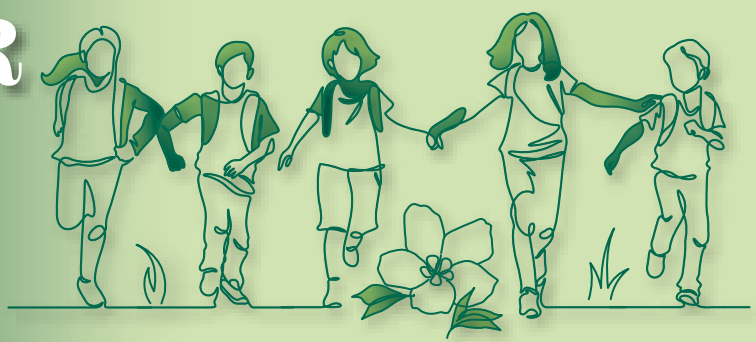
IOI GROUP

Sustainability Report **2025**

TOGETHER WE SUSTAIN



CLIMATE INITIATIVES

Our strategy is about a blend of engineered and nature-based solutions coupled with resilient practices and smart partnerships. With expert assistance, we have conducted comprehensive assessments to tackle GHG emissions within our operations and our supply chains, and identified our climate related transition and physical risks. To mitigate these risks as well as create opportunities, we adopt circular economy, embrace innovation and technology, and utilise renewable energy, ensuring a future that is both adaptable and sustainable.

BIODIVERSITY

To manage our finite natural resources, we practise the 7Rs of Circularity to reduce our impact to the environment, especially by utilising our byproducts or biomass for value added purposes like converting oil palm trunks to palm wood or applying palm biomass as organic fertilisers. We protect our HCV and HCS areas, enforce a strict zero-burning policy and implement Integrated Pest Management to control pests naturally. Innovative regenerative practices like using beneficial cover crops to keep soil rich in nutrients naturally, further underscore our dedication to safeguarding our biodiversity and ecosystems.

Our Strength In Enabling Us To CREATE AND SUSTAIN LONG-TERM STAKEHOLDERS' VALUE

IOI's journey of digitalisation involved integrating digital technologies into our areas of operations. In our resource-based division, digitalisation and data automation help our operators monitor the performance of multiple facilities simultaneously, ensuring real-time oversight of critical processes. The introduction of SAP-ERM Groupwide, helps operations in the plantations integrate and streamline core processes, undertake real-time data consolidation, and enhance coordination between departments. It also lays the foundation for more digital transformation, including advanced analytics and AI for long-term sustainability and business excellence.

DIGITALISATION

The basis of IOI's cohesive and inclusive responses towards climate change and subsequent commitment to achieve net zero by 2040 lies in our comprehensive decarbonisation efforts. We further realise that the pathway that we are embarking on involves not only our immediate businesses and operations, but also our employees, suppliers, customers, and communities amongst others. So, we will strive to make certain that our climate change adaptation and mitigation efforts will be undertaken in a fair and balanced manner so that our stakeholders may benefit as well.

JUST TRANSITION

IOI's Pathway to Net Zero by 2040 is a challenging one. It began in 2019 with the launch of the Climate Change Action initiative with a near term target of 40% GHG emission intensity reduction by 2025, with 2015 as the baseline year. By 2025, we had achieved 46% reduction, which is higher than the target set for the Group, through meticulous, painstaking, and systematic application of various initiatives and approaches. Our next goal is to achieve carbon neutrality by 2030 in Scope 1 and 2 through the intensification efforts of our nature-based solution activities. Ultimately, together with all our partners, we hope to reach our goal of Net Zero by 2040 in Scope 1, 2 and 3, and be a force of positive impact to the planet.

NET ZERO

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Inside This Report

FEEDBACK AND COMMENTS

IOI Group is transparent and dedicated to receiving any comments, feedback, and ideas from all our stakeholders. Readers may also access this report online on our corporate website **https://www.ioigroup.com**. Any feedback related to our sustainability performance and management approach, as well as other matters regarding the report, may be addressed to:

Attn: **Corporate Sustainability Department** Email: **ioisustainabilityteam@ioigroup.com**

Address: **Level 29, IOI City Tower 2, Lebuh IRC, IOI Resort City, 62502 Putrajaya, Malaysia** Tel: **(+603) 8947 8888**

ABOUT THIS REPORT

THE FOCUS OF THIS REPORT

The theme, ***Together We Sustain***, for this year's report, reflects IOI Corporation Berhad's ("IOI" or "the Group") continued commitment towards moving together, collaboratively in our sustainability journey. Our path is anchored by our 3Ps (People, Planet and Prosperity) plus Partnership and expressed through our responsible environmental and social practices as well as our innovative solutions. These efforts strengthen our business resilience and help shape a future-ready organisation that is aligned with global sustainability standards and stakeholder expectations. Our impact-driven sustainability initiatives include further reducing the burden held by workers that may be impacted by climate change, and improving productivity through mechanisation, as well as digitalisation via enhanced data-driven decision-making process with the use of Artificial Intelligence ("AI") across our plantations, and resource-based operations.

The report also introduces IOI's new Five-Year Strategic Roadmap (2025-2029), that outlines our growth trajectory, with a specific attention to climate change and sustainability. Further progress on our purpose and activity-driven efforts along the decarbonisation pathway to net zero, including actions to mitigate climate and ecological impacts through various sustainability initiatives, will be reported. We will also report on how our employees, local communities, and other stakeholders equitably benefit as we transition to a low-carbon economy. Also included in this report will be our progress in safeguarding the well-being of our workforce, supporting the welfare of surrounding communities, and upholding human rights. These focus areas reflect our on-going commitment to Economic, Environmental, Social, and Governance ("EESG") principles despite the current trend of moving away from ESG reporting due to political backlash, fear of greenwashing and regulatory complexities. We also assess our performance against the targets and goals of the six adopted United Nations Sustainable Development Goals ("UN SDGs") most relevant and impactful to our operations.

BASIS OF PREPARATION

General Reporting Standards and Principles

This report has been prepared in accordance with the Global Reporting Initiative ("GRI") Sustainability Reporting Standards 2021, including GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022. It also references the Bursa Malaysia Sustainability Reporting Guide (3rd Edition), which outlines sustainability-related disclosure obligations under the Main Market Listing Requirements of Bursa Malaysia Berhad and provides relevant reporting framework recommendations.

In line with the National Sustainability Reporting Framework ("NSRF"), the Group is reporting under the International Financial Reporting Standards ("IFRS") Sustainability Disclosure Standards for the first time for the annual reporting period ended 30 June 2025. This report is prepared with reference to the IFRS Sustainability Disclosure Standards — namely IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information), and in accordance with IFRS S2 (Climate-related Disclosures). We are progressively aligning our disclosures with these standards, based on available resources and utilising all reasonable and supportable information that is specific to IOI, takes account of our external environment, includes available information at the reporting date, and where relevant, the data are reported as guided by IFRS. The report also adopts content elements from the International Integrated Reporting Framework and the Accountability Framework Initiative ("AFI").

This report outlines IOI Group's sustainability management approach and performance data, including—where relevant, the associated impacts, risks, and opportunities related to our EESG material matters. The reporting period covers 1 July 2024 to 30 June 2025, which corresponds to IOI's financial year 2025 ("FY2025").

IOI's Sustainability Report 2025 ("SR2025") is published alongside the Annual Report 2025 ("AR2025") as part of IOI's Annual Integrated Reporting ("IR"). There were no significant changes to IOI's size or supply chain during the reporting period. Any changes to the Group's structure or ownership are disclosed in AR2025.

The information and figures presented in this report are based on the most up-to-date data available for the reporting period. Some data may differ from other reports, such as the Roundtable on Sustainable Palm Oil ("RSPO") Annual Communication of Progress ("ACOP"), due to varying reporting periods (e.g., the annual assessment period from January 2024 to December 2024). Where applicable, relevant data and information have been included in this report. In some cases, figures from previous years' Sustainability Reports have been restated to reflect improvements in our data collection and analysis.

Scope of Consolidation

The scope of this report covers entities included in our consolidated financial statements. These entities include our headquarters in Putrajaya, Malaysia, and core business operations comprising: IOI Plantation—which encompasses the Biotech Centre, research centres, estates, and mills in Malaysia and Indonesia; Resource-based Manufacturing operations, such as refineries (IOI Refinery) and oleochemical activities (IOI Oleo) located in Malaysia and Germany; and renewables, namely the palm wood manufacturing facility (IOI Palm Wood) located in Johor, Malaysia. This report focuses on operations over which we have operational control and excludes IOI Group sales offices and associate companies. This report is intended to be read together with our AR2025. Throughout this report, there are sustainability-related disclosures that can be found in our website.

The scope of the Sustainability Statement covers IOI's entire own operations, and slightly different with the Group's consolidated financial reporting boundaries in AR2025 where they consolidate the financial performance of IOI Group and its subsidiaries. For reporting on greenhouse gas emissions, environmental and social data, IOI applies the operational control approach.

In cases where policies, actions, and targets apply to the 'own workforce', third-party operations and independently managed subsidiaries may be excluded if separate processes are in place. Material sustainability impacts, risks, and opportunities are considered across both our own operations and value chains (upstream and downstream), based on the outcomes of IOI's materiality assessment.

Where applicable, IOI has applied transitional provisions for financial data disclosure and relevant comparative information, particularly where data availability and verification remain a challenge. Further information is provided in the relevant sections.

Sources of Estimation and Outcome Uncertainty

Estimates, alongside actual data, have been used in preparing certain performance metrics—such as GHG emissions and targets—particularly in areas involving upstream and downstream value chain data. These are detailed in the respective accounting policies. IOI's operational data is generally supported by direct (primary) data, whereas estimates used for value chain metrics introduce a higher level of measurement uncertainty.

It is to be noted, as with all assumptions and uncertainties (although documented in the methodology notes), and forward-looking statements (e.g., targets and projections), that they are inherently subject to uncertainty.

Changes in Preparation, Presentation, or Specific Circumstances

Any restatements of historical data are performed only when they meet IOI's internal materiality threshold, typically due to improved calculation methodologies, new scientific evidence, or the identification of reporting errors. There were no restatements of information from previous reporting periods in this Sustainability Report.

Statement on Sustainability Due Diligence

IOI undertakes regular social and environmental due diligence as part of its sustainability governance. This process includes conducting risk assessments and implementing grievance mechanisms across the value chain, monitoring worker's welfare and labour practices, verifying supplier's compliance, and assessing community's impacts through active engagement with affected stakeholders.

Assurance

This report has been reviewed by our Chief Sustainability Officer ("CSO"), approved by the Group Managing Director ("GMD") and Chief Executive, and presented to the IOI Board Sustainability Committee ("BSC").

To further strengthen the credibility of the Sustainability Statement, this report has been validated and verified by IOI's Internal Audit to obtain reasonable assurance on the data presented. The scope of the review includes an assessment of the processes and internal controls used for collating and reporting various environmental and social indicators, as well as verifying that the data is consistent with underlying records. It covers various business divisions and operating units across the Group.

In connection with the audit of the financial statements of IOI Group contained in the financial section of IOI Corporation Berhad's AR2025, BDO PLT, the external auditors, have read the other information in accordance with ISA 720 (Revised): The Auditor's Responsibilities Relating to Other Information.

In the next couple of years, we plan to engage a third-party assurance provider for the information presented in this report. However, we believe that our various certification audits including, but not limited to the RSPO, Malaysian Sustainable Palm Oil ("MSPO"), Indonesian Sustainable Palm Oil ("ISPO"), and ISO-related audits such as ISO 14064-1 and ISO 45001, have already lent credibility to the performance data shared with our stakeholders.

We remain committed to continuously improving our reporting disclosures to ensure operational transparency. As part of this commitment, we aim to broaden the scope of our assurance processes through potential external verification, in line with our ongoing efforts to build trust through consistent and transparent communication.

Forward-Looking Statement

This Sustainability Report and other related communications released by IOI Corporation Berhad, including, but not limited to, statutory filings, financial reports, press releases, presentations, and public oral statements, may contain forward-looking statements related to IOI's operational, financial, and sustainability performance, strategies, outlook, projections, prospects, future events and developments in the industry in which we operate. These forward-looking statements are provided for informational purposes only.

These statements are based on current expectations, estimates, and assumptions made by IOI's management and are subject to uncertainties and risks—both known and unknown and other factors beyond the control of IOI. While IOI believes that these expectations are reasonable at the time of reporting, actual results may differ materially from those expressed or implied by the forward-looking statements.

Factors that may cause actual outcomes to differ include, but are not limited to:

- Technological developments, cybersecurity risks, or information system failures;
- Adverse climate-related impacts, including extreme weather, resource scarcity, or shifts in stakeholder's expectations;
- Global or local crises, such as pandemics, conflict, civil unrest, or natural disasters.

MESSAGE FROM OUR GROUP MANAGING DIRECTOR AND CHIEF EXECUTIVE

Dear Stakeholders,

AGAINST A BACKDROP WHERE GLOBAL TRADE HAS BEEN IMPACTED BY GEOPOLITICAL SHIFTS, PROTECTIONISM AND NATURE'S CATASTROPHES, UNCERTAINTIES CONTINUE TO GROW. TOGETHER WITH RAPID TECHNOLOGICAL ADVANCEMENTS, DISRUPTIONS IN SUPPLY CHAINS AND POLITICAL UNRESTS, BUSINESSES MUST BE RESILIENT TO SURVIVE THESE CONSTANT CHALLENGES.

Dato' Lee Yeow Chor
Group Managing Director and Chief Executive ("GMD")

We have collaborated with a major telecommunication company to enhance internet connectivity for them by installing

81 communication towers

across our Malaysian plantations.

Established an IOI ESG Digitalisation platform which provide real-time tracking and analysis of our sustainability-related data that is integrated with our SAP ERP platform for transparency, improved accuracy, and auditability.

At IOI, our business resilience, with sustainability strategies firmly embedded within, is predicated by our agility to adapt to changes wrought by these challenges and evolving regulations in our export markets.

Our newly launched 5-year Strategic Roadmap (2025-2029) with a notable specific inclusion of **Sustainability and Climate Initiative** (Priority #4) is part of how IOI plans to address these uncertainties and stay ahead of the challenges faced. While sustainability itself has been firmly integrated within our businesses through our 3 pillars of sustainability People, Planet & Prosperity ("3Ps") for some time, the emphasis in our 5-year strategic roadmap helps to galvanise everybody in the Group towards this direction and shared goal.

DIGITALISATION AS AN ENABLING TOOL FOR SUSTAINABILITY **(details in pages 16 - 17).**

Together with sustainability, digitalisation is considered another mega-trend in the 21st century. At IOI, we recognise that the convergence between digitalisation and sustainability has created exciting opportunities in laying the groundwork for achieving our sustainable development goals especially our net zero target.

IOI believe that the advent of the digitalisation era, particularly AI as an integral part of digitalisation requires us to adjust to yet another new normal. We started our journey as far back as 2018 by initiating a Group-wide SAP Enterprise Resource Planning ("ERP") system to enhance overall operational efficiency and to incorporate sustainability-related data. Fast forward to 2025, we have established an IOI ESG platform which provide real-time tracking and analysis of our sustainability-related data that is integrated with our SAP ERP platform for transparency, improved accuracy, and auditability.

MESSAGE FROM OUR GROUP MANAGING DIRECTOR AND CHIEF EXECUTIVE

TOGETHER, MOVING TOWARDS CLIMATE POSITIVE (details in pages 48 - 59).

With our pledge of moving towards net zero by year 2040 firmly established since 2022, we have been ramping up our climate initiatives to reduce the GHG emissions from our business operations. We are happy to report that we have exceeded our short-term target of reducing our GHG emissions intensity from 2015 base year by 40% in FY2025 in recording an actual reduction of 46% in FY2025.

This year, we noted that the absolute Scope 2 GHG emissions for our Plantation Division has reduced from 5,430 MT CO_2e in FY2019 to only 68.5 MT CO_2e, which is about 1% of FY2019 level. This reduction is due in great part to the installation of 10 methane capture plants in our mills coupled with the installation of gas engines, together with the installation of solar panels for electricity at our remote estates.

For our downstream manufacturing segment, we have implemented various heat recovery and energy saving projects across our refineries and oleochemical plants to reduce GHG emissions as well.

TOGETHER, DRIVING NATURE POSITIVE IMPACTS (details in pages 62 - 71).

Understanding nature's importance means we need to advance practical solutions that can sustain a future where nature and humanity thrive together. In pursuing regenerative agriculture, we are targeting to expand our organic oil palm plantation from 1,100 hectares presently to 3,500 hectares in the year 2028.

We are actively involved in reversing nature loss where currently, 446 hectares of the conservation areas within our plantations is undergoing reforestation and rehabilitation. At the same time, we have undertaken a carbon sequestration baseline study for 10,700 hectares across our plantations which will help us to determine the carbon sequestration amount from our future reforestation and rehabilitation activities.

In our Sandakan refinery, the usage of palm biomass to replace fossil fuel for steam and power generation had reduced about 2,080 MT CO_2e of GHG emissions in FY2025. Approximately 85,300 m3 of effluent water has been treated and recycled for non-critical use in the refinery.

