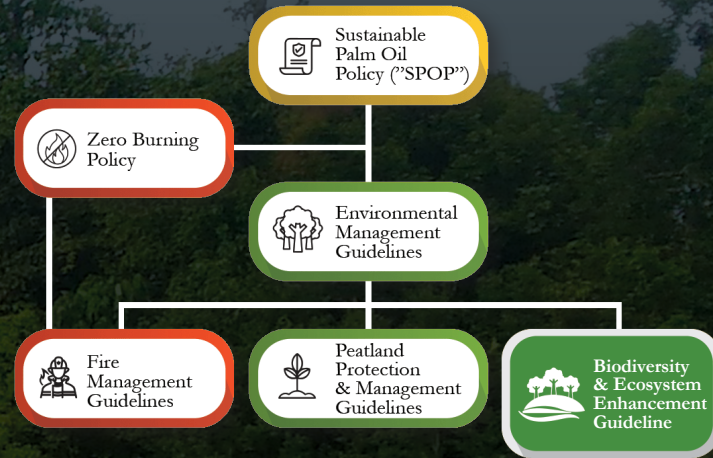


# ENHANCED BIODIVERSITY & ECOSYSTEM

As an agricultural based company, the protection and enhancement of biodiversity and natural ecosystem are of immense importance to IOI's operations. Our actions are guided by IOI's Sustainable Palm Oil Policy ("SPOP") which together with the Environmental Management Guidelines ("EMG") and Zero Burning Policy are in full alignment with our newly made commitments towards the Science Based Target initiative Forest, Land and Agriculture ("SBTi FLAG"). This year, to further emphasise the importance that IOI placed on Biodiversity, the new revision of our previous Biodiversity and Conservation Guidelines will now also include ecosystem enhancement. With this revised guideline, we should have a better assessment of our environmental impacts and thereby take more targeted steps to further minimise these impacts to the environment.



## WITH THE REVISED GUIDELINE, WE AIM TO:

Provide guidance for Biodiversity and Ecosystem assessment and execution of the management plan as well as continuous compliance towards national regulations

Provide guidance for biodiversity and ecosystem enhancement practices

Provide guidance for wildlife crisis management and handling

Provide guidance on reforestation management and practices

## Our policies and guidelines for environmental management.

We have aligned our commitments of environmental stewardship to incorporate some of the relevant recommendations stated in the draft Science Based Targets Network ("SBTN") guidance for companies. Key highlights of the revised guideline include:

Guideline aligned to SBTN guidance

The guideline now provides guidance for the development of a strategic management and ecosystem enhancement management plan

Emphasised the development of a strategic management and monitoring plan (when needed)

Emphasised the importance of ecosystem identification

## BIODIVERSITY AND ECOSYSTEM ENHANCEMENT GUIDELINES

Biodiversity and Ecosystem Enhancement Guidelines is revised in order to provide guidance for the protection, conservation and enrichment of biodiversity and natural ecosystem in our operating sites. The guideline is in alignment with HCV-HCS assessment manual, RSPO Principle 7 & MSPO Principle 5 as well as the recommendations from SBTN draft guidance, which comprised of four key steps as follow:

### STEP 01 | Identification of Biodiversity & Conservation Value Areas

- Establishment of baseline data through assessment
- Delineation activities through GIS activities
- Stakeholder consultation and engagement programme
- Internal Assessment Report

### STEP 02 | Execution & Management

- Setting up objectives and targets for the identified management areas
- Development of biodiversity and ecosystem enhancement management plan
- Development of strategic monitoring plan

### STEP 03 | Threat Monitoring & Crisis Management

- Define monitoring techniques
- Crisis management plan
- Active communication & participation with relevant stakeholders
- Development of Integrated Management Plan
- Data management using SMART tool
- Crisis & threats mapping

### STEP 04 | Impact Evaluation, Mitigation, Protection & Enhancement

- Analyse and evaluate monitoring results based on indicator
- Re-evaluate indicator if target not achieve to identify the gaps and root cause
- Establish the "Adaptive Management Strategies"
- Stakeholder engagement and partnership
- Rehabilitation and Reforestation programme whenever necessary
- HCV-HCS approach to determine the performance of planted area (i.e., from shrub land to secondary forest)

## OUR ACTIONS

As part of our continued push towards Net-Zero and the conservation and enrichment of biodiversity and its ecosystems in areas that we operate in, IOI continues to work with various stakeholders in the projects featured below:

### RELeaf project

- Ongoing collaboration with Nestle on rehabilitation of riparian buffers of the Kinabatangan River near our estates and completed tree planting in some of our area.
- Native saplings and seedlings will be used under the recommendation of Forestry Consultancy.
- All saplings and seedlings to be sourced from local communities to increase and promote local, social inclusivity.



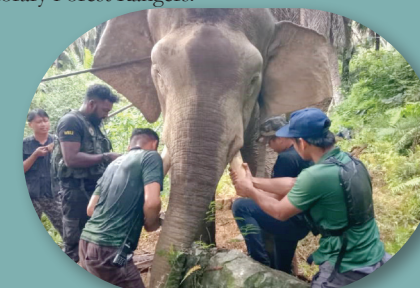
IOI Plantation and Nestle Project RELeaf team conducted two field surveys in November 2021 and June 2022, respectively

### Achieving Coexistence with Elephants

1. Reducing and managing human-elephant conflict ("HEC") in collaboration with Management and Ecology of Malaysian Elephants ("MEME").
2. Developed safety poster to handle HEC.
3. Continuing capacity building programmes with MEME to educate plantation communities on handling HEC.

### Protecting RTE species in Sabah

1. Ongoing collaboration with Sabah Wildlife Department ("SWD"), HUTAN and Seratu Aatai to protect RTE species.
2. Conducted capacity building programmes for local communities, training plantation staff to be Honorary Wildlife Wardens & Honorary Forest Rangers.
3. Maintaining camera traps installed with HUTAN for wildlife research and species monitoring.



Picture of Elephant collaring at our plantation in Sabah

### Laran Tree Planting Project

1. Introduced in flood-prone areas in Sabah's Syarimo 4 estate to facilitate rehabilitation.
2. Initial site survey was completed and the project has transitioned to the rehabilitation phase.
3. Positive biodiversity impacts were noted through sightings of wildlife like the Sambar Deer and Rufous-tailed Shama at the site.
4. Fruit trees that promote native wildlife return were found within the project site.



Picture of a Sambar deer (Left) and Rufous-tailed Shama (Right) found within the project site.

### Orangutan & Proboscis Monkey conservation in Sabah and Kalimantan

1. Ongoing collaboration with Balai Konservasi Sumber Daya Alam ("BKSDA") for orangutan conservation by renewing our MOU.
2. Activities include relocation of orangutans to their habitat, continuous species monitoring and capacity building for staff members to handle human-wildlife conflict.
3. Collaboration since 2019 with HUTAN-Kinabatangan Orangutan Conservation Programme ("KOCP"), the Palm Oil & NGO ("PONGO") Alliance & Sabah wildlife on monitoring the orangutan and Proboscis monkey population in Sabah.



Picture of Proboscis Monkey and Orangutan in our area at PT BSS