STRATEGIC FRAMEWORK

With an unwavering commitment to operational excellence and sustainability, driven by our determination to innovate and create value, we are embarking on an exciting new chapter.

We recognise both our capabilities and responsibility to make a meaningful impact in addressing the pressing challenges of today's world.

This marks the beginning of our 10-year aspiration:

Reimagining IOI in 2035 – a transition from a plantation and commodity-based company into a global sustainable palm products and ingredients company.

OUR FIVE-YEAR STRATEGIC ROADMAP 2025—2029

As the first milestone in this journey, our new five-year strategic roadmap outlines a clear and competitive growth strategy. It payes the way to move IOI higher in the value chain by delivering more innovative products and solutions.

4 STRATEGIC PRIORITIES Product Portfolio Expansion Human Capital Development & Culture Innovation 3 Sustainability **ENABLERS** Productivity & Quality **Technology &** Digitalisation Sustainability & Climate Initiatives

We aim to strengthen our product portfolio to capitalise on new market opportunities. Seeking to achieve new heights in value creation, we prioritise investment in high-value end markets and applications, as well as extending into adjacent businesses with high-growth potential to run into tomorrow's core businesses. This positioning maximises our returns and optimises our resource utilisation.

IOI is committed to accelerating the development of innovative offerings through research and development investment, open collaboration and partnerships, planting the seeds for future development. Our agility in embracing new waves of innovation will create necessary resilience in the wake of global change. We strive to maintain our competitive edge by delivering differentiated and cutting-edge solutions.

Our ambitions extend across our existing portfolio's performances. Driven by rigorous focus on operational and commercial efficiency, IOI is committed to driving higher productivity and delivering superior quality, enabling us to offer competitive pricing and quality products to our customers. The adoption of new automation and digitalisation practices will further elevate our upstream and downstream performances to a higher level.

We are committed to responsible and sustainable practices by actively advancing green initiatives across our operations. This includes increasing renewable energy usage, enhancing energy efficiency and reducing our carbon footprint. These efforts are part of our long-term strategy to achieve Group-wide net zero emissions by 2040, ensuring that we contribute meaningfully to global climate goals while building a resilient and future-ready business.

Refer to Strategic Enablers on pages 51-53 and Strategic Priorities on pages 54-61 for details.

STRATEGIC ENABLERS

Enabler

Connection

Human Capital

Development & Culture



Our Key Stakeholder Groups



Employees



Shareholders and Investors

Our Capitals



Human

Financial



Social and Relationship



Intellectual

Our Risks



Business Resilience



Talent Management

IMPORTANCE FOR IOI

Human Capital Development and Culture is vital to the growth and productivity of the organisation. Our employees are an invaluable asset who facilitate business growth and drive organisational excellence. We are committed to developing a world-class company that is built upon the strengths of its people. In doing so, we continue to nurture, develop and engage our employees to maintain a competitive advantage for the organisation. It is crucial to equip our workforce with the required skills to deliver our four strategic priorities.

OUR APPROACH

- 1. Creating and sustaining a high-performing workforce.
- 2. Managing employer branding.
- 3. Improving employee experience.
- 4. Enhancing human resource ("HR") digitalisation.

KEY INITIATIVES

- Cultivate an operational excellence work culture and create a highly competent workforce.
- 2. Strengthen culture and workforce readiness through digitalisation.
- 3. Build a sustainable leadership pipeline.
- Expand employee competencies through reskilling and upskilling.
- 5. Promote empowerment and inclusion.
- Enhance employee engagement and encourage workplace innovation.
- 7. Provide career advancement, offer competitive remuneration and enhance employee benefits.

KEY HIGHLIGHTS

- Won multiple accolades for HR excellence in 2024 across the Group, including the HR Asia Awards, HR Excellence Awards and HRD Awards (see pages 12-13 for full award listing).
- Promoting a health-conscious workplace through IOI Cares, a personalised and holistic employee wellness programme with evidence-based digital intervention, regular health talks and trainings on communicable diseases and mental health awareness.
- Sustained the roll-out of "WE CARE" initiatives to strengthen employee engagement among plantation employees, fostering open communication, providing support, building trust and promoting continuous learning on a six-monthly basis.