We have conducted Life-cycle Analysis ("LCA") for our refined palm oil and found that the global warming potential ("GWP") of our refined palm oil, after accounting for indirect land use change, is 2.21kg CO_2e/kg, lower than the industry average of 3.68kg CO_2e/kg. This is a strong indication that IOI's sustainability practices have reduced agricultural GHG emissions, leading to a reduction in climate impact.

TOGETHER, EMPOWERING PROGRESS WITH PURPOSE (details in pages 74 - 86).

We have always valued our workforce and the communities where we operate. IOI Plantation's partnership with Tetra Pak Malaysia in the used beverage carton recycling project has recently expanded to our plantations in Sabah and several schools there.

We continued our Child Education Initiative which has now reached 4,364 of our plantation workers' children in Sabah with a total investment of RM3.1 million in FY2025, covering school fees, meals, uniforms and other expenses in the HUMANA schools and Community Learning Centres. In another initiative to improve our workers' wellbeing in remote areas, we have collaborated with a major telecommunication company to enhance internet connectivity for them by installing 81 communication towers across our Malaysian plantations. The project started in July 2024 with completion targeted for Q3 2025.

To ensure compliance with local health and safety regulations and maintaining a safe and responsible work environment, all of our oleochemical plants underwent Sedex Members Ethical Trade Audit ("SMETA") audit by an independent third party. Finally, the IOI Group Safety and Health Policy ("IOISHP") was launched in December 2024. This policy extends protection to all employees, contractors, and visitors across our plantations, manufacturing facilities, and other company-managed operations.

MOVING FORWARD

The World Economic Forum Global Perception Survey 2024-2025 found that six out of ten global short-term risks are either environmental or social related. Therefore, it is imperative that we continue to stay true to our sustainability commitments of balancing the 3Ps and work collaboratively with other stakeholders through smart partnerships. With our new strategic priorities in place, we strongly believe that this will enable us to weather the constant change while allowing us to create opportunities and shape our future over the next five years. Grounded on our core values of integrity, commitment, team spirit, cost efficiency, innovation and excellence in execution, we will strive to become stronger and ever resilient

Together We Sustain

REFLECTIONS OF THE CHIEF SUSTAINABILITY OFFICER

IT CANNOT BE DENIED THAT THERE IS INCREASING COMPLEXITY OF SUSTAINABILITY CHALLENGES DUE TO THE INTERDEPENDENCE OF GOALS AND THE BALANCING OF MULTIPLE DYNAMICS LIKE SOCIAL, ECONOMIC, AND ENVIRONMENTAL SYSTEMS. TOGETHER WITH CRITICAL ISSUES LIKE CLIMATE CHANGE, GEOPOLITICAL UPHEAVALS, MARKET TURBULENCE, ETC., IT SEEMS THAT UNCERTAINTY IS THE NAME OF THE GAME FOR THE NOT-SO-DISTANT FUTURE.

> **"At IOI, we realise that adaptive strategies would be required to address these changes and would necessitate us working together cohesively to warrant the viability of the solutions."**

Dr. Surina Ismail
Chief Sustainability Officer ("CSO")

Sustainability & Climate Initiatives

The new 5-years Strategic Roadmap (FY2025 -FY2029) reflects our proposed solutions, and path forward. Strategic priority #4 – Sustainability and Climate Initiatives for example, is especially pertinent considering our commitment of net zero to 2040. Our progress has been steady and impactful as per our achievement of reducing our Group's GHG emissions intensity to 46% in 2025 which exceeded our targeted expectation. This would not have been possible without a stepwise and systematic method towards our goals and the deep commitment of our people at all levels.

As you go through our report, it is also especially evident that the mixture of best management practices, innovative approach and technological advancement have been part of the overall-plan utilised to achieve our goals. In particular, the section on "Digitalisation as an Enabling Tool for Sustainability" illustrates their roles in addressing EESG matters relevant to IOI.

Also apparent from the perspective of disclosure, and reporting, based on the multiple sustainability frameworks and standards like the GRI, NSRF, the Task Force on Climate-related Financial Disclosures ("TCFD"), etc., and the specific disclosure requirements that cover material information about environmental factors like GHG emissions, energy management, and water usage, as well as social aspects like human rights, labour practices, data security, and governance practices related to these areas, that there seemed to be a plethora of requisite information that needs to be gathered to ensure transparency and no greenwashing. With the IOI ESG Digitalisation Platform in place, IOI has deployed this digitalisation approach to big data to address the many disclosure requirements being obligated on us.

This financial year, we will also evaluate the impact of our endeavors on any changes or outcomes (positive or otherwise) to refine further our objectives and pledge to continue reaffirming our alignment to the UN SDGs.The completion of the satellite mapping for our conservation and set-asides areas where we plan to undertake reforestation and rehabilitation as part of the Nature-based solution, in line with our commitment to UNSDG 13 (Climate Action), is shared in this report. Our collaborations with our identified partners and international bodies like International Organisation for Migration ("IOM") and International Labour Organisation ("ILO"), show IOI's serious intent in addressing difficult and complex subjects such as those involving migrant workers and their rights. The unwavering support for our valued workforce and the communities where we operate as we travel together to achieve our sustainable goals, are also disclosed throughout this report. It is our earnest hope that our overall presence makes for a beneficial and positive influence that can sustain a future for all.

ORGANISATIONAL OVERVIEW

IOI CORPORATION BERHAD ("IOI" OR "THE GROUP"), AS A GLOBAL SUSTAINABLE PALM PRODUCTS AND INGREDIENTS COMPANY, OPERATES AN INTEGRATED VALUE CHAIN BUSINESS ENCOMPASSING UPSTREAM PLANTATION DIVISION AND DOWNSTREAM RESOURCE-BASED MANUFACTURING DIVISION, WITH OIL PALM PLANTATION AS ITS CORE BUSINESS.

Headquartered in Putrajaya, Malaysia, IOI is a public listed company ("PLC") on the Main Market of Bursa Malaysia Securities Berhad. The Group has a global presence across Asia, Europe, Africa, the Americas, with key operations based in Malaysia, Indonesia, and Germany.

IOI's commitments towards sustainability are clearly stated in our IOISP. Our responsibilities towards all matters related to EESG encompass our businesses, operations, and supply chains. This is evidenced in our inclusion as a constituent company in the FTSE4Good Index Series, with a perfect score of 5 in governance, reflecting our efforts in ensuring transparency and accountability within our operations. Our abilities to meeting internationally recognised EESG standards are also recognised from the awards and favourable ratings given by various sustainability ratings agencies such as S&P Global, CDP, Sustainalytics, EcoVadis, etc.

Furthermore, since 2018, we have committed to adopting the UN Sustainable Development Goals ("SDGs"). This year we will be summarising the achievements of the 6 UN SDGs with their specific targets most relevant to our businesses that we have adopted, and that have given the most relevant impact to the UN SDGs (see page 30-35).

To achieve net zero by 2040 and reduce our environmental footprint, IOI implements precision and regenerative agriculture as well as adopts a circular economy approach by applying the 7Rs of circularity: Rethink, Repurpose, Reduce, Reuse, Recycle, Repair, and Recover, throughout our value chain. Our Value Creation Model on page 20-21 clearly illustrates how the 7Rs are implemented across our operations. Within the Plantation division, the concept of circularity is clearly practiced through the efforts put in place to reduce GHG emissions. Several mills have been equipped with methane capture facilities and the biogas captured from the Palm Oil Mill Effluent ("POME") has been repurposed for power generation, which is then used by the mills and estates. More details on our GHG reduction initiatives can be found on page 54 of this report. In recent years, IOI has also focused on maximising resource utilisation from our plantation operations. This includes the establishment of IOI Palm Wood, which converts oil palm trunks into high-performance palm wood panels, and through our joint venture, Nextgreen IOI Pulp, which manufactures pulp and paper from palm biomass (see page 65). Our research and development centres and palm biotech centre support the Plantation division by enhancing regenerative and precision agriculture practices, expanding organic oil palm planting, producing high-yielding oil palm clones, and more. Further information about these centres is available in this report and on our website. Our Resource-Based Manufacturing division comprises of our Refinery segment in Malaysia and our Oleochemical segment located in Malaysia and Germany as well as the CARE Studio in Germany that specifically caters for our customers. These segments produce sustainable, high-quality palm-based products such as RBD palm oil, MIGLYOL®, WITARIX®, and more.

A full description of IOI's integrated business model, financial outcomes, information of our global and local presence, as well as risk management and internal controls are presented in AR2025.

IOI Core Values

- **INTEGRITY** – Doing the right things in all circumstances.
- **COMMITMENT** – Taking ownership and putting our heart into what we do.
- **TEAM SPIRIT** – Collaborating with each other in the greater interest of the organisation.
- **COST EFFICIENCY** – Getting the best value for what we spend.
- **INNOVATION** – Embracing new technologies and different ways of doing things.
- **EXCELLENCE IN EXECUTION** – Taking effective actions to deliver high performance in everything we do.

Vision

Our Vision is to be a leading and sustainable Malaysian business corporation with global presence.

Mission

Our Mission is to achieve responsible and sustainable commercial success by addressing the interests of all our stakeholders, caring for the community and the environment, and adopting best practices to be globally competitive.

AWARDS AND RECOGNITIONS

ACHIEVEMENTS OF IOI CORPORATION

IOI consecutively won the Gold Award for the third time in the Plantation Sector at The Edge Malaysia ESG Awards 2024.

Achieved 9th place out of 854 PLCs in Malaysia, taking home the Overall Excellence Award 2024 (Top 10) and the Industry Excellence Award 2024 (Plantation) at the National Corporate Governance & Sustainability Award ("NACGSA") 2024.

IOI won two awards at the 11th HR Asia Awards 2024 - **"Most Caring Company" and "The Best Companies to Work for in Asia".**

Received the Gold Award for Excellence in Workplace Wellbeing at the 12th Human Resources Excellence Awards ("HREA") 2024.

ACHIEVEMENTS BY IOI's SUBSIDIARIES

IOI Plantation won Second Runner-Up in Best Systematic Occupational Health Enhancement Level Programme ("SOHELP") **Workplace (Category 2) and Best Verifier of SOHELP Workplace (Category 2).**

IOI won triple recognition at the Malaysian Oil Palm Industry Award 2023/2024, across its upstream and downstream operations. **Awarded Own Fresh Fruit Bunch Supply ("FFB") Supply in Sabah (Palm Oil Mill Category) for Baturong Palm Oil Mill, Basic Oleochemicals (Oleochemical Plant Category) for IOI Acidchem Sdn Bhd and Oleochemical Derivatives (Oleochemical Plant Category) for IOI Esterchem (M) Sdn Bhd.**

IOI Pan-Century Oleochemicals Sdn Bhd and IOI Pan-Century Edible Oils Sdn Bhd recognised as Strategic Partners in Low Carbon Cities Framework ("LCCF") Programme 2023 by Pasir Gudang City Council ("MBPG") during the Festival Dinamika Hijau Pasir Gudang 2024.

Mayvin Mill won the Best Compliance Palm Oil Mill in Sabah Award (2021 - 2023) from the Sabah Department of Environment ("DOE") for meeting stringent environmental requirements, competing with over 130 palm oil mills in Sabah.

IOI Oleochemical Industries Berhad awarded first runner-up in the Intelligent Enterprise Award category at the SAP Customer Excellence Awards for Southeast Asia 2024, for upgrading their ERP systems in Penang and Johor.

IOI Pan-Century Edible Oils Sdn Bhd ("IOI PCEO") earned the prestigious Human Resource Development Corporation ("HRD Corp") Award – SME Employer (Southern Region) at the 22nd HRD Awards 2024 Gala Dinner.

IOI Edible Oils Sdn Bhd ("IOIEO") won the Asia Pacific Sustainable Innovation Enterprise ("APSIE") Award for the Food & Beverage Industry 2025-2026, and IOI Bio-Energy Sdn Bhd won the APSIE award for the Energy Industry 2025-2026 at the Hong Kong Convention and Exhibition Centre.

IOI Oleo GmbH received consecutively, for the third time, the Innovative Zone Best Ingredient Award (Functional Ingredients category) at the in-cosmetics Asia Awards.

MEMBERSHIPS AND ASSOCIATIONS

As part of IOI's commitment to sustainable business practices, we actively engage with and are members of multiple international and national associations, as well as industry-specific working groups. These memberships allow us to contribute to policy development and share our expertise in shaping industry-specific frameworks, standards, and technical guidelines while promoting best practices. They also provide a platform to offer our perspectives, align with peers, and influence practices that advance responsible and sustainable operations across the sector.

ASSOCIATIONS AND OTHER MEMBERSHIPS	IOI'S ROLES
Group Level	
Roundtable on Sustainable Palm Oil ("RSPO")	Ordinary member, IOI's representation and participation include the following: • RSPO Board of Governance ("BOG") Member • RSPO Standard Standing Committee ("SSC") Member • Market Development and Standing Committee ("MDSC") • RSPO Shared Responsibility Working Group ("SRWG") Member • RSPO Living Wage Taskforce Member • RSPO GHG Taskforce Member • RSPO P&C Malaysia National Interpretation ("MYNI") Taskforce
Palm Oil Collaboration Group ("POCG")	Member
Malaysian Sustainable Palm Oil ("MSPO")	MSPO GHG Working Group
Malaysian Palm Oil Association ("MPOA")	Member, Chairman of MPOA, Main R&D and Sustainability Committee
Securities Commission Malaysia ("SCM")	Advisory Committee on Sustainability Reporting – Implementation Working Group
Malaysian Institute of Accountants	Member of the Sustainability Working Group ("SWG")
Malaysia Forest Fund	Forest Carbon Offset Technical Working Group
Science Based Target initiative ("SBTi")	Committed to SBTi target

ASSOCIATIONS AND OTHER MEMBERSHIPS	IOI'S ROLES
Subsidiary Level	
Malaysian Oleochemicals Manufacturers Group ("MOMG")	Member, IOI Oleochemical is the Deputy Chairman, MOMG EXCO, Trade and Regulatory Committee member
ASEAN Oleochemical Manufacturers Group ("AOMG")	Member, AOMG EXCO, Technical Committee
Chemical Industries Council of Malaysia ("CICM")	Member CICM Responsible Care technical committee, Chairman of the CICM Responsible Care Committee for Northern Zone
Pharmaceutical Supply Chain Initiative ("PSCI")	IOI Oleochemical GmbH is an associate member
Forum Sustainable Palm Oil ("FONAP")	IOI Oleochemical GmbH as a supporter
Malaysian Panel-Products Manufacturers' Association ("MPMA")	IOI Palm Wood is a member
The Timber Exporters' Association of Malaysia ("TEAM")	IOI Palm Wood is a member
Malaysia External Trade Development Corporation ("MATRADE")	IOI Palm Wood is a member
Chamber of Commerce and Industry Berlin	IOI Oleochemical GmbH is a member of the Energy Efficiency Network Berlin plus 5
Federation of Malaysian Manufacturers ("FMM")	IOI Oleochemical (Prai) is the Penang Branch Safety and Health Committee, Deputy Chairman for Prai Chemical and Gas Group under FMM

PERFORMANCE IN GLOBAL ASSESSMENT, INDICES AND RATINGS

Our commitment towards sustainability and its EESG practices across all business divisions of IOI is evident in our achievements and the accolades received from various global ratings and assessment agencies. We continuously review our ESG initiatives by utilising insights gained from these international assessments, ratings, and indices. We find that this approach helps us identify possible gaps in our sustainability performance, which enables us to strategise the necessary actions required to address them. Finally, the perceptions and feedbacks obtained from these assessments also assist us in communicating our sustainability performance with greater clarity and effectiveness.

1 Sustainalytics

IOI has further improved its ESG risk rating score from 23.3 to **21.6** as of June 2025. This is based on the rating agency's assessment of our company's overall management of material ESG issues as **Strong**.

2 S&P Global Corporate Sustainability Assessment

47 /100

IOI ranked **87th** percentile in the Food Products industry during the 2024 S&P Global Corporate Sustainability Assessment.

3 CDP

Our CDP score for both Water and Climate Change themes have increased from **C** to **B** while the score of **B** for Forests theme was maintained.

4 EcoVadis

IOI Oleo GmbH won **Gold** Sustainability Rating for the fifth consecutive time. IOI Pan-Century Oleochemicals obtained **Silver** Sustainability Rating in this year of assessment. IOI Esterchem earned a **Silver** Sustainability Rating for its second year of participation.

5 FTSE4Good Index Series

IOI remains as constituent company in the FTSE4Good Index Series with an improved FTSE Russell ESG score of **4.0** from 3.6, based on June 2025 review. We are among the top 5 subsectors peers (farming and fishing) and achieved a perfect score for the Governance's theme which makes us the sole company among its top 5 subsectors peers to achieve such standing.

6 SPOTT Palm Oil Assessment

IOI achieved a score of **84.1%** for the 2024 annual cycle assessment, ranked 18th out of a hundred palm oil companies.

7 Morgan Stanley Capital International

IOI improved the ESG Rating score to **"A"** from "BBB" for Morgan Stanley Capital International ("MSCI") rating.

SUSTAINABILITY COMMITMENT AND COMPLIANCE

IOI REMAINS STEADY AND STAUNCH IN OUR COMMITMENT TOWARDS RESPONSIBLE AND SUSTAINABLE BUSINESS PRACTICES WHICH ARE FIRMLY BASED ON OUR THREE PILLARS OF SUSTAINABILITY (PEOPLE, PLANET AND PROSPERITY) PLUS PARTNERSHIP. WE ARE GUIDED BY OUR IOISP AND IN FULL ALIGNMENT WITH THE UN SDGS RELEVANT TO OUR BUSINESS.

