-controlling interests.

(2) Based on segment results as disclosed in segmental information note in audited financial statements.

IOI Five-Year Plan (2020-2024)

- Progress from a cost competitive palm oil producer to a high value-added diversified palm-based products producer, to increase resilience and competitiveness for the future



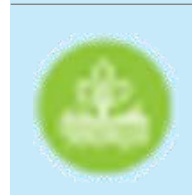
1 Increase yield

- **Target: Increase plantation oil yields by 15% by 2024**
- Utilise elite clonal palms in 50% of our replanting materials.
- Ensure proper fertiliser application to increase target yields.



2 Optimize workforce

- **Target: Reduce workforce by more than 25% by 2024 and increase plantation worker productivity by 3% every year**
- Implemented Mechanised FFB Main Line Evacuation System in 75% of estates.
- Implemented SAP ERP and mobile crop monitoring in Malaysian plantations.
- Employing mechanical fertiliser spreaders and chemical sprayers.



3 Diversify crops

- **Target: Diversify planting of crops**
- Plant three types of fast growing and high value crops such as coconut.



IOI Five-Year Plan (2020-2024)

- Progress from a cost competitive palm oil producer to a high value-added diversified palm-based products producer, to increase resilience and competitiveness for the future (cont'd)

4

Increase the non-CPO segment

- **Target: Convert oil palm by-products and processing waste into value-added products at a competitive cost (circular economy)**
- Build IOI Palm Wood factory and commence high performance palm wood boards and panels production in Q3 2023.
- Installed methane gas capture facilities in 12 mills, out of which 9 produce power in addition to biogas for steam boiler.
- Explore other new conversion technologies for our bio-mass.

HOW IOI PALM WOOD TRANSFORMS OPT INTO SUSTAINABLE MATERIALS



5

Grow the oleo-chemical segment

- **Target: Increase oleochemical segment's sales volume by 15% and profitability by 25%;**
- Constructing new 110,000 MT/year capacity oleochemical plant in Prai, Penang which is slated to complete by the third quarter of 2022.
- Constructing a new soap noodle plant in Pasir Gudang, Johor.
- A new pilot plant for pharmaceutical excipients and active ingredients has commenced operations in Germany.

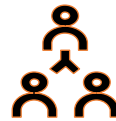


IOI is fully committed to sustainable palm oil



Environment

- ✓ No Deforestation, No New Planting on Peat, No Social Exploitation (“**NDPE**”) since 2016;
- ✓ Progressively reducing Greenhouse Gas (“**GHG**”) emissions (2025 Target : To reduce GHG emissions by 41% from 2015 levels);
- ✓ Protection of High Conservation Value (“**HCV**”) and High Carbon Stock (“**HCS**”) areas.



Social

- ✓ Eliminate all forms of illegal, forced labour or child labour in our operations or supply chains;
- ✓ Responsible recruitment practices including “No Recruitment Fee” policy;
- ✓ Occupational safety & health;
- ✓ Employees’ well-being;
- ✓ Empowerment & inclusion;
- ✓ Community engagement.



Governance

- ✓ Robust sustainability governance structure;
- ✓ Integrity in corporate reporting;
- ✓ Zero-tolerance to bribery and corruption;
- ✓ Transparent grievance resolution and communication;
- ✓ Sustainable certifications (**RSPO**, **MSPO**, **ISCC** and **ISPO**);
- ✓ Founding member of RSPO.



Acknowledgements for our sustainability work

- Constituent of the **FTSE4Good Index**
- Ranked 17 out of 100 assessed palm oil producers, processors and traders for Sustainability Policy Transparency Toolkit (SPOTT) by the Zoological Society of London (2021)
- Leader category in protection of children's rights with the score of 8.1 by **Global Child Forum** Southeast Asia Benchmark(2020)
- Achieved gold rating within 90th percentile by **Ecovadis** (IOI Oleochemical)
- Awarded the most improved company in Water Security by **CDP**



FTSE4Good



ESG ratings



ESG Ranking : 77th percentile
(0 to 100)⁽¹⁾



ESG Score : 25.0 medium risk
(0 to 100)⁽²⁾



ESG Rating : BBB
(AAA to CCC)

(1) Higher percentile represents higher ESG score

(2) Lower score represents lower ESG risk

AWARDS & ACHIEVEMENTS

1. Strongest Adherence to Corporate Governance

(Alpha Southeast Asia's
10th Annual Institutional Investor
Corporate Awards 2020)

Best Senior Management IR Support

(Alpha Southeast Asia's
10th Annual Institutional Investor
Corporate Awards 2020)

2. Best CFO in Malaysia

(Alpha Southeast Asia's
10th Annual Institutional Investor
Corporate Awards 2020)

3. Highest Return on Equity Over Three Years (Plantation Sector)

(The Edge Billion Ringgit Club
Corporate Awards 2020)

4. Highest Growth in Profit After Tax Over Three Years

(The Edge Billion Ringgit Club
Corporate Awards 2020)

5. 2020 Digital Transformation (DX) CEO – Malaysia

(Dato' Lee Yeow Chor)
(International Data Corporation DX
Summit and Awards 2020)

6. Challenge Trophy

(2019/20 Prime Minister's
Hibiscus Awards)

7. Excellent Achievement Award in Environmental Performance

(2019/20 Prime Minister's
Hibiscus Awards)

8. Johor State Award

(2019/20 Prime Minister's
Hibiscus Awards)



FTSE4Good

9. Environmental, Social and Governance (ESG) Rating: 3.1

(A constituent of FTSE4Good Index)



10. Responded to Climate Change, Forests (Palm Oil) and Water Security



11. Ranked 14th with overall score of 77.1%



12. A score of 8.1% in the Food, Beverage & Personal Care sector (Top 3 companies with highest score for 2020)



1



2



3



4



5



6



7



8





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Thank You