WE Communicate; Aid & Assist; Rapport; Educate

- 4. Hosted festive celebrations to promote team spirit, employee engagement and inclusiveness.
- 5. Conducted a hybrid townhall meeting to engage all business divisions and foster transparent communication.

- Strengthened leadership pipeline and succession planning through enhanced Leadership Development Programme, a refresher coaching programme and coaching logs with incumbents.
- 7. Organised a Senior Leaders' Retreat to align leadership direction with the company's new strategic priorities.
- Created Passion Drive Team for functional leaders to increase self-awareness and understand their roles towards achieving the department's direction.
- Strengthened the total rewards package to maintain market competitiveness, attract top talents and improve employee retention.
- 10. Implementing new HR systems to streamline work processes and improve productivity, with a HR self-service portal already in place at IOI Oleo GmbH's Witten site for absence and payroll management.
- 11. Organised talent management initiatives to align with organisational goals and business strategy.
- Conducted IOI Grow Learning Management System roadshow across plantation operating units in Peninsular Malaysia to promote the importance of e-learning and digital literacy.

FOCUS FOR FY2026

- 1. Continue the implementation of the HR systems to enhance efficiency and data integration.
- Upskill and reskill the workforce to enhance capabilities and performance.
- Strengthen succession planning through collaboration with leaders and training providers.
- 4. Support employee well-being and mental health initiatives.
- 5. Drive continuous leadership development.

- Foster employee engagement and loyalty through team bonding, community participation and enhanced internal communication.
- Strengthen downstream organisational growth through recruitment, team development and employee empowerment.

STRATEGIC ENABLERS

Enabler



Group Overview

Our Key Stakeholder Groups









Natural

Our Capitals

Manufactured

Social and Relationship



Our Risks

Business Resilience



Talent Management



Sustainability and Climate Change

Connection

Sustainability

Customers





Shareholders



Financial



Intellectual

Supply Chain Compliance

IMPORTANCE FOR IOI

Sustainability is firmly embedded in our culture. We balance growth with environmental stewardship. ensuring the well-being of our employees and the communities that we may impact. Guided by our three pillars of sustainability - People, Planet. Prosperity ("3Ps") + Partnership - we embed the 7Rs of the Circularity across all our operations and businesses to drive long-term value and impact.

OUR APPROACH

- 1. Aligning sustainability with key policies and IOI's four strategic priorities.
- 2. Establishing forward-looking sustainability goals and commitments based on global needs, requirements and IOI's 3Ps framework.
- 3. Strengthening sustainability governance through board oversight, stakeholder engagement. accountability and transparency.
- 4. Establishing proper systems and processes to monitor progress, communicate actions and meet stakeholders' expectations.
- 5. Embracing six United Nations Sustainable Development Goals ("UN SDGs") that are most relevant to our businesses and operations.
- 6. Integrating the 7Rs of the Circularity, regenerative and precision agriculture into our operations.
- 7. Benchmarking against industry leaders, fostering best practices and culture, and driving green technology and innovation.

KEY INITIATIVES

- 1. Uphold our No Deforestation. No New Planting on Peat and No Social Exploitation ("NDPE") and Zero Burning Policy across all plantations.
- 2. Safeguard High Conservation Value ("HCV") and High Carbon Stock ("HCS") areas within our operations.
- 3. Reduce greenhouse gas ("GHG") emissions from the operations and work towards net zero target by 2040 through our Group-wide Climate Change Action initiative ("CCAi").
- 4. Boost productivity through technology and women empowerment while ensuring a just transition towards a low carbon economy as part of Strategic Priority 4.
- 5. Adopt and practise the 7Rs of the Circularity, precision agriculture and regenerative agriculture methods.
- 6. Uphold policies and guidelines to protect human rights, ensure no forced labour and eradicate child labour through education for children in plantations.
- 7. Benchmark industry best practices through voluntary participation in CDP, Sustainability Policy Transparency Toolkit ("SPOTT"), Corporate Sustainability Assessment, FTSE Russell, Sustainalytics, etc.
- 8. Continuously monitor all stages of the palm oil supply chain, including obtaining relevant certifications and complying with the required standards.