As IOI looks ahead, our key focus areas are also shaped by emerging challenges and opportunities across our business operations such as in our **Decarbonisation Pathway to Net Zero by 2040 and our next immediate target of Carbon Neutral by 2030 for Scope 1 and 2; Enhancing Biodiversity and supporting ecosystem for a resilient agronomy; Addressing Social Wellbeing and Just Transition for a strong and stable workforce.**

IOI GROUP SUSTAINABILITY POLICY ("IOISP") KEY COMMITMENTS

The IOISP that was last reviewed during FY2024, guides all our actions towards fulfilling our Sustainable Vision of *"meeting the needs of the present without compromising that of the future generations."* The IOISP is applicable to all our business operations, including value chains beyond palm oil, subsidiary companies, joint ventures, and companies in which we have management control. All our third-party suppliers are also expected to adhere to the commitments detailed within the IOISP.

To further implement elements of the IOISP, we have introduced several environmental, social and governance related policies that define our sustainability commitments across our operations. In FY2025, the following two key groupwide policies were launched:

IOI Group Safety and Health Policy ("IOISHP")

Published in December 2024, the IOISHP sets out the key principles and commitments to ensuring a safe working environment across the Group. The policy applies to all employees, contractors, subcontractors, individuals engaged by contractors or subcontractors, as well as anyone affected by activities carried out within our operations.

IOI Group Water Policy

The IOI Group Water Policy, published in June 2024 states our key commitments towards responsible use of water resources throughout our operations. The provisions in this policy apply to all IOI operations globally, including joint ventures and companies in which we have management control. Several of the commitments include complying with applicable water legislation, implementing sustainable water technologies, and adopting adaptation measures to mitigate water risks.

REGULATORY AND THIRD-PARTY COMPLIANCE

CERTIFICATIONS

IOI strongly adheres to various certification standards such as RSPO, MSPO, ISPO, ISO 45001:2018, ISO 14064, etc., the details of which are as shown:

Plantation

- 98.8% of estates and 100% of mills in Malaysia are RSPO certified.
- 100% of estates and 50% of mills in Indonesia are RSPO certified, while a newly built mill is in the process of being RSPO certified by 2027.
- 100% of estates and 100% of mills in Malaysia are MSPO certified.
- 100% of estates and 50% of mills in Indonesia are ISPO certified, while a newly built mill is in preparation to be ISPO certified.
- 87% of IOI palm oil mills are certified under ISCC to meet market driven requirements.
- 5% of plantation operations are certified under ISO 45001:2018 Occupational Safety and Health Management Standards, consisting of 3 estates and 3 mills.

Refinery

- Total of two refineries located in Malaysia (100%) are ISCC certified as Point of Origin for refineries that supply waste and residues material.
- 100% of refineries are MSPO SCCS and RSPO SCCS certified.
- 100% of refineries are ISO 45001:2018 certified.
- GHG emissions of refinery operations have been verified under ISO 14064-1:2018.

Oleochemical

- 100% of oleochemical operations in Malaysia and Germany are RSPO SCCS certified.
- 100% of oleochemical operations in Malaysia are MSPO SCCS certified.
- 100% of oleochemical operations are ISO 45001:2018 certified.
- GHG emissions of oleochemical operations are verified under ISO 14064-1:2018.

REGULATIONS AND LEGAL COMPLIANCE

IOI is committed to comply with all relevant local and international regulations such as the Minimum Wage Order, Environmental Quality (Industrial effluent) Regulations, European Union Deforestation Regulation ("EUDR"), Renewable Energy Directive ("RED"), etc.

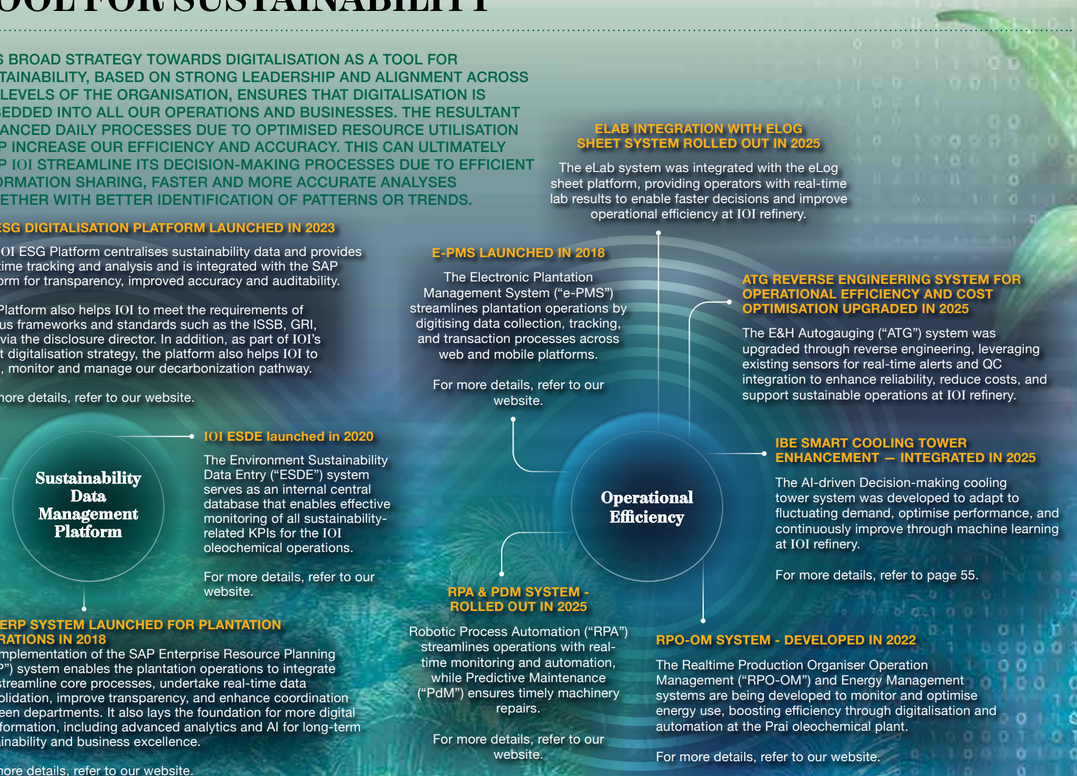
Apart from regulations, IOI conducts our business in line with all applicable local and international laws, and in alignment with the key principles and commitments stated in our IOISP. In FY2025, IOI received a fine from the Department of Safety and Health ("DOSH") and from the Department of Environment ("DOE"). In both cases, the issues were not considered systemic in nature.

In the first instance, an IOI estate was issued a fine of RM 25,000 by DOSH for a work-related incident that occurred in FY2024. The fatal accident involved a worker who failed to adhere to existing safe operating procedures when handling harvesting tools. In response to the incident, relevant safe operating procedures have been further communicated to all workers, and more signages on safe handling of harvesting tools have been installed at the estate to ensure awareness and to prevent recurrence of similar incidents.

Another fine amounted to RM 26,000 was issued in FY2025 by DOE to one of IOI's mills. The fine was due to exceedance of the compliance limit for wastewater effluent from the mill's operations in FY2022. The exceedance occurred during that period because of a delay in the sludge removal process, as the geotubes ordered were not delivered on time, due to supply disruptions during the pandemic. To prevent further exceedance of compliance limit, further improvements to the existing wastewater treatment process at the mill have been added, such as mixers, aerators, silt curtains, etc.

HIGHLIGHTS ON DIGITALISATION AS AN ENABLING TOOL FOR SUSTAINABILITY

IOI'S BROAD STRATEGY TOWARDS DIGITALISATION AS A TOOL FOR SUSTAINABILITY, BASED ON STRONG LEADERSHIP AND ALIGNMENT ACROSS ALL LEVELS OF THE ORGANISATION, ENSURES THAT DIGITALISATION IS EMBEDDED INTO ALL OUR OPERATIONS AND BUSINESSES. THE RESULTANT ENHANCED DAILY PROCESSES DUE TO OPTIMISED RESOURCE UTILISATION HELP INCREASE OUR EFFICIENCY AND ACCURACY. THIS CAN ULTIMATELY HELP IOI STREAMLINE ITS DECISION-MAKING PROCESSES DUE TO EFFICIENT INFORMATION SHARING, FASTER AND MORE ACCURATE ANALYSES TOGETHER WITH BETTER IDENTIFICATION OF PATTERNS OR TRENDS.



IOI ESG DIGITALISATION PLATFORM LAUNCHED IN 2023

The IOI ESG Platform centralises sustainability data and provides real-time tracking and analysis and is integrated with the SAP platform for transparency, improved accuracy and auditability.

The Platform also helps IOI to meet the requirements of various frameworks and standards such as the ISSB, GRI, etc., via the disclosure director. In addition, as part of IOI's smart digitalisation strategy, the platform also helps IOI to chart, monitor and manage our decarbonization pathway.

For more details, refer to our website.

IOI ESDE launched in 2020

The Environment Sustainability Data Entry ("ESDE") system serves as an internal central database that enables effective monitoring of all sustainability-related KPIs for the IOI oleochemical operations.

For more details, refer to our website.

SAP ERP SYSTEM LAUNCHED FOR PLANTATION OPERATIONS IN 2018

The implementation of the SAP Enterprise Resource Planning ("ERP") system enables the plantation operations to integrate and streamline core processes, undertake real-time data consolidation, improve transparency, and enhance coordination between departments. It also lays the foundation for more digital transformation, including advanced analytics and AI for long-term sustainability and business excellence.

For more details, refer to our website.

ELAB INTEGRATION WITH ELOG SHEET SYSTEM ROLLED OUT IN 2025

The eLab system was integrated with the eLog sheet platform, providing operators with real-time lab results to enable faster decisions and improve operational efficiency at IOI refinery.

E-PMS LAUNCHED IN 2018

The Electronic Plantation Management System ("e-PMS") streamlines plantation operations by digitising data collection, tracking, and transaction processes across web and mobile platforms.

For more details, refer to our website.

ATG REVERSE ENGINEERING SYSTEM FOR OPERATIONAL EFFICIENCY AND COST OPTIMISATION UPGRADED IN 2025

The E&H Autogauging ("ATG") system was upgraded through reverse engineering, leveraging existing sensors for real-time alerts and QC integration to enhance reliability, reduce costs, and support sustainable operations at IOI refinery.

IBE SMART COOLING TOWER ENHANCEMENT — INTEGRATED IN 2025

The AI-driven Decision-making cooling tower system was developed to adapt to fluctuating demand, optimise performance, and continuously improve through machine learning at IOI refinery.

For more details, refer to page 55.

RPA & PDM SYSTEM - ROLLED OUT IN 2025

Robotic Process Automation ("RPA") streamlines operations with real-time monitoring and automation, while Predictive Maintenance ("PdM") ensures timely machinery repairs.

For more details, refer to our website.

RPO-OM SYSTEM - DEVELOPED IN 2022

The Realtime Production Organiser Operation Management ("RPO-OM") and Energy Management systems are being developed to monitor and optimise energy use, boosting efficiency through digitalisation and automation at the Prai oleochemical plant.

For more details, refer to our website.

IOI CARES LAUNCHED IN 2024

The digital health platform helps provide personalised coaching on mental health, nutrition, fitness, and overall wellness to support employee well-being at IOI.

For more details, refer to page 83.

IOI GROW LAUNCHED IN 2020

This digital learning platform offers interactive programs on onboarding, development, compliance, and anti-corruption to enhance employee skills and growth.

For more details, refer to page 83.

HR SYSTEM IS BEING DEVELOPED IN 2024

IOI's all-in-one digital HR system streamlines, amongst others, employee management, recruitment, benefits, leave, etc., resulting in reduced paper use, supporting transparency, and managing strategic talent operations.

COMMUNICATION TOWERS IN RURAL ESTATES - STARTED BEING BUILT IN 2024

To strengthen rural connectivity, IOI built 81 communication towers, especially at remote areas in Sabah, enabling digitalisation and AI adoption to boost efficiency and productivity in plantations.

For more details, refer to page 6.

IOI MESRA APPLICATION INTRODUCED IN 2022

Initially introduced for the plantation operations,the automated grievance app, IOI Mesra, enables anonymous reporting and effective resolution. Final plans are in place to expand to all operations. See grievance analysis on page 80.

ONLINE ASSESSMENT USING PRE-ALERT GRIEVANCE SYSTEM INTRODUCED IN 2022

An independent online assessment using the Pre-alert Grievance System helps plantation management monitor worker well-being, identify gaps, and improve labour practices.

For more details, refer to our website.

MERCHANTRADE E-WALLET LAUNCHED IN 2020

The Merchantrade e-wallet is a digital payment system for plantation workers that ensures secure, timely salary payments, reduces errors, and promotes financial inclusion for workers, including those in remote areas.

For more details, refer to our website.

VISUAL MESA EMS INTRODUCED IN 2022

At IOI Oleochemical operations, the Visual Modelling and Energy System Analysis ("MESA") Energy Management System ("EMS") monitor energy flow and consumption to enhance efficiency and reduce carbon emissions and costs.

For more details, refer to our website.

KCP DUST COLLECTOR FIRE PREVENTION ENHANCEMENT INSTALLED IN 2025

IOI installed six Resistance Temperature Detector ("RTD") temperature sensors on our Kernel Crusher Plant ("KCP") A and B ducting to detect high temperatures, automatically stopping the blower, and sending real-time alerts via Telegram to enhance safety.

CARBON SEQUESTRATION MONITORING - BEGAN IN 2024

IOI engaged a third party to assess and monitor carbon sequestration across its conservation areas. Using satellite intelligence, the initiative provides accurate data to guide reforestation, evaluate additionality, align with carbon accounting standards, and support IOI's Net Zero and climate mitigation goals.

For more details, refer to page 54.

RESPONSIBLE SOURCING AND TRACEABILITY

MANAGEMENT APPROACH

Supply chain transparency is essential for meeting evolving regulatory and sustainability requirements, and enabling businesses to track oil products from origin to end use. Achieving full traceability allows companies to identify risks, enhance compliance, and demonstrate responsible sourcing practices.

A robust traceability approach involves setting public targets, regularly reporting progress, collecting polygon data from plantations and smallholders, and sharing geospatial data for regulatory, verification, and stakeholder engagement purposes. By implementing these measures, organisations can strengthen accountability, support smallholder inclusion, and contribute to more sustainable and ethical supply chains.

We have also established a supplier selection process that includes screening potential new suppliers and conducting annual assessments of existing suppliers which integrates EESG considerations as well as taking corrective actions in cases of non-compliance.

This structured approach helps promote responsible sourcing and reinforces our commitment to environmental and social standards throughout the supply chain which includes the following:

Priority Engagement Based on Risk

We prioritise engagement with suppliers identified as higher-risk, concentrating our efforts where the need for improvement is greatest. These suppliers are evaluated using tailored assessment tools to pinpoint specific areas for enhancement and to provide targeted support, enabling them to meet IOI's NDPE and net zero requirements.

Monitoring and Remote Sensing

IOI employs satellite-based platforms, including Global Forest Watch ("GFW") Pro, Starling, and PalmOil.io, in collaboration with independent consultants to monitor compliance related to land-use change, forest clearance, and the protection of peatlands and High Conservation Value ("HCV")/High Carbon Stock ("HCS") areas.

Corrective Action Plans and Grievance Redress

When non-compliance is identified, IOI implements a time-bound corrective action plan with the supplier. Should the supplier fail to achieve the agreed improvements within the specified timeline, they are subject to IOI's grievance procedure, which may include suspension of business relationships.

Capacity Building and Industry Collaboration

In line with our commitment to industry transformation, IOI continues to support suppliers through engagement visits, capacity-building workshops, and collaborative initiatives with implementation partners, NGOs, and customers.

Supplier Assessment Tool

Potential and existing suppliers are evaluated based on EESG criteria. Environmental stewardship is demonstrated through commitments such as a no deforestation commitment and the adoption of the HCV and HCS toolkit. Suppliers are also required to uphold a commitment to no new development on peat regardless of peat depth and to provide records of planted hectarage on peat

In addition, suppliers are expected to maintain a comprehensive environmental policy addressing waste minimisation, recycling, energy efficiency, and water use, as well as GHG emissions (please refer to page 55 on details regarding additional requirements for climate related green supplier selection and compliance).

ACTIVITY PERFORMANCE AND IMPACT

IOI's Traceability Performance

As part of our commitment to supply chain transparency and responsible sourcing, IOI consistently monitors and reports on traceability across our operations and supply base. In the latest Group-level performance, which combines IOI-owned and third-party palm oil suppliers, we maintained 100% Traceability to Mill ("TTM"). The TTM score for lauric suppliers stood at 98.57%. For Traceability to Plantation ("TTP"), palm oil suppliers achieved a score of 96.87%, while lauric oil suppliers reached 91.42%.

To further enhance traceability performance, IOI organised a series of workshops in collaboration with the Earthworm Foundation ("EF"), targeting millers and collecting centres in Kluang, Rompin, and Sandakan. These workshops were designed to raise awareness of traceability requirements and to introduce the MSPO Standard Part 4:3 for Dealers.

The sessions helped prepare FFB dealers for MSPO certification by equipping them with the knowledge and skills to record traceability data in line with MSPO requirements. Participants also engaged with an appointed MSPO consultant, who provided clarification on documentation procedures for FFB dealers and offered guidance on Principle 2, which emphasises transparency in traceability.

