

# SAFEGUARDING THE WELLBEING OF OUR WORKFORCE



Ensuring the wellbeing and protecting the rights of our workers are of paramount importance to IOI. Since the 2019 SR (IOI Labor Factsheet)<sup>1</sup>, was shared, further efforts have been made to ensure the implementation of human rights are in place and that the living and working environment of our workers are constantly improved. Through consultation with various stakeholders including the workers themselves, many initiatives have been introduced that have helped improve our employees' working conditions such as *Flexi Working Hours* ("FWH"), *Working from Home* ("WFH"), etc. while having strategic partnerships with key stakeholders helped to ensure checks and balances within our operations. One key initiative involved working with an independent human rights due diligence service provider to conduct monitoring on our workers' wellbeing through online surveys for our workers across our operating units (details in page 66).

## UPHOLDING HUMAN RIGHTS

During the past few years, IOI has engaged various stakeholders to identify areas of improvement to fortify our labour practices especially pertaining to their recruitment, wages and their amenities. Since then, IOI has introduced many guidelines related to labour to provide clarity and accountability through systematic monitoring of workers' rights under some of the guidelines as follows:

Development of Code of Conduct ("COC") on Ethical Recruitment and Responsible Employment (Code of Conduct.pdf (ioigroup.com))<sup>2</sup>

Guidelines for Providing Basic Amenities

Guidelines for Minimum Wage and Leave Pay

Workers' Work Verification Guidelines



## WAGE AND IN-KIND BENEFITS

IOI's "Guidelines for Minimum Wage and Leave Pay (Malaysia)" has been implemented across our operations in Malaysia and complies with the Minimum Wage Order set by the government. The SAP ERP system was introduced to monitor and standardise all salary payments which are controlled and centralised by IOI HQ. The system generates a minimum wage monitoring report to monitor the wages of our workers which consecutively enforces our commitment towards minimum wage.

The plantation workers are also provided with in-kind benefits including;

Access to in-house medical facility

Clean water and electricity

Housing accommodations

Insurance benefits

Creche, community hall, places of worship ( e.g. Surau, Temple, Chapel)

Social/recreational activities such as annual dinner, sports days, festival celebrations etc

<sup>1</sup> <https://www.ioigroup.com/Content/S/pdf/IOI%20Labour%20Fact%20Sheet.pdf>

<sup>2</sup> <https://www.ioigroup.com/Content/S/pdf/Code%20of%20Conduct.pdf>



## COLLECTIVE BARGAINING & FREEDOM OF ASSOCIATION

The Employee Consultative Committee (“ECC”) and Joint Consultative Committee (“JCC”) in our plantations are examples of collective bargaining mechanisms that we have established for our workforce to raise their requests, discuss suggestions and thoughts as well as report grievances directly to the management.

IOI has also signed three collective agreements with the National Union of Plantation Workers (“NUPW”)<sup>1</sup> to set the baseline of employees' wages and employment conditions. Under our Freedom of Association policy, our workers are free to be members of the union.

## WOMEN’S EMPOWERMENT

Recognising the important role women play in our business, IOI has included new commitments into our SPOP;

To uphold the reproductive rights of female employees

Promote women empowerment

**In 2020, we transformed** the former Gender Consultative Committee (“GCC”) into the Women’s Empowerment Committee (“WEC”) in our plantation. The WEC aims to provide a platform for women employees to discuss any issues that may affect them, such as harassment, gender discrimination, etc., and explore career advancement by empowering women at the workplace. Some of the initiatives introduced through WEC are Haircut Initiative and Women and Digitalisation.



OSH officer undergoing competence training at Morisem Palm Oil Mill, Sabah.

<sup>1</sup> Issue84.pdf (ioigroup.com) (page 13)

<sup>2</sup> [https://www.ioigroup.com/Content/MEDIA/NEWS/pdf/IOI SCF - Executive Summary JULY 20210719.pdf](https://www.ioigroup.com/Content/MEDIA/NEWS/pdf/IOI%20SCF%20-%20Executive%20Summary%20JULY%2020210719.pdf)

<sup>3</sup> <https://www.ioigroup.com/Content/S/pdf/Outcomes%20and%20Action%20Plans%20on%20Responsible%20Recruitment%20Practices%20and%20Legalization.pdf>

<sup>4</sup> [https://www.ioigroup.com/Content/S/S\\_Progress](https://www.ioigroup.com/Content/S/S_Progress)

## SOCIAL TRANSFORMATION THROUGH DIGITALISATION

Digitalisation has become an increasing necessity in this era. As such, IOI has moved forward rapidly to embrace this technology by introducing strategic projects that involved digital platforms. This early embrace of digitalisation enabled IOI to continue working with relative little interruptions during the restrictions imposed due to the COVID-19 pandemic (page 66). Other digital transformations which we have embarked on include the *IOI Mesra* grievance reporting mobile application and the use of Merchanttrade e-wallet (page 58 and 62) in our Plantations.



## EXPANDING ENGAGEMENT TO BUILD STRONG FRAMEWORK

In 2021, IOI conducted its first Sustainability Consultation Forum (“SCF”)<sup>2</sup> on responsible recruitment practices specifically in Peninsular Malaysia workers and legalisation issues in Sabah to address any systemic labour challenges faced by the palm oil sector in Malaysia. Based on the SCF, several outcomes<sup>3</sup> have been identified that can enhance our practices including;

Development of the “Toolkit for Conducting Due Diligence to Recruitment Agents”

Involved in consultation to develop a comprehensive paperwork on combatting the issues of forced labour, namely National Action Plan on Forced Labour (“NAPFL”) 2021-2025

Development of Terms of Reference (“TOR”) for a standard ethical recruitment practice for the oil palm growers

Development of “Gap Analysis - RSPO Standards for Palm Oil producers & ILO Guidelines - Recruitment Fees, Forced Labour and Related Costs”

We further expanded our engagements with stakeholders such as local NGOs and authorities including Migrant Care, International Organization for Migration (“IOM”), and Malaysian Labour Department for consultation on the best way forward especially on matters related to Forced Labour. Strong engagement with at the local community and authority has led to the final settlement of the long-standing IOI Pelita (Sarawak) land dispute case<sup>4</sup> (page 64).