KEY HIGHLIGHTS

- 1. Strengthened Environmental, Social and Governance ("ESG") performance with improved ratings and a third consecutive win at The Edge Malaysia ESG Awards 2024.
- 2. Earned consecutive Gold and Silver EcoVadis ratings. Eco-Management and Audit Scheme ("EMAS") and ISO 50001 certifications for our oleochemical plants in Malaysia and Germany.
- 3. Completed Scope 3 profiling at IOI Oleo Division to support GHG emission reduction initiatives.
- 4. Secured EUR 40K Germany federal funding for IOI Oleo GmbH's Transformation Concept project, which targets net zero by 2040.
- 5. Advanced energy efficiency via Project TA 09, improved biogas utilisation in Wittenberge and reduced process temperatures in Witten.

FOCUS FOR FY2026

- 1. Integrate sustainability data to enhance data accuracy, analytics, and auditability through IOI ESG Platform.
- 2. Continue working with organisations such as Roundtable on Sustainable Palm Oil ("RSPO") and Malaysian Sustainable Palm Oil ("MSPO") to finalise the National Interpretation of RSPO Principles & Criteria and mandatory MSPO certification to meet regulatory requirements (e.a. EUDR).
- 3. Support the 2040 net zero goals through the Reforestation Task Force ("RFT"), by utilising our set-asides' baseline information to map and prioritise the areas for rehabilitation activities.
- 4. Introduce biodiversity and ecosystem enhancement initiatives through the RFT, under IOI's nature-based solutions approach.
- 5. Verify climate targets based on Science Based Targets initiative ("SBTi"), Forest, Land and Agriculture ("FLAG") and non-FLAG criteria.
- 6. Improve operational efficiency and reduce GHG emissions via co-generation power plant, solar panels and biomass boilers.
- 7. Implement ISO 14064 GHG verification system in stages across our oleochemical operations in Malaysia and Germany.
- 8. Ensure secure, compliant handling of sensitive data, such as Product Carbon Footprint ("PCF"), in line with information security guidelines and regulatory requirements.
- 9. Establish comprehensive measurement points within our oleochemical facilities to enable precise assessment of environmental impact.
- 10. Commence Phase II of IOI Oleo GmbH's Transformation Concept to advance Group-wide net zero emission target by 2040.

Enabler



Our Key Stakeholder Groups

Customers



Employees



Shareholders

and Investors

Human

Financial

Manufactured

Our Capitals



Social and Relationship



Intellectual



Our Risks

Business Resilience



Talent Management



Cybersecurity

Connection

Technology & Digitalisation

IMPORTANCE FOR IOI

In the age of the Fourth Industrial Revolution ("IR4"). we are accelerating technology to enhance our upstream and downstream operations. Our four strategic priorities are underpinned by digitalisation. automation, mechanisation and novel technologies. enabling us to execute our strategies more effectively, modernise our business to remain competitive and propel the organisation to the digital core era.

OUR APPROACH

- 1. Standardising business processes across our core business segments by leveraging SAP's analytical and transactional capabilities to drive efficiency.
- 2. Providing savings in plantation operations' support services based on SAP system and integrated digital solutions. Implement electronic salary payment and enhance mobile network connectivity in the estates.
- 3. Advancing agricultural and manufacturing practices through innovation and technology adoption.
- 4. Enhancing our estates' operational efficiency and reducing dependency on manual workers via mechanisation.
- Embedding automation and digitalisation in our oleochemical manufacturing processes in line with the IR4 aspiration.

KEY INITIATIVES

1. Upstream Digitalisation:

Ensure proper management and full utilisation of the SAP system, explore robotic process automation ("RPA") and other digital solutions, as well as embark on more automation projects in upstream processes.

2. Mechanisation:

Enhance workforce productivity and reduce worker dependency in estates through mechanisation.

3. Downstream Digitalisation:

Strategise digitalisation and automation projects and identify roll-out plans for IR4 in downstream manufacturing.