Responsible Sourcing and Supplier Engagement

Our sourcing approach and supplier engagement are anchored in our NDPE commitments and supported by the integration of EESG considerations across the palm oil value chain as stated in our management approach earlier. By applying these principles, we ensure that our direct suppliers uphold responsible practices, while also extending our influence to indirect suppliers through engagement with direct partners. Specifically, the IOI Responsible Sourcing ("RS") team supports our processing facilities in building supply chain resilience by ensuring that oils procured from third-party suppliers comply with our company policies and guidelines, as well as regulatory and market requirements. The RS team achieves these goals by conducting briefings, training programs, and workshops with our suppliers, as shared here:

Through our supplier visits, we engaged 15 entities in total, comprising 14 mills (11 in Sabah: Veetar, Berkat Setia, Rimba Nilai, Melangking, LCH, Sungai Ruku, Global Enterprise, Ladang Hassan, Atlantica, Pitas, and Langkon), 3 mills in Peninsular Malaysia (Ladang Rompin, Panji Alam, and Lembing), and 1 kernel crusher in Thailand (Univanich). They participated in a refresher course on NDPE, and received a briefing on EUDR.

During these visits, we socialised IOISP, identified gaps requiring actions to strengthen NDPE commitments, and introduced practical tools that suppliers can adopt to enhance compliance. For example, the use of forest cover analysis from satellite monitoring services allows suppliers to proactively assess deforestation risks in surrounding areas and make informed decisions before sourcing crops. To further build supplier readiness for the EUDR, our RS team also communicated the necessary due diligence requirements to equip suppliers with the knowledge and resources to demonstrate compliance with the regulation while meeting market expectations.

Other environmental aspects highlighted during the visits included reinforcing the protection of biodiversity, with a focus on Rare, Threatened, and Endangered ("RTE") species, in line with HCV requirements. By emphasising these safeguards, we strengthen suppliers' contribution to preserving critical ecosystems and sustaining long-term environmental and biodiversity.

Suppliers were also briefed on the grievance mechanism, with a clear explanation that any confirmed allegation would trigger a time-bound action plan. It was stressed that when these issues are addressed promptly and transparently, accountability is strengthened, and trust achieved across the supply chain. Underscoring our commitment to ethical sourcing, environmental stewardship, and the protection of stakeholder's trust, suppliers may be suspended through persistent non-compliance or repeated violations, as outlined in IOI's Grievance Procedure.

In conclusion, the programme has reinforced the importance of tailored action plans in supporting our suppliers to progressively address labour rights and child protection gaps. By covering critical topics—from the definitions of forced and child labour to common employer violations and relevant regulatory frameworks—this will enable our RS team to refine a practical and scalable approach. The insights gained allowed us to set realistic time-frames and align expectations as well as guide our efforts to drive meaningful, long-term improvements across our supply chains, reflecting our continued commitment to responsible and sustainable business practices.

VALUE CREATION MODEL

OUR VISION IS TO BE A LEADING AND SUSTAINABLE MALAYSIAN BUSINESS CORPORATION WITH GLOBAL PRESENCE.

CAPITAL INPUTS

HUMAN
- Strong leadership and governance
- ≈28,000 talented and diverse people
- Succession and business continuity planning
- Training and upskilling opportunities to develop employees

NATURAL
- 94 estates
- 205,702 hectares of landbank
- Seeds, plants and healthy soil to cultivate oil palm trees and other crops

FINANCIAL
- Access to capital for investments in future success
- RM18.1 billion of total assets
- RM12.3 billion of shareholders' equity

MANUFACTURED
- 15 mills
- 2 refineries
- 4 oleochemical plants/complexes
- 1 palm wood factory
- 1 biotech centre
- 4 research and development ("R&D") centres

SOCIAL & RELATIONSHIP
- Strong long-term relationships with shareholders, customers, suppliers, financial institutions, non-governmental organisations ("NGOs"), regulators and communities to create shared values

INTELLECTUAL
- R&D capabilities and intellectual property
- Brand values and good reputation
- Best agronomy practices and estate management practices

OUR INTEGRATED VALUE CHAIN

Competitive Edge: Integrated Value Chain; Integrated System; Efficiency Culture; Sustainability Culture; Strength in R&D; Innovative Culture; Strong Partnership

3 ENABLERS
- **Sustainability:** *Developing Responsible Global Palm Oil Supply Chain*
- **Human Capital Development & Culture:** *Empowerment & Inclusion*
- **Technology & Digitalisation:** *Strengthening R&D and Innovation Culture*

Strategic Priorities: Product Portfolio Expansion; Innovation; Productivity & Quality; Sustainability & Climate Initiatives

PLANTATION

Biomass Recycled

Input
- Land
- Production Resources
- Machinery & Agriculture Equipment
- Workers

Breeding
- Plant Breeding
- Tissue Culture
- Seed Production
- Nursery

Seedlings

Workers' Housing & Facilities

Power

Inputs • Business Activities • Outputs ··· Circular Economy

• *EFB: Empty Fruit Bunches • FFB: Fresh Fruit Bunches • CPO: Crude Palm Oil*
• *PK: Palm Kernel • PKO: Palm Kernel Oil • POME: Palm Oil Mill Effluent*
~ *Associate (Bunge Loders Croklaan Group BV)*

RESOURCE-BASED MANUFACTURING

EFB, Fronds, Trunks

PLANTATION → *EFB* → PULP → Paper
PLANTATION → *Trunks* → PALM WOOD → Engineered Wood Panels
PLANTATION → *FFB* → MILLS → *CPO, PK* → REFINERY/KERNEL CRUSHING → OLEOCHEMICAL (Other Oils)
SOLAR & CO-GENERATION PLANT → *Power*
Palm Fibres, Kernel Shell, POME → MILLS → *Power*
Methane Capture → BIOGAS & BIOMASS CO-GENERATION PLANT → *Power* → Public Power Grid (Future Opportunity)
Power → REFINERY/KERNEL CRUSHING
Palm Oil, PKO → SPECIALTY FOOD INGREDIENTS ~ (Other Oils) → Fractions

OLEOCHEMICAL:
- » Fatty Acids & Glycerine
- » Soap Noodles
- » Esters
- » Specialty Chemicals

Fractions:
- » Food Ingredients
- » Infant Nutrition
- » Non-Food Applications

Risks: Business Resilience; Trade Regulations; Supply Chain Compliance; Talent Management; Sustainability and Climate Change; Cybersecurity

7Rs OF CIRCULARITY: Rethink → Repurpose → Reduce → Reuse → Recycle → Repair → Recover

VALUE DELIVERY & IMPACT

HUMAN
- Good employee career development and progression
- Healthy workforce
- Safe and conducive workplace

NATURAL
- Sustainable palm oil practices support climate action and maintain ecosystem health
- Implement and introduce organic palm oil
- 15 mills: 14 RSPO-certified in Malaysian and Indonesian operations
- No deforestation and protection of High Carbon Stock Forests and High Conservation Value Areas
- Towards Group-wide net zero by 2040

Note: RSPO - Roundtable on Sustainable Palm Oil

FINANCIAL
- Sustainable and profitable growth
- Good dividend payout
- Green and responsible investment
- Better economies of scale
- Resilient earnings from fully integrated business model

MANUFACTURED
- State-of-the-art, certified and accredited manufacturing facilities
- Significant operational efficiencies and synergies
- First-of-its-kind palm wood factory

SOCIAL & RELATIONSHIP
- Quality and customised products at competitive cost for customers to support quality of life and improve nutrition
- Improve livelihoods and uphold land rights of local communities

INTELLECTUAL
- High-yielding germplasm
- Ganoderma tolerant seed
- Launched two new personal care products
- *OnCore*® engineered wood panels

In alignment with our three pillars of sustainability (People, Planet, Prosperity) + Partnership, together with the six adopted relevant United Nations Sustainable Development Goals ("UN SDGs").

SUSTAINABILITY GOVERNANCE

IOI's Sustainability Governance Structure, with sustainability firmly embedded within our organisation through our commitments, policies, and initiatives, ensures that there is clear accountability across all levels with defined roles and responsibilities for key committees and positions. It begins with the Board of Directors ("Board"), which sets the vision and values, ensures alignment with organisational goals and stakeholder expectations, and reviews key strategies, initiatives, and risks.

Furthermore, to foster trust, transparency, and compliance with laws and regulations, IOI has a robust oversight mechanism within the Sustainability Governance Structure in place through the Board via the BSC and supported by the collective efforts of our people for a vital, resilient and sustainable organisation. For more details on the Board's diverse competencies and experiences, please refer to the AR2025.

BOARD OF DIRECTORS

BOARD SUSTAINABILITY COMMITTEE ("BSC")

The BSC has three Independent Non-Executive Directors: Dr. Nesadurai Kalanithi as Chairperson and Dato' Kong Sooi Lin, and Datuk Zurinah Binti Pawanteh as members of the committee. In the performance of all its duties, the BSC is accountable to the Board especially in providing strategic focus and direction for sustainability development as well as supporting the Board in establishing high level direction related to the Group's sustainability matters and EESG matters. The committee is also responsible, through the Group Sustainability Steering Committee ("GSSC"), for managing the EESG risks and opportunities, and for reviewing IOI's sustainability materiality matters (see page 36 for more details) before recommending to the Board for final approval. It is to be noted that the BSC oversees responsibilities, through the GSSC, in the topics mentioned here (but not limited to):

1. Environmental protection (NDPE, biodiversity and ecosystems) and conservation
2. Climate change related to management of GHG emissions and IOI's net zero pathway
3. Human rights especially pertaining to the well-being of our workforce
4. Safety and Health which has consistently been the top material matters for the past 10 years
5. FPIC and community welfare
6. Circularity, including managing natural resources
7. Long-term sustainability of IOI's business operations

IOI CLIMATE CHANGE ACTION FINANCIAL DISCLOSURE COMMITTEE ("CFDC")
(Chaired by Group Chief Financial Officer)

The CFDC is responsible to systematically track and document financial investments or projects that aim to reduce and/or remove GHG emissions throughout IOI's operations in alignment with the recommendation on TCFD. CFDC is chaired by the Group Chief Financial Officer ("GCFO") and includes project leads from relevant departments such as Finance, Sustainability, and Operations.

GROUP SUSTAINABILITY STEERING COMMITTEE ("GSSC")

(Chaired by Group Managing Director and Chief Executive)

Reporting directly to the BSC, the GSSC ensures that the Group's sustainability agenda, commitments, and issues are effectively discussed, approved, and implemented. GSSC shall meet not less than two times a year to discuss sustainability highlights, sustainability performance, and divisional responsibilities for managing the EESG impacts overall. GSSC also exercises its responsibilities by reviewing policies, standards, and risks, ensuring effective functioning of IOI's Grievance Mechanism, and reviewing the contents of the Annual Sustainability Report as required by various local and international standards.

CHIEF SUSTAINABILITY OFFICER ("CSO")

The CSO is responsible for corporate sustainability and leading the Group's sustainability initiatives. Reporting directly to the GMD, the CSO also helps to align the Group's strategy and ensures the implementation of all sustainability commitments, policies, and guidelines across the Corporation, Plantation, and Resource-based Manufacturing divisions through the GSSC.

SUSTAINABILITY ADVISORY PANEL ("SAP")

SUSTAINABILITY CONSULTATION FORUM ("SCF")

The SAP comprises non-governmental organisations ("NGOs"), international brands, subject-matter experts, as well as representatives from senior management of IOI. The panel is responsible for advising the Group on its sustainability commitments. Furthermore, the panel is the core external panel members of the SCF – a platform for internal stakeholders of IOI to discuss and gather feedback on complex sustainability topics with external stakeholders, such as, industry professional, government agencies, customers, etc. (see page 71 for more details).

- Corporate Sustainability
- Sustainability Leads (Plantation)
- Sustainability Leads (Oleochemical)
- Sustainability Leads (Refinery)
- Sustainability Leads (Palm Wood)
- Sustainability Leads (Commodity Marketing)

The sustainability lead within each division assists in integrating and implementing sustainable practices, initiatives, and compliance across the business operations. They are also responsible for overseeing the day-to-day practices of sustainability-related matters at their respective business segments.

SUSTAINABILITY GOVERNANCE

Executive Remuneration

We have integrated remuneration into our executives' sustainability KPIs to emphasise the importance of sustainability matters to IOI. We have defined two main measurable performance targets as means to evaluate as shown:

1 GHG Emissions Reductions Target (Annualised):

The interconnection between GHG emissions and climate change is a critical component

2 ESG Ratings Score :

We identified key ESG ratings reviewed by stakeholders such as investors, financial institutions, and customers, and set baseline scores as our performance targets. These third-party ratings provide credible benchmarks for our sustainability performance.

BOARD SUSTAINABILITY COMMITTEE REPORTS

Established in June 2023, the BSC provides strategic oversight into any decision-making process or long-term planning that involves sustainability related matters within IOI's operations. The committee strengthens accountability and enables IOI to address risks, seize opportunities, and navigate evolving regulations such as the EUDR transparently while meeting stakeholder expectations. In a sector under scrutiny for deforestation, biodiversity, and human rights, the BSC reinforces IOI's leadership and influence. Key FY2025 priorities reviewed by the BSC are outlined here.

Risk Management

The Board has delegated oversight of sustainability-related risk management and internal controls to the BSC, with the Group Sustainability Department supporting through risk identification, management, and implementation within the broader framework.

The Group Key Risk Register captures sustainability risks across our plantation and manufacturing divisions. The BSC reviews the register with input from the Group Sustainability Department.

The key risks identified include:

1. Possible deviations in policy, guideline, and procedure implementation by operating units due to limited understanding of sustainability practices;
2. Adverse reporting or grievances made publicly;
3. Challenges in meeting the revised RSPO P&C requirements;
4. Fire risks
5. Compliance with regulatory and reporting frameworks;
6. Outstanding human rights issues;
7. Progress in mitigating climate change; and
8. Impacts of biodiversity loss and water stress, as well as additional requirements from external stakeholders.

Based on these evaluations and reviews, the BSC then scrutinises the key risks, and the practical mitigation measures to be implemented. To ensure continued effectiveness, the Audit and Risk Management Committee ("ARMC") conducts a biannual review of the risk management and internal control processes, with its conclusions presented to the BSC. Further details are provided in the ARMC Report in the AR2025.

In FY2025, the BSC concluded that the Group's sustainability-related risk management process remains effective in identifying, assessing, monitoring, and addressing risks.

Approval of Sustainability Material Matters

The BSC reviewed the Group's materiality assessments and approved the matters to be disclosed in the Sustainability Report. Of the 28 matters assessed which included the 11 common material matters recommended by Bursa Malaysia, 12 were selected as top priorities. Only 5 of the 11 Bursa Malaysia common material matters are in the top 12 while the remaining six common matters, although not within the Group's top 12, will nonetheless be disclosed in the report to ensure transparency (refer to page 37 for details).

This year's assessment also included the application of the double materiality approach. Financial materiality was evaluated using operating profit as the benchmark, establishing a clear connection between sustainability issues and business performance. The findings show that most matters fall within the medium impact category—significant but not posing immediate or critical risks to the Group's financial stability. A smaller number were assessed as low impact and will continue to be monitored. Further details are provided on page 37.

Policy Endorsement

The BSC provided strategic guidance on the need for policy revisions and the development of new policies to address evolving market demands, strengthen regulatory compliance, and align with the global adoption of the SDGs. Following the BSC endorsement of the IOISP and the IOI Water Policy last FY, the BSC proceeded to endorse the IOI Group Safety and Health Policy for FY2025. This Group-wide policy broadens the scope of coverage and reinforces IOI's commitment to addressing global health issues. Further details are provided in page 74.

Climate Change Action Initiative ("CCAi")

The BSC has direct oversight on the company's CCAi and its progress toward achieving the net zero target (Scope 1, 2, and 3) by 2040. The Group Sustainability Department presented this year's GHG reduction and removal performance for both the plantations and resource-based divisions. In 2025, the Group achieved a 46% reduction, surpassing the 2025 short-term target of 40%. Details of this milestone can be found in page 56. The Group Sustainability Department also shared updates on the full implementation of the IOI ESG platform across the Group, in order to manage, analyse, and validate its extensive database, as well as on the application of satellite intelligence technology to measure carbon sequestration in conservation areas, alongside preparations for SBTi target validation. In addition, the establishment of the IOI Reforestation Task Force was highlighted as a key initiative to advance the Group's nature-based solutions approach.

SUSTAINABILITY GOVERNANCE

Climate Change Action Financial Disclosure Committee ("CFDC")

Recognising the growing importance of linking climate risks with financial performance, the BSC mandated the CFDC to refine and update its financial models to ensure that physical risks identified are translated into concrete financial metrics. To drive this integration, the BSC reaffirmed the GCFO's role as Chair of the committee, underscoring the need for strong leadership in embedding climate considerations into financial planning, reporting, and the broader sustainability agenda.

As highlighted during the BSC meeting, climate-related financial disclosures are included in both the financial statements of the AR (pg 183) and the Sustainability Report (Pg 53-54).

Sustainability Initiatives

The GSSC plays a central role in implementing sustainability initiatives across the IOI Group, ensuring alignment with the Group's broader EESG directives and overall sustainability commitments. Progress and performance are reviewed at multiple levels within the GSSC, allowing for the timely identification of challenges and recognition of achievements. Consolidated outcomes are then presented to the BSC for deliberation, strategic guidance, and, where necessary, resource allocation.