KEY HIGHLIGHTS

1. Upstream Digitalisation:

- a. Successfully implemented SAP RISE on Google Cloud Platform ("GCP"), SAP Document & Reporting Compliance ("DRC") E-Invoice and SAP Fiori Embedded for enhanced agility, compliance and user experience. Rolled out SAP Business Planning & Consolidation ("BPC") for estate budget planning and extended SAP to Indonesian operations.
- b. Established an IT Governance Framework & Roadmap, deployed Modern Workplace productivity tools, piloted an Internet of Things ("IoT") sensor-driven vehicle management system and strengthened cybersecurity through network defences, threat detection, vulnerability assessments and awareness training.
- c. Upgraded infrastructure and optimised network at 40 low-connectivity estates to enable digital inclusivity.

2. Mechanised Mainline Fresh Fruit Bunches ("FFB") Evacuation System:

- a. Completed the full implementation of mechanised mainline FFB evacuation system in Malaysia.
- b. Converted 40% of combustion-powered infield fleet to electric-powered machinery for Peninsular estates.
- c. Conducted roadshows to upskill field personnel in machinery operation.

3. Downstream Digitalisation:

- a. Automated the smart cooling tower operations and installed IoT sensors in refinery to optimise electricity use, prevent fire and monitor oil tank volume.
- b. Digitalised operating data for compressor, solar thermal and solar PV systems, weight checker and metal detector at oleochemical facilities in Johor for real-time monitoring.
- c. Achieved Good Manufacturing Practices ("GMP") qualification with Near-Infrared ("NIR") device at Witten. Optimised Medium-chain triglycerides ("MCT") Fatty Acid Methyl Ester ("FAME") processes for energy savings and over 10% capacity increase in pharma MCT and FAME-based MCT at IOI Oleo GmbH.

FOCUS FOR FY2026

1. Upstream Digitalisation:

- a. Continue implementing Workday Human Capital Management platform to streamline HR, payroll, talent and financial operations.
- b. Expand SAP BPC to mills, explore SAP Build and Clean Core approach, adopt SAP Agriculture Contract Management ("ACM") for commodity trading, and leverage Microsoft Power Apps and Generative-Artificial Intelligence ("Gen-Al") to enhance automation, data integration and productivity.
- c. Embark on CISO as a Service ("CISOaaS") to strengthen cybersecurity, governance, risk management and compliance.

2. Mechanisation:

- a. Expand field deployment of terrace spraying machines (swing sprayer) in selected estates.
- b. Collaborate with universities, startups and Malaysian Palm Oil Board to develop new machinery and smart tools.

3. Downstream Digitalisation:

- a. Enhance effluent plant automation, IoT sensors with machine learning and digitalisation of dry fractionation plant.
- b. Accerelate warehouse digitalisation via pallet identification, Warehouse Management System and automated racking.
- c. Optimise MCT processes and energy infrastructure at Wittenberge.

STRATEGIC PRIORITIES

To maintain our focus on sustainable value creation, we have identified four new strategic priorities for 2025-2029.

This focused approach keeps us on track to deliver sustainable growth and provide valuable stakeholder returns over the short, medium and long-term. We have also established a resource allocation plan to execute these priorities based on the capital inputs identified in our business model on pages 30-31.

STRATEGIC PRIORIT	'Y 1: Product Portfolio Expansion	Plantation	
	High-yielding Seed Production	Ganoderma Tolerant Seed Production	Coconut Planting
OUR KEY INITIATIVES	To expand seed production to 10 million by FY2029.	To produce 400,000 seeds annually by FY2029.	To plant around 2,000 additional hectares ("ha") and develop an integrated coconut oil business by the end of FY2028.
ACHIEVEMENTS IN FY2025	We have produced 8.6 million seeds in FY2025.	We identified 10 mother palms with Ganoderma tolerant trait after multiple nursery challenge tests using a highly virulent Ganoderma strain. Approximately 100,000 seeds can be produced from these 10 palms annually for estate planting.	We have planted a total of 3,616 ha as of June 2025.
PRIORITIES FOR FY2026	Increase production capacity to 8.75 million with third-generation DxP material and semi-clonal DxP material for FY2026.	 Verify the tolerance level against industry benchmark for high virulent Ganoderma strain produced by the Malaysian Palm Oil Board ("MPOB"). Evaluate the Ganoderma tolerant material to be planted in our internal estates. 	 Complete around 600 ha of coconut planting in FY2026. Commence the construction of coconu oil mill in FY2026.
CONNECTION	Our Key Stakeholder Groups (S1) (S2) (S4) (S5) (S6) (S7)	Our Capitals	

As we work towards achieving our 2025-2029 targets, we closely monitor the performance of each strategic focus area, tracking key activities benchmarked against Key Performance Indicators ("KPIs") and future initiatives to ensure progress and impact.

Renewables Resource-Based Manufacturing **Ester Production Capabilities** Expand Product Portfolio of Pharma and Personal Care Renewable Materials To enhance esterification plant and To increase sales volume by 7% in pharma and 10% in personal care To build the country's first integrated empty fruit expand ester capacity by 12,000 MT through new product developments. To build a Lipid Excellence Center bunch ("EFB") paper pulp facility, targeted for per annum. ("LEC") by Q3 2028. commissioning by FY2028. We have completed the enhanced · We successfully launched two new products: Nextgreen IOI Pulp Sdn Bhd, our joint (i) Polyglycerol Esters ("PGE") in personal care with first sales recorded. esterification plant in June 2025. venture company, signed an agreement with (ii) SOFTISAN® 650, a natural film former to enhance colour, sun and skin a subsidiary of Xiamen C&D Corporation, a care formulations for personal care. Fortune Global 500 company, to develop an EFB pulp manufacturing plant with a production • IOI Oleo GmbH has finalised the basic design for the LEC in FY2025, capacity of up to 150,000 MT annually. obtained shareholder approval and identified major project partners. Continue further studies into exploring Launch PGE for pharmaceutical applications at the Convention for Commence the construction of the pulp facility Pharmaceutical Ingredients ("CPHI") in October 2025, with a focus on the potential of capacity expansion for in FY2026. the 12,000 MT ester plant. suppositories. Advance the manufacturing concept for PGE in plant scale to production level implementation. Expand Good Manufacturing Practices ("GMP")-quided product packaging capabilities with external partners. Obtain LEC building permit by Q3 FY2026 and start construction by Q4 FY2026.