In recent BSC meetings, the Group Sustainability Department presented initiatives addressing climate change, biodiversity, reforestation, and conservation, digitalisation, women's empowerment, and labour practices. These initiatives are detailed in the relevant sections of this Sustainability Report and on our website. The BSC expressed its satisfaction with the progress shared and acknowledged the positive impacts and contributions of these initiatives to all relevant stakeholders, and to the Group's long-term sustainability objectives.

ETHICAL BUSINESS CONDUCT, ANTI-BRIBERY, AND ANTI-CORRUPTION

IOI is committed to upholding the highest ethical standards and to combating corruption and bribery across all levels of its business operations. We maintain a zero-tolerance stance on any misconduct related to this matter and will take disciplinary action, including dismissal, for any breach of our Business Ethics, Compliance, Anti-Corruption and Anti-Money Laundering Policy ("Policy"). The Policy applies to all employees and directors of IOI, as well as to all subsidiaries and operations within the Group. For associate companies and joint ventures, we actively encourage the adoption of policies aligned with its principles. The Policy was last updated in April 2024. More details can be found in the AR (pg 119)

STAKEHOLDERS' ENGAGEMENT

Stakeholder engagement forms one of the steps of IOI's approach to sustainability as it enables us to understand and address stakeholder concerns as well as to manage the expectations of key parties. Furthermore, the insights gained from our stakeholders can help supports our holistic approach in addressing sustainability-related risks and impacts. The feedback from stakeholders, combined with awareness of global trends, provides IOI with the means to effectively manage our material matters and remain a resilient and competitive global palm oil player. In FY2025, we continued to engage with key stakeholders, and the values created through these engagements are communicated transparently to demonstrate our sustainability commitments. For IOI, the frequency of engagements with the stakeholders depends on the nature and the level of impact the stakeholder group has towards us. High priority stakeholders like our employees, regulators, customers, suppliers, and local communities, are generally being engaged more regularly, allowing for effective two-way communications between the business and the stakeholders, and enabling IOI to manage risk more proactively. The following table highlights some of the engagement activities for FY2025. Further additional information on our activities with our stakeholders can be found in our website[1].

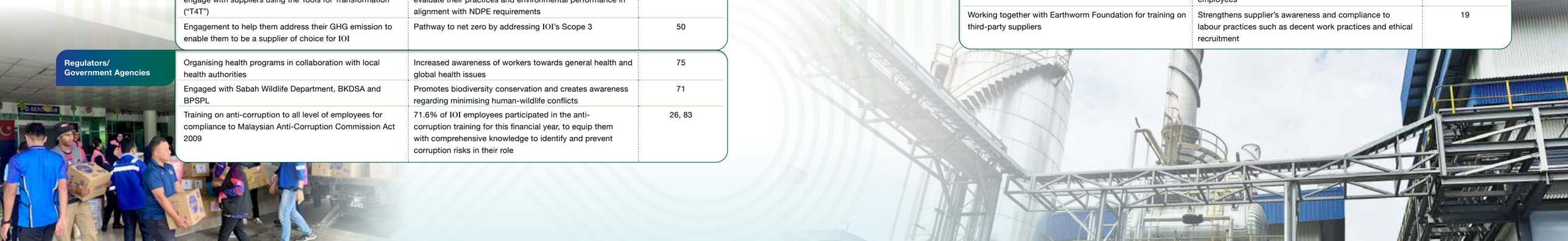
STAKEHOLDER GROUP	ENGAGEMENT ACTIVITIES IN FY2025	OUTPUT/ VALUES CREATED	REFERENCE PAGE
Employees	Celebration of Women's International Day by respective Women Empowerment Committee ("WEC") across the Group	Promotes gender awareness and empowerment and recognition of women's contribution	81
	Regular training and campaign on safety and health, anti-corruption, etc.	Promotes a safe working culture and a zero-corruption workplace	74
	Occupational health monitoring for workers exposed to high health risk work	Promotes workers' occupational health at the workplace	74
	Free education platforms for workers' children in our Sabah Plantation	Significantly maintained the enrolment number of our workers' children in our plantation, ensuring the children received the education they require for a brighter future.	85
Customers	Collaboration with one of our customers on the Pre-Orientation Training Program for newly recruited workers at the source country	Provides our customer with the assurance of our responsible and ethical recruitment practices as well as upholding workers' rights within IOI	78
	Continual engagement with Nestle for the ReLeaf Project where over 58K new seedlings were planted	Greening and enriching biodiversity of the riparian zones along the Kinabatangan River	70
	Life Cycle Assessment with Bunge Loders Croklaan	Identified the carbon footprint for the production of one tonne crude palm oil, and refined, bleached, and deodorised palm oil ("RBDPO")	63

[1] *https://www.ioigroup.com/sustainability/stakeholder-engagement-and-partnership*

STAKEHOLDERS' ENGAGEMENT

STAKEHOLDER GROUP	ENGAGEMENT ACTIVITIES IN FY2025	OUTPUT/ VALUES CREATED	REFERENCE PAGE
Local Communities	Landscape conservation efforts with the indigenous communities through the Bukit Leelau mini landscape initiative	Zero reports of peat fires over the past 5 years. Collaborative efforts have resulted in multiple landscape conservation awareness workshops and sharing opportunities for sustainable livelihoods.	69
	Uplifting communities through the South Ketapang landscape initiative	Conducted a series of engagement sessions with local communities to raise awareness about managing human-wildlife conflicts, conservation, and landscape management practices	71
	Outreach programs by Oleochemical and SNA Group	Enhances livelihood of local communities through financial assistance and education aid	84, 85
	Capacity building activities for plasma smallholders and independent smallholders in Indonesia	Strengthens community relations with local communities and demonstrates commitment beyond compliance	85
Suppliers	Traceability for Plantation: Socialisation of NDPE, EUDR, and EESG requirements	Increased transparency and traceability of FFB sources. Assists suppliers in addressing gaps in the implementation of our NDPE commitments, EUDR requirements, and IOI's EESG requirements	18
	Continue to collaborate with Earthworm Foundation to engage with suppliers using the Tools for Transformation ("T4T")	Empowers suppliers to conduct self-assessment and evaluate their practices and environmental performance in alignment with NDPE requirements	19
	Engagement to help them address their GHG emission to enable them to be a supplier of choice for IOI	Pathway to net zero by addressing IOI's Scope 3	50
Regulators/ Government Agencies	Organising health programs in collaboration with local health authorities	Increased awareness of workers towards general health and global health issues	75
	Engaged with Sabah Wildlife Department, BKDSA and BPSPL	Promotes biodiversity conservation and creates awareness regarding minimising human-wildlife conflicts	71
	Training on anti-corruption to all level of employees for compliance to Malaysian Anti-Corruption Commission Act 2009	71.6% of IOI employees participated in the anti-corruption training for this financial year, to equip them with comprehensive knowledge to identify and prevent corruption risks in their role	26, 83

STAKEHOLDER GROUP	ENGAGEMENT ACTIVITIES IN FY2025	OUTPUT/ VALUES CREATED	REFERENCE PAGE
Shareholders and Investors	Responding to sustainability-related inquiries and questionnaire from investors	Addressing investors' points of interest and providing better clarity of IOI's EESG practices	-
	Analyst briefings are conducted twice a year	Improve shareholders' and investors' confidence towards IOI	-
	Participating in ESG ratings and assessments such as CDP, FTSE4Good, S&P Global CSA, and more.	Transparent disclosure of IOI's sustainability governance and performance	13
	Annual General Meeting with shareholders	Participation of shareholders in IOI's governance	-
Industry Association	Engagements with industry association such as MPOA and MOMG	IOI actively participates as a member of several working groups under the industry associations, contributing to the discussion and development of best practices.	12
	Joint collaborations with Malaysian Palm Oil Board ("MPOB") and Universiti Putra Malaysia ("UPM") on oil palm research	Research and development of oil palm biotechnology	63
Civil Society	Collaboration with IOM for Pre-Employment Program	Strengthening responsible and ethical recruitment practices and improving protection related to workers' rights for IOI employees	78
	Working together with Earthworm Foundation for training on third-party suppliers	Strengthens supplier's awareness and compliance to labour practices such as decent work practices and ethical recruitment	19



SUSTAINABILITY TARGET AND CONTRIBUTION TO UN SDG

In FY2018, IOI first adopted 4 of the 17 UN SDGs followed by another 2 UN SDGs in FY2019. The final 6 UN SDGs adopted serves as a guiding framework to align our business practices with global sustainability priorities. Since then, we annually report IOI's performance against the target set in FY2019. Fast forward to FY2025, 8 years after our first adoption of the UN SDGs, due to changes in our business landscape, we are updating our targets to better align with the new IOI Five-Year Strategic Roadmap for 2025–2029 that was unveiled in January 2025. The roadmap with 4 new Strategic Priorities, emphasises our determination to continuously improve and create long-term value for the company, with a steadfast focus on product portfolio expansion, innovation, productivity and quality, sustainability, and climate initiatives. Please refer to our Annual Report (page 24 - 25) for more details.

To ensure alignment with our new priorities, we will be establishing new targets for our UN SDGs to measure our performance based on the updated focus areas. These targets will be disclosed in the next financial year. Shown in the following tables are our summarised performance for FY2018 – FY2025 versus targets established.

Target 2.4 Sustainable Food Production and Resilient Agricultural Practices

CONTRIBUTION TO SDGS	TARGETS ESTABLISHED	PERFORMANCE SUMMARY
• Adopt circular economy model to ensure sustainable food production and food security • Conduct R&D to produce high-yielding oil and crops with less chemical use, drought resistance, etc. • Use of non-harmful agricultural methods to mitigate human-wildlife conflict; to ensure soil management to prevent soil erosion and degradation; etc. • 'Plant Your Own Food' initiative whereby plots of land, seedlings, etc., are allocated within our plantation to encourage fruits and vegetable plantings by our employees	• In order to meet global food security for oil and fats, improving OER by at least 15% from our clonal palms compared to conventional seedlings will result in higher oil yield • Continuous optimisation of nutrient uptake by the oil palm tree through fertiliser management and soil microbe enhancement	• Mills with clonal palms planted had achieved oil extraction rates ("OER") higher than average. For example, Baturong mill grouping achieved 24.7% OER, where 35% of total planted area consists of clonal palms • Up to FY2025, 34.5% of Peninsular Malaysia estates and 18.1% of Sabah estates have been planted with clonal palms • Beneficial plants like Cassia Cobanensis and Antigonon Leptopus are continuously planted and maintained as integrated pest management. • The practice of the "Plant your own food" initiative was shown to be a success via the widespread acceptance across the 4 regions of IOI's plantations where 110ha were planted with vegetables and fruits

Target 8.2 Diversify, Innovate and Upgrade for Economic Productivity

CONTRIBUTION TO SDGS	TARGETS ESTABLISHED	PERFORMANCE SUMMARY
• Provide capacity building to IOI plantation workers to ensure our workforce is updated with new skills, to be efficient and productive • Invest in R&D on our crops to increase yield • Introducing mechanisation, automation and digitalisation especially for the labour-intensive parts of our operations	• Conduct trainings and programmes to cultivate employee potential • Use of technology to improve yields and productivity while contributing to upskilling the workforce • IOI's five-year strategic blueprint as stated in our Integrated Report	• Various trainings conducted by the Learning Department on leadership skills through specific training and IOI Grow platform • Completed 100% mainland mechanisation across all suitable estates • Clonal palm proven to produce higher OER compared to conventional seed • Amongst others, IOI had adopted Digitalisation as an enabling tool for sustainability

Target 8.7 End Modern Slavery, Trafficking and Child Labour

CONTRIBUTION TO SDGS	TARGETS ESTABLISHED	PERFORMANCE SUMMARY
• Monitoring to ensure good labour practices to eradicate forced labour • Implementing various channels for all employees to report any concerns related to labour rights including children's rights • Promoting education to migrant workers' children to prevent child labour • Continues engagement with education providers such as Humana and Community Learning Centers ("CLC") to ensure children's rights are protected	• Improve productivity and workforce stability by protecting labour rights • Continuous training and monitoring with respect to labour rights, including children's rights in plantations • Handling complaints promptly and with utmost confidentiality to maintain employee's trust in our grievance mechanism	• Completed due diligence audit on recruitment agencies in India, Nepal, and Indonesia which covered 7 agencies • Completed surveys on working conditions and workers' well-being in 6 estates with 17.8% total participation from our workers • Annual reporting on grievance analysis to show our transparency and accountability. • Provided free education to workers' children in Sabah since 2021, to help eradicate child labour

SUSTAINABILITY TARGET AND CONTRIBUTION TO UN SDG

Target 8.8 Protect Labour Rights and Promote Safe Working Environments

CONTRIBUTION TO SDGS	TARGETS ESTABLISHED	PERFORMANCE SUMMARY
• Operate in accordance with local and national laws, and adherence to international standards as stated in the IOISP • Collaborate with social, labour, and human rights experts to continuously identify and adopt best practices in labour practices – case study on Respecting People, Retaining Workers by Earthworm Foundation • Conducted Fair and Decent Wage Study together with Monash University • Implement Occupational Health and Safety Management Systems that meet OHSAS 18001 Standard • Certifying IOI Oleo under ISO 45001 for Occupational Health and Safety systems and have policies, guidelines & procedures disseminated to all workers • Support women's rights & empowerment - Launched the WEC for the IOI Group and have enhanced our guidelines on harassment at the workplace	• IOI targeted earnings of more than the minimum wage for each worker during normal working hours in Malaysia • Reduce Lost Time Injury Frequency Rate at the operational level • Proactively address the elimination of forced labour by strengthening our recruitment process especially to avoid payment of illegal monies by workers	• Ensure all workers are paid at least minimum wage and comply with the latest regulation • Paying more than minimum wage for staff under All Malayan Estates Staff Union ("AMESU") • Higher income achieved through increased productivity driven by mechanisation • Due diligence was carried out at the source country and upon arrival to ensure that no workers were forced to pay any illegal recruitment fees • Annual celebration of International Women's Day, along with year-round activities organised by the committee to promote respect and recognition • Developed Pre-Employment Orientation Module and engaging with NGOs from Indonesia • Lost time injury frequency rate varied over the years and are reported in an annual basis

Target 12.4 Responsible Management of Chemicals and Waste

CONTRIBUTION TO SDGS	TARGETS ESTABLISHED	PERFORMANCE SUMMARY
• Adopts the circular economy model to minimise waste generation and maximise recycling in the plantation operations • Green initiatives in resource-based manufacturing to increase water recycling, reduce wastage, increase reprocessing waste material and energy efficiency	• Target to increase power generation from EFB and oil palm fibre from plantation operations to power mill processes • 100% treated POME for upcycling use for oil palm plantation operations • Minimise pollution and waste generation	• IOI have installed 10 methane capture facilities and 9 biomass boilers to increase power generation from byproducts • POME was treated in all mills before land application was carried out • Periodic effluent testing carried out in all operating sites to ensure regulatory compliance • All hazardous waste is being disposed as regulated

Target 12.6 Encourage Companies to Adopt Sustainable Practices and Sustainability Reporting

CONTRIBUTION TO SDGS	TARGETS ESTABLISHED	PERFORMANCE SUMMARY
• Publish Annual Sustainability Report based on GRI Standards • Collaborate with MPOB to support smallholders in attaining MSPO certification • Support suppliers on their transformation towards NDPE commitments • Frequent reporting and updates in IOI website with regards to grievance list, third party supplier traceability and sustainability initiatives	• IOI Oleo to be fully ISO 50001: Energy Management certified • 100% MSPO and RSPO certification for estates and mills in Malaysia • 100% RSPO certification for all IOI plantations by 2023 • To publicly disclose sustainability implementation progress on a regular basis	• All sites in IOI Oleochemicals except IOI Esterchem Prai is certified with ISO 50001. IOI Esterchem Prai is in process of certification • Achieved 100% MSPO certification for all estates and mills in Malaysia • 14 out of 15 IOI mills are RSPO certified, representing 93.3% certification coverage • Continuously disclosed our sustainability implementation activities in our website and annual sustainability report

Target 12.A Support Developing Countries' Scientific and Technological Capacity for Sustainable Consumption and Production

CONTRIBUTION TO SDGS	TARGETS ESTABLISHED	PERFORMANCE SUMMARY
• Key oil palm player in Malaysia that is committed towards embedding sustainable approach in addressing our environmental and social footprint whilst also investing in R&D to improve our production and manufacturing capabilities	• Consistently achieve OER higher than the Malaysian average through palm biotechnology • R&D direction to improve oil-bearing characteristics and tree morphology • Eco-friendly products developed by the oleochemical division	• Mills with clonal palms planted has achieved OER around 23.5% and above for the past 5 years • Multiple R&D projects to improve oil yield and identify preferable oil palm traits are underway • Oleochemical producing products that are free from preservatives that may be harmful to both consumers and the environment

Target 13.2 Integrate Climate Change Measures into Policies and Planning

CONTRIBUTION TO SDGS	TARGETS ESTABLISHED	PERFORMANCE SUMMARY
• Implement measures to reduce GHG emissions • Under our NDPE commitment, no deforestation and no new planting on peat to ensure GHG are sequestered and locked • Oil palm development only after comprehensive stakeholder engagement and assessments (including ESIA, HCV and HCS assessment, LUC analysis, GHG assessment, soil suitability and topographic survey) • Fire Management implemented	• IOI is committed to a holistic approach in implementing its climate action strategy and reducing its GHG emissions • Installation of 10 methane capture facilities at major mill operations • Emissions reduction target of 40% by 2025	• Following the introduction of IOI's CCAi, IOI announced its target to reach carbon neutral by 2030 for our Scope 1 and 2 and Net Zero by 2040 for Scope 1, 2, and 3 • 10 methane capture facilities were installed. 3 more are currently in development • IOI has achieved its targeted 40% GHG reduction by 2025 ahead of time in 2024

SUSTAINABILITY TARGET AND CONTRIBUTION TO UN SDG

Target 15.1 Conserve and Restore Terrestrial and Freshwater Ecosystems

CONTRIBUTION TO SDGS	TARGETS ESTABLISHED	PERFORMANCE SUMMARY
• As stated in our IOISP, we have set aside peatland and conservation areas to be managed and protected • Committed to no new planting on peat and its conservation, as part of the NDPE commitment • Oil palm developments are permitted only after comprehensive stakeholder engagement and assessments (HCV, HCS & GHG assessment, ESIA, LUC analysis, soil suitability & topographic surveys) are conducted • Implement collaborative & landscape approach, conservation & biodiversity projects	• Committed to protection of peatland and rehabilitation and conservation of land where we operate • Identification and protection of HCV areas • Following best management practices in peatland management, biodiversity and conservation	• No deforestation-related reports or fines have been reported since our moratorium in 2016 on No Deforestation • IOI continues to manage and protect over 6000 Ha of HCV and other conservation areas • IOI has implemented its Biodiversity & Ecosystem Enhancement Guidelines to manage conservation areas and conduct rehabilitation activities where necessary.