Our Risks

















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Group Overview

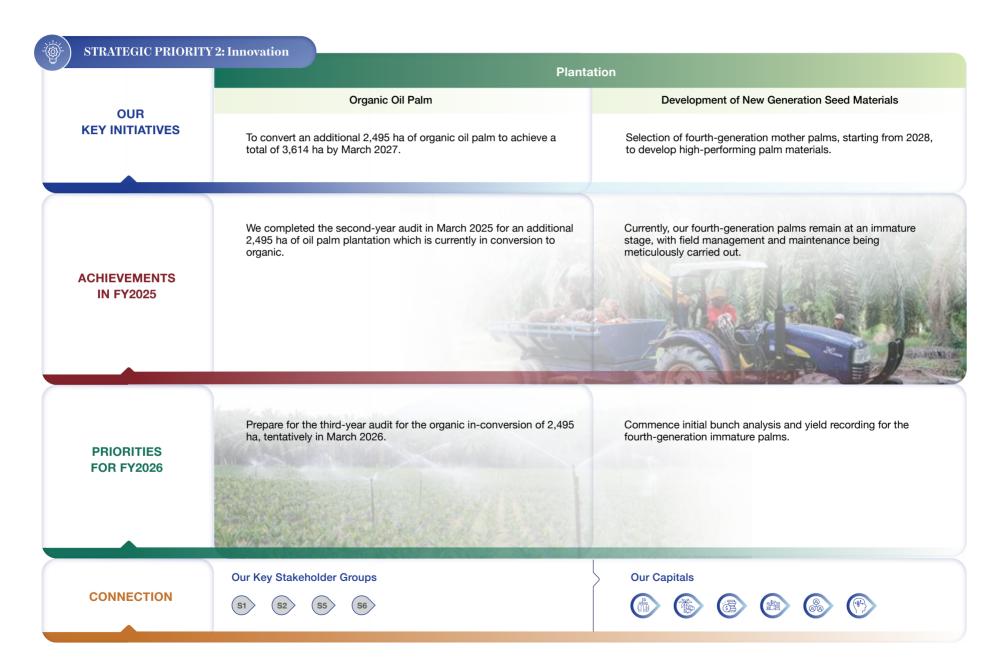
Key Messages

Strategic Value Creation

Strategic Progress

Performance Review

STRATEGIC PRIORITIES



Resource-Based Manufacturing

Refining Processes Innovation for Premium Products

To produce and sell 80,000 MT per year of premium products by FY2029.

Product Differentiation for Fatty Acids and Soap Noodles

To increase differentiated fatty acids and soap noodle products by 13,000 MT and 16,000 MT respectively by FY2029.

Oleo Product Development via R&D, Technology Enhancements, Product Differentiation:

To launch one new product development per annum starting from FY2025.

We have successfully produced and sold 69,000 MT of high-quality palm and lauric oils with contaminant levels below the European Union ("EU") requirements, commanding higher price premiums.

- We have completed an in-house R&D process optimisation for premium glycerine grade and initiated collaboration with a technology supplier for pilot quality confirmation.
- We have conducted trials on various types of new soap noodle products.
- We have developed two new personal care products in FY2025, with the launch of PGE in pharma scheduled for CPHI 2025.
- We successfully expanded our PGE portfolio usage as a 3D-printing agent.
- We have developed a new film former (SOFTISAN® 650) for Business Unit Care and established new business prospect for hydrogenated refined bleached and deodorised palm stearin with low 3-MCPD and GE for food emulsifier manufacturers.

- Implement advanced process control to achieve lower contaminant variants of palm and lauric oils tailored for specific high-value applications.
- Building on our EU success, we target 10,000 MT of additional premium low-contaminant palm and lauric oil sales.
- Install new plant to produce premium glycerine grade.
- Commercialise at least two new soap noodle products in FY2026.
- Set up CARE Studio Asia: an application studio for customer engagement and product showcase, to be ready in FY2026.
- Evaluate and implement enzymatic esterification for at least one plant reactor.
- Explore keto-ester portfolio exploitation besides KetoLipix, Novel Food and more.