Target 15.2 End Deforestation and Restore Degraded Forests

CONTRIBUTION TO SDGS	TARGETS ESTABLISHED	PERFORMANCE SUMMARY
• Rehabilitation of forest reserve through Mini Landscape Level Approach for Peatlands adjacent to our Bukit Leelau Estate • Committed to No Deforestation as part of the NDPE commitments • Socialisation, dialogue, and awareness programmes on fire prevention for relevant stakeholders especially local communities • Identification, monitoring, and protection of HCVs and HCS areas • Utilises Global Forest Watch platform to map our concession areas, obtain daily information about forest fires, and obtain longer-term climate trends • Partnered with Earthworm Foundation to establish a near real time deforestation monitoring capacity where IOI's suppliers are operating	• Identifying and protecting HCV and HCS areas where we operate • Uphold and promote NDPE throughout our third-party suppliers • Adopting Landscape Level Approach ("LLA") where applicable by working in partnership with communities and other relevant parties	• No deforestation was reported within our own plantations. IOI continues to collaborate with suppliers for deforestation monitoring. • IOI has extended its collaboration efforts with external stakeholders for landscape-level conservation projects (i.e., Bukit Leelau mini landscape project, South Ketapang landscape initiative).

Target 15.5 Protect Biodiversity and Natural Habitats

CONTRIBUTION TO SDGS	TARGETS ESTABLISHED	PERFORMANCE SUMMARY
• Aims to use natural and non-harmful agricultural methods to protect biodiversity and ecosystem • Employs forest rangers and collaborates with local society and regulators to monitor RTE species	• Strengthening our Environmental Management Guidelines by having clear specific stages in handling fire, peat and biodiversity within our operations • Working with relevant authorities on biodiversity conservation and protection of RTE species	• IOI developed and continues to implement activities guided by the IOI Biodiversity & Ecosystem Enhancement Guideline to ensure all conservation areas are identified and protected. • IOI maintains a list of RTE species and records sightings based on regular monitoring patrols and employee encounters

Target 17.16 Enhance the Global Partnership For Sustainable Development

CONTRIBUTION TO SDGS	TARGETS ESTABLISHED	PERFORMANCE SUMMARY
• Collaborate with industry experts to share information and solve challenges in social and environmental projects • Key partnerships and associations with Technical Service Organisations, Industry Associations like MPOA, MOMG, Voluntary Sustainability Organisation like RSPO	• Collaborate with other palm oil producers, processors, food companies, NGOs and governmental bodies in improving industrywide palm oil sustainability commitments • Collaborate with various stakeholders including suppliers, customers, civil societies, governments and independent verification bodies in the implementation of our sustainability commitments	• Continues collaboration and engagement with RSPO, MSPO, MPOA, ratings agency, ILO, IOM, etc.

Target 17.17 Encourage Effective Partnerships

CONTRIBUTION TO SDGS	TARGETS ESTABLISHED	PERFORMANCE SUMMARY
• Oil palm developments are only allowed following comprehensive stakeholder engagement and assessments • Collaborate with industry experts to share information and solve challenges • Key partnerships and associations include civil societies, MPOA, ISCC, MPOB, MSPO, and RSPO • Support suppliers on their transformation towards NDPE commitments. • Frequent reporting and updates in IOI website with regards to grievance list, third party supplier traceability and sustainability initiatives	• Active collaboration for capacity building to create awareness in sustainability matters • Active collaboration with academia, industrial associations and working groups for information sharing and to drive the sustainability agenda	• Continuous collaborations with external stakeholders like Department of Environment, PERHILITAN, Sabah Wildlife Department, Global Environment Centre, Bunge and more for environmental management and conservation. • Continuous collaboration with various organisations likes IOM, ILO, Earthworm Foundation, governmental and state agencies to improve capacity building for our suppliers, smallholders, and workers

SUSTAINABILITY MATERIAL MATTERS

To build a sustainable and resilient business, it is essential to identify the critical EESG matters that may impact the company's prosperity and enduring success. This requires understanding the sustainability-related risks and opportunities that could reasonably affect the Group's growth and prospects. Therefore, these matters must be integrated into the Group's regular risk management practices. Furthermore, by prioritising on the most material issues, the company can better manage limited resources and mitigate risks accordingly, embed sustainability goals within both business and corporate strategies, and understand stakeholders concerns and strengthen their trust. Ultimately, these considerations can lead to long-term business growth and financial success.

MATERIALITY ASSESSMENT

To identify our material matters, we conducted a comprehensive materiality assessment guided by Bursa Malaysia's Sustainability Reporting Guide (3rd Edition), Bursa Malaysia's Materiality Toolkit, the Global Reporting Initiative (GRI) 3: Material Topics 2021, and the IFRS Sustainability Disclosure Standards. Our assessment incorporates the latest global sustainability trends in the palm oil and related sectors, evolving ESG rating agency requirements, and stakeholders' feedback. This ensures that our material issues reflect current industry practices, are aligned with sustainability standards, and will address stakeholders' concerns effectively.

As is our practice, we conduct a comprehensive materiality assessment at least once every two years. While last year, a targeted assessment was conducted to review key material matters, this year, a comprehensive assessment was performed to identify if there were any relevant changes to the previous materiality issues. The identified and prioritised top material matters, were reviewed by the BSC, and approved by the IOI Board of Directors, in line with our governance framework. The process for determining these material matters is as follows:

Phase 1 Identification

A preliminary list of sustainability material matters has been identified, and will be focused on key areas within EESG that are particularly relevant in terms of sustainability-related risks and opportunities that could reasonably be expected to affect the company.

Our approach to materiality considers both double materiality perspectives:

1. Impact Materiality

Measuring the company's operational impact on the environment and society.

2. Financial Materiality:

Measuring how sustainability matters such as safety and health, climate change, environmental, etc., impact the financial performance of the company.

Phase 2 Assessment

The materiality assessment process involved engaging with a wide range of internal and external stakeholders through various channels. These included direct interviews, questionnaires, workshops, forums, working groups, and meetings.

Phase 3 Prioritisation of Each Matter

Prioritisation was done after analysing the importance of these material matters to our stakeholders as well as to the company. As part of the double materiality assessment, we also considered the financial impacts of these material matters to IOI's business.

Phase 4 Review and Validation

Materiality assessment and prioritised Materiality Matters were reviewed by the CSO and then approved by the GMD and BSC.

Phase 5 Reporting

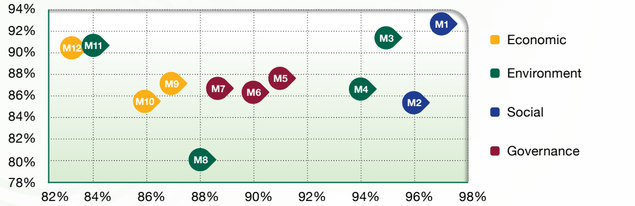
The top 12 materiality with EESG impacts as well as significant financial impacts shown in the materiality matrix are reported in adherence to the quality principles of comparability, accuracy, clarity, balance, transparency, and timeline.

PRIORITISATION OF MATERIAL MATTERS

Prioritised sustainability material matters are disclosed in the graph for Materiality Matrix, where we highlight the relative importance of each issue by considering both its significance to our stakeholders and to the company's EESG priorities. Please refer to page 44 for the full list of our EESG matters. Details on why these matters are important to IOI, along with our responses, can be found in the next section (page 38). It is to be noted that the 11 common sustainability matters by Bursa Malaysia are also considered by IOI and 5 of them are included in our top material matters while the rest are included in the Appendix under Bursa's Sustainability Performance Report.

Materiality Matrix

Influence on Stakeholder Assessments and Decisions



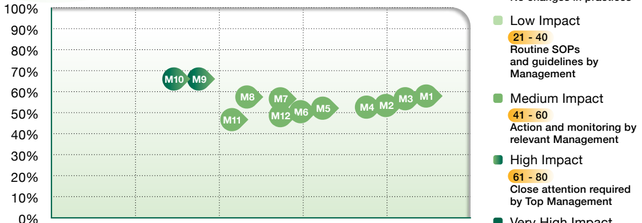
Significance of Company's Economic, Environmental, Social and Governance Impacts

DOUBLE MATERIALITY

Double materiality considers both the impact of EESG matters on society and the environment, and their influence on the company's financial performance, such as risks to profitability and the ability to create economic value. Each topic was assessed based on the likelihood and magnitude of potential financial effects. The assessment involved relevant departments, including Finance and Operations, as well as selected senior management across the IOI Group. Responses were categorised into four levels in accordance with our Enterprise Risk Management ("ERM") Framework. The outcomes of these assessments are used to develop targeted risk mitigation action plans, with responsible individuals assigned to ensure implementation, where required. It should be noted that the assessment of financial impacts is not reflected in the financial statements, as these impacts may result from higher operating expenditure, increased raw material costs, or loss of revenue. The Materiality Matrix and Double Materiality Matrix are illustrated in the following graph.

Double Materiality Matrix

Significance of Company's Financial Impact



Significance of Company's Economic, Environmental, Social and Governance Impacts

Top Sustainability Material Matters

- M1 Safety and Health
- M2 Human Rights and Fair Labour Practices
- M3 Climate Change, GHG Emission Management including Low Carbon Technology
- M4 Circular Economy and Waste Management
- M5 Regulatory and Third-Party Compliance
- M6 Grievance Mechanism and Transparent Communication
- M7 Traceability & Responsible Sourcing
- M8 Water Management
- M9 Sustainability Certification
- M10 Productivity and Product Quality
- M11 Biodiversity and Ecosystem
- M12 Data Integrity and Auditability via Digitalisation

MATERIALITY MATTERS AND OUR RESPONSES

IDENTIFIED SUSTAINABILITY MATERIAL MATTERS AND OUR RESPONSES

We undertook a full review this year, in prioritising our sustainability material matters in terms of their importance to us or our stakeholder. This process is a critical step to enable IOI to align our business operations with environmental stewardship, long-term economic value creation, social responsibility, robust and accountable governance, thus, ensuring business resilience. Through this comprehensive materiality assessment, we have identified four new sustainability matters, i.e., Water Management, Sustainability Certification, Productivity and Product Quality as well as Data Integrity and Auditability via Digitalisation. These topics were prioritised based on their growing importance to us and our stakeholders as well as their potential impact to IOI's business continuity, compliance obligations, and operational efficiency. The table below outlines the key sustainability matters identified by IOI, highlighting the associated risks, the reasons why these issues are important to our business, the opportunities, and the summary outcomes to our management approach, and the value created for both the company and our stakeholders. In addition, we added an extra column "Metrics and Targets" for the top six material matters, consistently identified to be in the top ten material matters for the past five years (Marked by*).

MATERIAL MATTERS	RISK	OPPORTUNITY	GENERAL SUMMARY OF RESPONSE	METRICS AND TARGETS	PAGE NO.
SAFETY AND HEALTH*	Workplace safety risks can lead to health issues, injuries, high turnover, absenteeism, and reduced productivity. Serious safety incidents, such as fires or explosions, may disrupt and shutdown operations and even result in fatalities. Inadequate implementation of safety procedures or non-compliance with the Occupational Safety and Health Act ("OSHA") and other relevant regulations can also expose the company to fines, legal liabilities, and long-term negative impacts to the business.	Promoting a safe and healthy work environment including a climate-resilient workforce enhance employee well-being, improve productivity, and support the delivery of high-quality work.	• Established a new IOI Group Safety and Health Policy for the group's implementation. • Safety and health falls under BSC oversight • Regularly review and update our policies, guidelines, and SOPs. • Conduct safety training and campaigns according to the training programme. • Continue implementation of the safety management system based on ISO 45001 • Risk management using Hazard Identification, Risk Assessment, and Risk Control	Target: To annually reduce total number of lost time injuries ("LTI") and report the total number of LTI according to each business segment. Metrics: Total number of LTI	74
HUMAN RIGHTS AND FAIR LABOUR PRACTICES*	Not upholding human rights within our operations can result in unfair treatment, and an increase in workforce turnover. It can expose the company to complaints from NGOs, legal liabilities and reputational risks, including potential import bans on our palm oil products in key markets such as Europe, US, etc.	Mitigating the risk can contribute to a safe and ethical working environment, strengthen workforce protection against forced and child labour, enhance employee retention, and build trust with stakeholders. It also supports continued market access and reinforces our commitment to responsible business practices.	• Continue socialisation and monitoring on the adherence and implementation of our policies, guidelines, and good practices on labour. • Monitor workers' rights through a human right's due diligence service provider. • Protecting children's rights by providing a clean and healthy environment, basic education, medical, etc. • Employee engagement activities to provide awareness on human rights and grievance channels. • Management at each estate provides a Declaration of Compliance affirming no elements of forced labour are present. • Regular internal audit against ILO's forced labour indicators.	Target: All human rights-related grievances investigated and resolved in timely manner. Metrics: Number of substantiated complaints concerning human rights violations.	78
CLIMATE CHANGE, GHG EMISSION MANAGEMENT, INCLUDING LOW CARBON TECHNOLOGY*	Failure to effectively mitigate GHG emissions and implement climate adaptation measures can disrupt operations, reduce yields and productivity, and threaten long-term business resilience due to extreme weather events (e.g., El Niño, La Niña, flooding, drought). Furthermore, inadequate progress on climate action could lead to reputational damage, loss of stakeholder confidence, and significant financial impacts from regulatory penalties or carbon taxes.	Adaptation measures such as reducing fuel consumption and improving energy efficiency achieved through the adoption of low carbon technologies and the conversion of waste into renewable energy, such as converting methane captured from POME into electricity, reducing our dependence on fossil fuels, lowering our carbon footprint and cost of operations. These efforts are complimented by enhancing carbon sequestration through nature-based solutions, including rehabilitation, reforestation, and the conservation of riparian areas. Together, these actions help reduce our GHG emissions to meet our net zero target.	• Engage with Science Based Targets initiative (SBTi) to validate our GHG reduction-related targets. • Establishment of the Reforestation Task Force to implement and monitor conservation efforts. • Optimisation of biogas from methane capture facilities. • Implementation of mechanisation powered by electric energy to reduce reliance on fossil fuels and support low-carbon operations. • Continue to explore the latest technology and innovations to adapt and mitigate climate change.	Target: Carbon neutrality by 2030 (Scope 1 & 2) and net zero by 2040 (Scope 1, 2, & 3). Metrics: Absolute and Intensity of GHG emissions.	48

MATERIALITY MATTERS AND OUR RESPONSES

MATERIAL MATTERS	RISK	OPPORTUNITY	GENERAL SUMMARY OF RESPONSE	METRICS AND TARGETS	PAGE NO.
CIRCULAR ECONOMY AND WASTE MANAGEMENT	Failure to adopt circular economy practices and manage waste responsibly can lead to overuse of natural resources, increase waste generation, and higher operational costs. Without circularity, value added materials may be discarded instead of being reused or repurposed, resulting in resource inefficiency and possible environmental harm. Poor waste management may lead to incidents such as pollution, increase cost of disposal, or cross-contamination of products due to faulty production equipment. This may cause regulatory non-compliance, trigger legal or financial penalties, as well as damage IOI's reputation.	By converting waste into valuable resources (such as oil palm trunks to palmwood), IOI can create alternative revenue streams and support low-carbon operations. These efforts also result in value creation, environmentally friendly products, and ultimately, enhance IOI's brand reputation, especially among customers and investors who prioritise responsible production.	• Implementation of principles of 7R in our operations as an approach designed to reduce our GHG footprint and minimise environmental impacts. • Waste disposal according to laws and regulations. • Waste such as solid Palm Oil Mill Effluent (POME) and EFB are converted to value-added products such as fertilisers in plantations • GHG reduction through methane capture facilities at 10 palm oil mills. • IOI Palm Wood converts oil palm trunks into commercial products. • Installing rain harvesting, water recycling systems and redirecting treated wastewater for reuse.	N/A	64
REGULATORY AND THIRD-PARTY COMPLIANCE *	Failure to comply with laws and regulations can result in costly penalties, court cases, and operational shutdown which will cause significant productivity losses and expenses. Additional risk exposure can also arise from changes in export/import duties, labour standards, evolving trade and market requirements such as the EU Regulation on Deforestation, which prohibits the import of palm oil from deforested land.	Strengthening market access and maintaining investor confidence are key opportunities for IOI as a public-listed company. By meeting legal requirements and third-party compliance standards, we can uphold our license to operate, avoid supply chain disruptions, and retain key customers.	• Implementing internal policies and procedures to ensure compliance with relevant requirements. • Monitoring is conducted by both internal and external parties to ensure adherence to all applicable local and national regulations. • Awareness of upcoming new regulations so that we are better prepared to comply with them.	Target: No significant instances of non-compliance. Metrics: Number of significant fines or sanctions related to sustainability.	15
GRIEVANCE MECHANISM AND TRANSPARENT COMMUNICATION *	Unresolved or unattended grievances can harm IOI's reputation and weaken employee's and stakeholder's trust. Ineffective or inaccessible grievance reporting channels are also of concern as issues that can be easily resolved can be further escalated, potentially attracting public scrutiny, disrupting operations, and leading to higher fines or loss of business. Failure to address grievances promptly can also increase the cost of conflict resolution and erode long-term relationships with employees, communities, and other stakeholders.	Helps to build trust, improve employee satisfaction and engagement as well as provide better workplace morale making IOI the company of choice for employees. Transparent communication also enhances IOI's reputation and credibility leading to a trusted brand.	• Establish multiple grievance channels for reporting at employees' convenience (e.g., Whistleblowing, IOI Mesra Application, etc.). • Communicating the relevant policies, guidelines, and procedure on grievance mechanism to all levels of employees. • Monitor and report the status of grievances up to the senior management level. • Uphold a commitment to fairness and transparency throughout the grievance resolution process.	Target: 100% of all grievances investigated and resolved. Metrics: Percentage of resolved cases.	79
TRACEABILITY & RESPONSIBLE SOURCING *	Without clear traceability and responsible sourcing commitment, IOI may face serious risks such as reputational damage if linked to issues like deforestation, environmental harm, or forced labour. Lack of transparency in the supply chain can result in non-compliance with laws and sustainability requirements, triggering import bans, market access restrictions, and the loss of key markets such as the EU and US.	Have access to premium markets, meet buyer requirements, be the supplier of preference, and strengthen supply chain resilience. It enhances our ability to retain key customers, as well as comply with regulations like the EUDR.	• Traceability information is updated regularly and published in our dashboard. • Continued supplier engagements such as site visits and training for NDPE compliance and monitoring. • Assessing the supplier risk and managing the risk accordingly. • Strengthen labour rights practices of our suppliers by collaborating with several civil societies, technical service providers, customers, etc.	Target: 100% traceability to mill level for PK and CPO. Metrics: Percentage of traceability to mill level.	18
WATER MANAGEMENT	Operations at upstream and downstream face several water-related risks due to their heavy reliance on water. Access to clean water may also become limited, due to drought driven by climate change, especially in areas where local communities depend on the same resources. If wastewater from mill/manufacturing processes is not properly managed, it can cause pollution, resulting in environmental fines and reputational damage.	Protecting and maintaining clean water sources can also reduce costs, lower pollution risks, and support compliance with environmental regulations. By implementing water recovery and recycling, we minimise withdrawal from natural resources and reduce dependency on external sources, for example government water supply.	• Established and communicated the IOI Group Water Policy. • Maintaining and rehabilitating buffer zones, if necessary, especially at water source areas (river/pond/water catchment, etc.). • Practicing water recycling and installing a rainwater harvesting system. • Optional treatment of POME and Palm Oil Refinery Effluent ("PORE").	N/A	67

MATERIALITY MATTERS AND OUR RESPONSES

MATERIAL MATTERS	RISK	OPPORTUNITY	GENERAL SUMMARY OF RESPONSE	METRICS AND TARGETS	PAGE NO.
SUSTAINABILITY CERTIFICATION	Failure to effectively implement and close sustainability compliance issues, or non-compliance with certification requirements (e.g. RSPO, ISCC, MSPO), pose significant risks to the company. These include potential suspension or withdrawal of sustainability certifications and adverse audit findings. Such outcomes may lead to reputational damage, negative media coverage, increased stakeholder scrutiny, and loss of market access, including the risk of reduced or forfeited premiums and total sales losses in certified markets.	Having certified products provides the company with key opportunities such as access to international where sustainable sourcing is required, particularly in regions like EU and US. It enables the company to command price premiums, strengthen customer trust, and meet the expectations of buyers, investors, and regulators. Certification also supports compliance with environmental and social standards, reduces operational and reputational risks, and positions the company as a preferred supplier in responsible supply chains.	• Ensure 100% of Malaysia operations are MSPO-certified. • Continue to maintain RSPO and ISPO certification status. • Contribute for continuous improvement in certification scheme by participating in task forces, working groups and standing committees. • Competent sustainability team established in each regional and business operations, will ensure consistent compliance with all sustainability policies, requirement, and standards.	N/A	45
PRODUCTIVITY AND PRODUCT QUALITY	For the plantation division, low-yielding planting materials, poor agronomic practices, inadequate harvesting techniques, or ineffective pest and disease control can reduce yields and affect FFB quality, ultimately lowering oil extraction rates. For the resource-based segment, inefficient refining or processing practices may cause inconsistent product standards, higher wastage, cross-contamination risks, and failure to meet market specifications. These risks can increase operational costs, reduce profitability, and cause customer dissatisfaction.	In the plantation segment, planting high-yielding material, strengthening agronomic management, and optimising harvesting efficiency can improve yields, and productivity. In the resource-based segment, strengthening refining processes, and optimising oleochemical plant utilisation can boost product quality, operational efficiency, and returns on assets.	• Continue to expand the adoption of clonal palms as part of its strategy to enhance plantation productivity and oil extraction rates ("OER"). • Product quality improvement, e.g., chemical-free processes, low impurities, and chelate-free products.	N/A	45

MATERIAL MATTERS	RISK	OPPORTUNITY	GENERAL SUMMARY OF RESPONSE	METRICS AND TARGETS	PAGE NO.
BIODIVERSITY AND ECOSYSTEM	Failure to protect biodiversity and conservation areas particularly within our plantation operations can lead to poor crop health, environmental degradation, legal non-compliance, and reputational damage. This may result in penalties, loss of certifications, restrictions to markets, and ultimately threaten IOI's long-term sustainability.	Protecting biodiversity meant protecting the ecosystem like water and soil health, and other nature-related systems like pollination, which are essential for a sustainable and healthy agricultural operation.	• Monitoring No Deforestation and No New Planting on Peat compliance of our suppliers through engagement, site visits and assessments. • Collaborating with other stakeholders on conservation efforts. • Implementing and regularly communicating guidelines related to biodiversity and conservation to our operations. • Monitoring identified HCV and conservation areas, including the practice of 'No Hunting' for RTE species.	N/A	70
DATA INTEGRITY AND AUDITABILITY VIA DIGITALISATION	Poor data integrity or inadequate auditability can result in inaccurate reporting, ineffective decision-making, and non-compliance with regulatory. Manual or fragmented systems increase the likelihood of human error, data loss, or data manipulation. Inaccurate or unverifiable data can weaken stakeholder confidence, trigger legal or financial penalties, and damage IOI's reputation, especially in areas like sustainability disclosures, product traceability, and financial reporting.	Automated systems and integrated data reduce human error, streamline compliance, and improve efficiency in the decision-making process. Digitalisation also positions IOI to respond quickly to audits and sustainability reporting requirements.	• Implementation of IOI ESG platform for the collection of sustainability data for sustainability reporting based on Bursa's and other disclosure requirements. • Briefing on the IOI ESG platform to Board level and senior management level. • Verification by the internal audit department on data submission through the platform. • Integration of operational-level data from the SAP system into the IOI ESG platform has been implemented to minimise human error and improve data accuracy. • Other supporting platform being utilised for data collection such as Earth System Data Exploration ("ESDE") and SAP system.	N/A	16

ECONOMIC, ENVIRONMENTAL, SOCIAL AND GOVERNANCE (EESG)

AT IOI CORPORATION, OUR EESG CONSIDERATIONS ARE CLOSELY ALIGNED WITH ALL OUR STRATEGIC PRIORITIES ESPECIALLY STRATEGIC **PRIORITY 4 – SUSTAINABILITY AND CLIMATE INITIATIVES**. WE RECOGNISE THAT INTEGRATING EESG INTO OUR CORE BUSINESS IS ESSENTIAL NOT ONLY FOR MANAGING RISKS SUCH AS CLIMATE CHANGE, LABOUR RIGHTS, AND REGULATORY COMPLIANCE, BUT ALSO FOR IDENTIFYING OPPORTUNITIES AND QUANTIFYING METRICS AND TARGETS TO ENHANCE OPERATIONAL EFFICIENCY AND INNOVATE SUSTAINABLY.

This holistic approach helps to add to stakeholders' trust, support our long-term value creation and further strengthen IOI's sustainable and resilient future. The sustainability matters that are currently relevant to IOI are shown below:

ECONOMIC (E)

• Data Integrity and Auditability via Digitalisation	page 16
• Sustainability Certification	page 45
• **Supply Chain Management**	page 18
• **Data Privacy and Cybersecurity**	page 139 (AR)
• **Energy Management** and Operational Eco-Efficiency	page 50
• Palm Biotechnology and Product Innovation	page 45
• Productivity and Product Quality	page 45

ENVIRONMENTAL (E)

• Climate Change, GHG **Emission Management**, including, Low Carbon Technology	page 48
• Sustainable Land Use and No Deforestation	page 68
• Biodiversity and Ecosystem	page 70
• **Water** Management	page 67
• Agrochemical Management	page 62
• Regenerative and Precision Agriculture	page 62
• Circular Economy and **Waste Management**	page 64
• Fire Management	page 69

SOCIAL (S)

• **Health and Safety**	page 74
• Human Rights and Fair **Labour Practices**	page 76
• Ethical Recruitment and Responsible Employment	page 78
• **Diversity**, Inclusivity and Equal Opportunity	page 78
• **Community** Engagement and Social Responsibility	page 84
• Child Rights and No Child Labour	page 85
• Gender Equality and Women Empowerment	page 81
• Talent Management	page 83

GOVERNANCE (G)

• Grievance Mechanism and Transparent Communication	page 79
• Traceability and Responsible Sourcing	page 18
• Regulatory and Third-Party Compliance	page 15
• Anti-Bribery and **Anti-Corruption**	page 26
• Business Ethics and Code of Conduct	page 26

*Common sustainability matters by Bursa Malaysia (in bold)

THE ECONOMIC PILLAR

1 SUSTAINABILITY AUDIT AND COMPLIANCE

We are committed to ensuring that our operations and products are certified to demonstrate that they are sourced and produced sustainably. This commitment is clearly outlined in our IOISP, where we strive for the continuous improvement of palm oil production and it's downstream products, in line with such certifications like MSPO, RSPO, SCCS (MSPO & RSPO), ISO 45001:2018, ISO 14064-1: 2018, etc.

As a member of RSPO since 2004, we have successfully achieved RSPO P&C certification for 93.3% of our mills in Malaysia and Indonesia. The only remaining uncertified mill is our newly established facility, which is currently progressing towards certification. In addition, we are 100% certified under MSPO for our operating units in Malaysia, and have recently achieved 100% ISPO certification for our estates in Indonesia. Our refineries and manufacturing plants are also fully RSPO and MSPO SCCS certified. Our sustainability teams undergo regular training to equip themselves with the necessary knowledge to understand and communicate the requirements of the various certification schemes to the operational workforce. This ensures continued compliance, even when certification standards are revised.

Apart from ensuring that our own operations continue to operate sustainably, we also contribute to the continuous improvement of the various certification schemes through participation in standing committees, taskforces and working groups.

Beyond certification, we also participate in Sedex Members Ethical Trade Audit ("SMETA") by independent third-parties for IOI Acidchem Sdn. Bhd., IOI Esterchem (M) Sdn. Bhd., and IOI Pan-Century Oleochemicals Sdn. Bhd. These audits assess labour standards, health and safety, environmental management, and business ethics, which help to strengthen our accountability and transparency.

2 PRODUCTIVITY AND PRODUCT QUALITY

As highlighted under the new Strategic Priority No. 3, we place strong emphasis on enhancing productivity and product quality across both our plantation and resource-based manufacturing operations. In the plantation segment, our focus is to achieve high oil yield, strengthen land-to-worker efficiency, and produce high quality crude palm oil ("CPO") with minimal contamination. In the manufacturing segment, our priorities include increasing plant utilisation and producing high-quality end products.

The Group continues to expand the adoption of clonal palms as part of its strategy to enhance plantation productivity and oil extraction rates ("OER"). As of FY2025, a total of 14,521 hectares in Peninsular Malaysia and 18,780 hectares in Sabah have been planted with clonal palms, representing 34.5% and 18.1% of planted areas, respectively. During FY2025, 394,651 of clonal palms were dispatched to the IOI estate in Malaysia, reflecting the growing use of clonal material in our replanting program.

The adoption of clonal palms has shown encouraging results. For example, Baturong Palm Oil Mill, where approximately 35% of the planted area consists of clonal palms, the average OER recorded between July 2024 and June 2025 was 24.7% while at Morisem Palm Oil Mill, with around 37% clonal palms, the average OER over the same period was 22.5%. These results demonstrate the positive impact of clonal palms on yield performance, and reinforce their role in supporting long-term productivity improvements.

We aim to achieve a higher land-to-worker ratio by progressively implementing mechanisation across our plantation operations in both Malaysia and Indonesia. We have completed mainline mechanisation implementation across all potential estates in Malaysia. For the next 5 years (2025-2029), our target is to achieve 80% infield mechanisation coverage for suitable areas and 70% mechanisation for upkeep activities in Malaysia and 60% mainline mechanisation for suitable areas in Indonesia.

We continue to ensure that the product quality at our manufacturing plants meets internationally recognised standards such as the Hazard Analysis and Critical Control Point ("HACCP"), Good Manufacturing Practice ("GMP"), Active Pharmaceutical Ingredient ("API") and other certified statuses such as Kosher, Halal and Ecocert. Efforts taken to meet the quality of the products are as follow:

1. Deliver low-contaminant refined palm products (with low Mineral Oil Saturated Hydrocarbons and low Mineral Oil Aromatic Hydrocarbons) to safeguard consumer health.
2. Replace detergent-based purification of oleic acid with crystallisation technology and adopt continuous reactive distillation in fatty acid esterification, a technology proven to be more energy-efficient and less chemically intensive than conventional processes.
3. Innovate with natural, chelant-free products such as *Palmsabun*, which are free from preservatives that may be harmful to both the consumers and the environment.

TOGETHER, MOVING TOWARDS CLIMATE POSITIVE

A NET ZERO FUTURE IS A MISSION WE ARE ACTIVELY TRANSITIONING TOWARDS AND THROUGH EVERY ACTION THAT WE TAKE, IS A STEP TOWARDS OUR GOALS. AT IOI, WE ARE CHARTING A TARGETED AND MEASURED COURSE TOWARD 2040, A JOURNEY THAT TRANSCENDS COMPLIANCE, ANCHORED BY CLEAR COMMITMENTS AND ACCELERATED BY INNOVATION. WE ARE REIMAGINING THE ROLE OF A GLOBAL AGRIBUSINESS IN THIS CLIMATE CHALLENGED ERA, ONE THAT LEADS BY ACTION, SCALES WITH PURPOSE AND SUSTAINS THROUGH TRANSFORMATION.

IOI's Pathway to Net Zero by 2040

Our Climate Change Action Initiative is a living blueprint, an empowered manifestation of science, stewardship and strategy coming together to unlock deep decarbonisation across our operations, supply chain and land-based activities. From transitioning to renewable energy and electrifying transport, to integrating precision-driven agriculture and regenerative practices, every lever is activated.

Every action is tracked. Every outcome is designed to be felt far beyond our value chain.

We are harnessing the power of nature and technology in tandem through planting trees that breathe new life into degraded landscapes, deploying tools that quantify our emissions footprint and fostering a culture of accountability that embeds climate ambition into the DNA of our business.

In this evolution, business performance and planetary wellbeing rise in unison. We move with clarity, courage, and the conviction to leave a legacy of leadership. **Together, we chart towards net zero by 2040.**

GOVERNANCE

MANAGEMENT APPROACH

IOI CCAi was launched in 2019, in alignment with the TCFD recommendations across its four pillars of Governance, Strategy, Risk Management, and Metrics and Targets. Building on the identification of climate-related risks and opportunities, IOI developed mitigation and adaptation measures, which have been further strengthened through the alignment with IFRS S2 requirements.