Our Risks







Our Material Matters



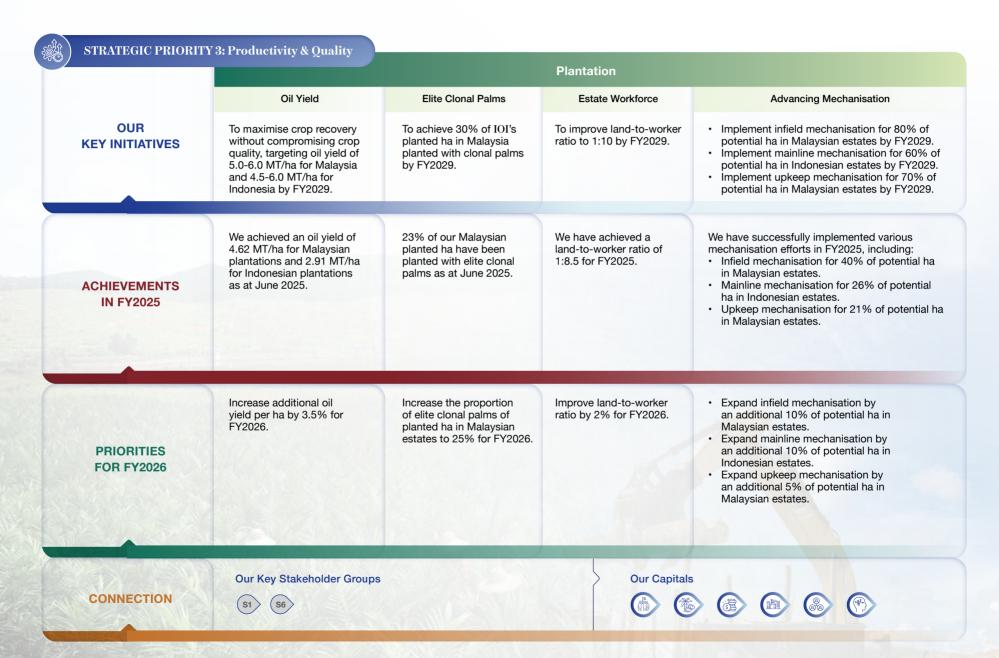






Group Overview Key Messages Strategic Value Creation Strategic Progress Performance Review

STRATEGIC PRIORITIES



Our Risks















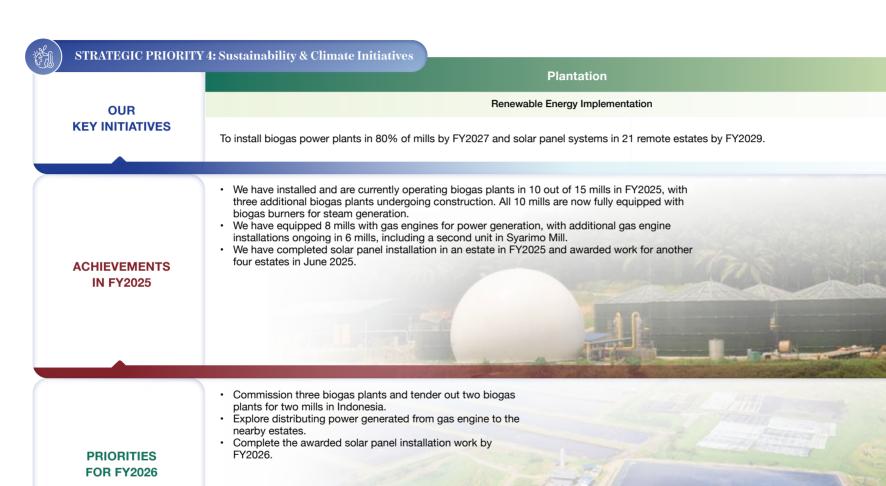






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STRATEGIC PRIORITIES



CONNECTION

Our Key Stakeholder Groups























Additional Information

Our Risks

Resource-Based Manufacturing	Renewables
Advancing Manufacturing Technology	IOI Palm Wood Sustainability Projects
To improve energy efficiency, reduce energy consumption and greenhouse gas ("GHG") emissions through project implementation to contribute towards our carbon neutral goal by 2030.	To install rooftop solar PV to improve energy savings by 26% from 2025 onwards.
Refinery: We have implemented multiple heat recovery projects that have significantly reduced the energy consumption in these plants, including: Heat exchanger and flue gas economiser installations. Cooling system and technology upgrades across IOI Edible Oils Sdn Bhd, consisting of pipeline modifications and variable speed drive ("VSD") installations. Smart cooling tower system at IOI Bio-Energy Sdn Bhd with automated fan speed control. Oleochemical: Our IOI Oleo Division has implemented major efficiency-based GHG reduction projects, including: Successfully energised solar projects in new warehouse in May 2025. Commissioned a new 3.2 MW co-generation plant in Penang in July 2025 with potential GHG reduction of 9,000 MT CO ₂ per annum.	We have installed and commissioned a 928 KWp solar PV project, achieving an approximately 38% saving in electricity cost.
Refinery: • Embrace new industrial technologies to enhance heat recovery and energy efficiency. • Optimise green steam and power supply to refinery complex for energy efficiency. Oleochemical: • Commission a biomass boiler in Johor with potential GHG reduction of 20,000 MT CO ₂ per annum by May 2026. • Develop an improved GHG reduction roadmap, mapped with potential GHG savings against investment requirements. • Create Product Carbon Footprint ("PCF") in a comprehensive form to meet customer requirements at IOI Oleo GmbH.	Explore new initiatives such as rainwater harvesting to reduce fresh water reliance for processes.

Our Material Matters