During the implementation of the CCAi, IOI had encountered various challenges in deriving verifiable data, targets, and measurable impacts from the vast amount of data and information. The availability of consistent and accurate data in tracking our metrics, targets, performance, and impacts was crucial. To address some of these issues, digitalisation initiatives were introduced, including the deployment of the IOI ESG platform, which has enhanced both data accuracy and transparency. The other issue is to have a methodology to ascertain that our GHG emissions are calculated according to acceptable global standards like the GHG Protocol and are verifiable. To that end, IOI uses the RSPO PalmGHG, an industry-accepted calculation tool that is aligned with the GHG Protocol, to calculate the GHG emissions of its estates and mills. Additionally, IOI chairs the RSPO Greenhouse Gas Task Force ("GHGTF") that is tasked to revise the PalmGHG calculator with the goal of increasing the accuracy of GHG inventory accounting. As for IOI's resource-based manufacturing division, their GHG emissions inventory was developed and verified according to ISO 14064 certification standards.

Progressing towards carbon neutral also requires accurate accounting of carbon sequestration. Thus, IOI has undertaken a carbon baseline assessment of its forested conservation areas to increase the understanding of its sequestration potential. The assessment outcomes led to the formation of the RTF that will oversee IOI's reforestation and rehabilitation efforts. Through this task force, IOI also aims to expand its current reforestation and rehabilitation efforts to capitalise on the sequestration potential of its forested conservation areas to achieve carbon neutrality.

GOVERNANCE

IOI has established a robust sustainability governance structure to ensure accountability for sustainability-related matters including matters related to the CCAi. The Board of Directors provides general oversight of material sustainability issues, while the BSC is empowered to act on the mandate given by the Board to provide strategic guidance and ensure sustainability, including climate-related matters, remains a core consideration in all aspects of IOI's operations. The GSSC which is chaired by the GMD, in support of the BSC, is responsible for overseeing the implementation of mitigation and adaptation measures in IOI's net zero journey, including but not limited to, the adoption of renewable fuels to replace fossil fuels, the utilisation of methane gas for energy generation, and the management of the RTF. In addition, the GMD's incentives and remuneration are closely linked to climate-related metrics and targets, which are subsequently cascaded to the rest of the organization to ensure a group-wide accountability. A more detailed account on Governance can be referred to in pg 22.

STRATEGY

IOI'S STRATEGY FOR ITS CCAi IS FURTHER EMPHASISED WITH THE LAUNCHING OF THE NEW FIVE-YEAR (2025 – 2029) STRATEGIC ROADMAP. THE PRIOR FIVE-YEAR STRATEGIC PRIORITIES (2020 – 2024) WERE ABOUT ENSURING THAT SUSTAINABILITY AND CLIMATE CHANGE WERE FIRMLY EMBEDDED AND PART OF THE CORE STRATEGIC BUSINESS PRIORITIES. HOWEVER, THE SPECIFIC INCORPORATION OF "SUSTAINABILITY AND CLIMATE INITIATIVES" AS ONE OF IOI'S FOUR NEW STRATEGIC PRIORITIES FURTHER SIGNIFIES IOI'S MATURITY IN THIS JOURNEY AND THE TARGETED APPROACH THAT IOI IS TAKING TO MEET ITS COMMITMENTS AND GOALS.

KEY STRATEGIC CONSIDERATIONS WITHIN IOI'S CLIMATE TRANSITION PLAN

Internal Carbon Price
IOI has established an internal carbon price to guide and drive its decarbonisation strategy as well as to manage risks.

Supply Change Management
To address Scope 3, IOI routinely engages with suppliers to ensure compliance to our net zero commitments

Evolving regulations
Sustainability-related regulations in countries where IOI operates and sells its products are constantly evolving. These include changes to government policies and incentives, regulations on carbon tax and pricing expectations, and more.

Technological advances
IOI anticipates progress in technologies related to energy management, production efficiency, and biological research, potentially leading to more climate-resilient solutions to climate change.

Evolving market demand
We expect greater shifts by markets towards lower-carbon, sustainable palm oil products that provide additional co-benefits, such as contributing to biodiversity protection and generally, reducing nature-related risks.

STRATEGY

Based on this, IOI has further established climate-related targets within its operations and aligned key performance indicators across its business divisions. Progress against this strategy is being regularly reviewed by the senior management team and the BSC. The various sustainability efforts like reducing waste or repurposing biomass through circularity, increasing yield and efficiency to reduce emissions, adopting nature-based solutions, etc., are presented here:

INTENSIFYING EFFORTS TO ACHIEVE CARBON NEUTRALITY BY 2030 THROUGH OUR NATURE-BASED SOLUTIONS ("NBS") APPROACH

IOI aims to reduce its emissions by expanding reforestation and rehabilitation efforts that can enhance carbon sequestration within its set-aside conservation areas. The company is also actively exploring circularity options to lower GHG emissions by reducing waste generation while adding value to its biomass by repurposing them into innovative new green products. As Land Use Change ("LUC") emissions represented a significant portion of IOI's Scope 1 emissions, IOI will maintain its NDPE commitment across the Group as outlined in the IOISP.

INCREASING USAGE OF RENEWABLE ENERGY AND IMPROVING ENERGY EFFICIENCY

IOI has implemented numerous renewable energy projects involving biogas, solar, and solar thermal technologies. The current strategy includes developing solar farms in selected remote estates to reduce fossil fuel usage and maximising utilisation of captured methane gas for power and steam generation. Meanwhile, resource optimisation initiatives will be implemented in IOI's manufacturing facilities whenever feasible. These include upgrading to higher-efficiency motors and improving heat recovery systems.

These approaches exemplify IOI's long-term commitment to a low carbon economy. They also highlight the company's efforts to diversify and capitalise on identified opportunities to strengthen its market position in the renewable energy sector.

A MORE CONCERTED FOCUS ON SUPPLY CHAIN DECARBONISATION

Reducing Scope 3 emissions is critical in determining the success of our net zero target. Since 2023, IOI has implemented a three-step approach for managing supply chain emissions to further support the decarbonisation journey, i.e., through:

1. **Supply Chain Mapping** as traceability is the foundation for Scope 3 accounting, enabling the identification of significant suppliers for targeted engagement, assessments, and emissions monitoring.

2. **GHG Assessment** of our suppliers on how they can actively contribute to reducing their emission by helping them identify their highest source of GHG emissions.

3. **Stakeholder Engagement** where IOI's efforts to decarbonise our supply chain begins with capacity-building programs which had been integrated into our supplier engagement processes. Through these initiatives, the IOI RS team shares with our suppliers, IOI's net zero journey, achieving carbon neutrality across the value chain.

Integrating the above 3-step approach to supply chain management with our climate-related procurement strategies which involves identifying and selecting suppliers who demonstrates sustainability practices especially in managing to reduce their GHG emissions, are part of IOI's important enablers in achieving net zero by 2040.

RISK MANAGEMENT

IOI'S CLIMATE-RELATED RISK MANAGEMENT IS INTEGRATED INTO THE BROADER ERM FRAMEWORK, WHICH CONSIDERS BOTH QUALITATIVE AND QUANTITATIVE FACTORS, INCLUDING THE NATURE, LIKELIHOOD, AND MAGNITUDE OF POTENTIAL RISKS.

Details of the ERM processes and policies are provided on page 118 of the annual report. The ARMC oversees the ERM framework to ensure appropriate risk management measures are in place, while the BSC supervises strategies for managing sustainability-related, including climate-related risks.

Sustainability-related risks and opportunities are identified through an annually updated materiality assessment and prioritised based on severity and likelihood, where their potential impacts on regulatory changes, operational disruptions, and IOI's financial position are considered.

CLIMATE-RELATED RISKS (TRANSITION AND PHYSICAL)

Climate-related Transition Risks

IOI operates in a region that is affected and made vulnerable by climate change. This is evidenced by rising temperatures, extreme weather events like floods and drought as well as rising sea levels. Thus, the company faces potential transition risks if no action is taken and has, therefore, taken steps to identify potential climate-related transition risks and opportunities via its ERM framework:

TRANSITION RISK	TIMEFRAME	IMPACT	OPPORTUNITIES
Policy and Legal			
Stricter sustainability-related regulations and increasing compliance costs (i.e., carbon tax)	Medium term	Reduced operating profit, increased exposure to potential sustainability-related penalties	• Increasing use of renewable energy (e.g., biogas, solar) to reduce GHG emissions • Continued implementation of best practices and emission reduction technologies to reduce the likelihood of incurring fines/penalties.
Technology			
Increasing costs related to energy-intensive machinery	Medium term	Higher operating expenditure and less climate-friendly operations	• Upgrading outdated machinery to reduce energy usage and subsequently, reduce operating expenditure • Further expanding circular economy practices to reduce waste and increase operational efficiency
Market			
Growing demand of low-carbon products	Medium term	Loss of market competitiveness due to evolving demand	• Increasing the range of low-carbon products offered may result in additional revenue streams and competitive advantage
Reputation			
Increased scrutiny on sustainability performance and climate litigation	Medium term	Increased negative perceptions of the company, impacting shareholder and consumer confidence	• Transparent strategy, risk identification, and management both reduces the risk of climate litigation and increases shareholder, especially investor, and consumer confidence • Brand recognition as a low-carbon footprint producer

RISK MANAGEMENT

Climate-related Physical Risks

Some of IOI's estates, mills, and resource-based manufacturing facilities are in regions that may be susceptible to extreme weather events. While such events are not acute in nature, we expect them to increase in severity and frequency and be considered as chronic physical risk that must be accounted for. The main physical risks faced by IOI are heatwaves and, to some extent, water stress. Sea level rise is another significant physical risk; however, its impact is limited to a few operating units. The impacts of these physical risks are as follows:

1 Heatwaves

- Employees' health and productivity may adversely affect productivity due to rising incidence of heat-related illnesses. This could lead to manpower shortages, particularly in estates, where workers are directly exposed to heat and sunlight.
- Crop health may also be affected due to high temperature, which causes stunted growth and FFB yield reduction. The slow growth will result in longer harvesting interval which lowers production.

2 Water stress

- Oil palms mainly rely on rainwater for crop irrigation. Water stress due to droughts may negatively affect fruit production, inflorescence abortion and ultimately lower FFB yield. However, this impact is expected to be low since IOI's estates are located in areas with low water stress.
- Water stress may also cause an increase in municipal water supply disruption. This impact may affect some of IOI's resource-based manufacturing facilities by affecting production or increasing operating costs due to additional water purchases.

3 Sea level rise

- Sea level rise may increase the frequency of coastal flooding, causing damage to plant equipment in manufacturing facilities.
- More frequent and prolonged coastal flooding may poison the soil through increase soil salinity, reduce nutrient availability, and increase crop mortality. These impacts may cumulatively reduce FFB yield.

Listed below are mitigation and adaptation measures implemented by IOI to reduce climate-related physical risk exposure.

PHYSICAL RISKS	RISK TREND	IMPACTED REGIONS	MITIGATION	ADAPTATION
Heatwave	Increasing	Malaysia, Indonesia	• Ensuring adequate heat shelters and access to drinking water • Ensuring proper water management of peatlands and planted areas • Increase use of automation and mechanisation to reduce exposure to heat, especially for field workers	• Regular communication of heat stress prevention measures for workers • Providing appropriate PPE to workers • Re-arranging work schedules of field workers to accommodate the change in temperatures
Water stress	Increasing	Peninsular Malaysia	• Increase the amount of water recycled and reused in manufacturing operations • Implementing smart water management systems to control water consumption	• Increasing water storage capacity to prevent water disruptions
Sea level rise	Stable	West Malaysia, Indonesia	• Installed water gates and bunds in affected estates to prevent flooding • Ensuring proper installation and maintenance of drainage systems and canals for irrigation purposes • Installing sea walls and storm surge barriers to protect key facilities from coastal flood	• Elevating the foundation or relocation of critical machinery

ASSESSMENT BASED ON CLIMATE RISK SCENARIOS ANALYSIS

IOI has conducted qualitative and quantitative climate-related scenario analysis to improve its understanding of climate-related transition and physical risks and opportunities. IOI reviews this analysis annually, with full reassessments performed whenever new climate data may significantly impact IOI's climate-related scenario analysis becomes available.

Transition Risk

A climate-related scenario analysis for carbon pricing was conducted to assess IOI's resilience towards increasing carbon pricing and tax. Three scenarios (low, moderate, and high carbon pricing) were conducted based on research from the International Energy Agency ("IEA") and Organisation for Economic Co-operation and Development ("OECD"). As a result, it was projected that IOI's carbon pricing risk exposure for FY2050 ranges from USD27 million to USD591 million based on carbon pricing scenarios and the consideration of carbon sequestration.

To guide IOI's decarbonisation strategy and manage climate-related risks, IOI has established an internal carbon price of RM 60/$MTCO_2e$ for the Plantation division, RM 80/$MTCO_2e$ for the Resource-based Manufacturing division, and EUR 30/$MTCO_2e$ for its manufacturing operations in Germany. This shadow price is factored into the evaluation of future emission reduction strategies, budgeting, and investment planning.

Physical Risk

IOI incorporates 3 scenarios (low, medium, high) in line with the Intergovernmental Panel on Climate Change's ("IPCC") Representative Concentration Pathways ("RCP") for the modelling of climate-related physical risks. IOI scenario analysis was done using data from FY2020 as baseline. The results were then projected to short-term (up to 2025), medium-term (up to 2030) and long-term (up to 2050) milestones in line with IOI's pathway to net zero by 2040. These scenarios were selected in alignment with the best available information on climate change and IOI's current resource and capacity. IOI aims to continuously improve the accuracy of its analysis through regular updates to its scenario modelling process.

In total, 123 locations covering IOI's operational sites in Malaysia, Indonesia and Germany were assessed. The highest physical risk exposure faced by IOI are heatwaves, with a small percentage of operating sites exposed to water stress and sea level rise. As a Group, the overall physical risk scores remain unchanged from previous years:

SCENARIO	RISK EXPOSURE
Low (RCP 2.6)	38/100 (Moderate exposure)
Moderate (RCP 4.5)	49/100 (Moderate exposure)
High (RCP 8.5)	56/100 (Moderate exposure)

CLIMATE RELATED FINANCIAL DISCLOSURE

To align with Malaysia's NSRF, the CFDC was tasked by IOI Group to report the financial performance data i.e. CAPEX expenditure for climate change mitigation action covering a three-year period. Climate-related internal risk assessments and scenario modelling are also conducted annually to evaluate the key physical risks, specifically heatwaves, sea-level rise, and water stress to the Plantation and Resource-based Manufacturing Divisions. The scenario modelling is based on the respective company's financial projections and assumptions regarding the anticipated financial impact of climate-related physical risks over the medium term, which involve significant management assumptions, judgements, and estimates.

In FY2025, the Group has assessed the likelihood and magnitude of water stress risk, such as prolonged dry weather and shortages of water supply at the Resource-based Manufacturing Division's manufacturing plants located in Penang and Johor, Malaysia. Following this identification, our management has carried out scenario modelling to quantify the potential financial impacts of water stress based on reasonable and supportable information. Historical data, current conditions, forecast of future conditions and publicly available data were incorporated in the calculation. After factoring in mitigation and adaptation measures taken, the estimated financial impact is low and does not exceed 0.30% of the Group's net profit annually over the medium term (up to FY2030). As of 30th June 2025, IOI had invested RM 386.0 million for the mitigation of physical and transition risks faced by the company.

RISK MANAGEMENT

Looking ahead, the Group will continue to assess the climate-related impact assessment on the Plantation Division. Given the scale and geographical footprint of its landbank across Malaysia and Indonesia, a more comprehensive evaluation will be required. While quantification is still in progress, this ongoing work reflects the Group's proactive approach to integrate climate resilience into operational planning.

It should also be noted here that, efforts will be undertaken to minimise uncertainties by adopting the latest available and agreed climate projections available to IOI. Further details of the specific aspects of the statements above can be found in the financial statement (pg 183) of the Annual Report.

NATURE-BASED SOLUTIONS

NO DEFORESTATION AND NO NEW PLANTING ON PEAT

Since 2016, IOI has implemented a moratorium on deforestation across all its operating units. IOI complements this pledge with commitments to sustainable land use as stated in the IOISP, such as no development of HCV, HCS areas, and other conservation areas designated by IOI. The Group also implements regenerative and precision agriculture to minimise land management emissions by controlling the use of fertilisers and pesticides to prevent wastage and unnecessary emissions.

Apart from being sensitive ecosystems, peatlands are large carbon pools that may release carbon emissions if poorly maintained. To prevent this, IOI manages its planted peat area based on its Peatland Protection & Management Guidelines and RSPO's Best Management Practices for existing cultivation on peat. More information can be referred to page 69.

REFORESTATION AND REHABILITATION

Through last year's carbon sequestration baseline assessment, IOI's forested conservation areas (i.e., river buffers, forest buffers, forests, etc.) contribute an estimated annual sequestration of 161,994 tCO_2e. Our conservation areas in Sabah holds the highest sequestration intensity at 22.6 tCO_2e/Ha. To maximise the carbon sequestration of IOI's conservation areas, IOI had established a dedicated RTF, which considers the assessment results to refine the selection of reforestation sites with the highest potential for carbon sequestration and biodiversity enhancement. As of now, the task force had selected a pilot site in Sandakan, Lahad Datu and Kalimantan for rehabilitation and reforestation.

ENGINEERED SOLUTIONS

Apart from nature-based solutions, IOI implements engineered solutions in its palm oil mills and resource-based manufacturing facilities to reduce and remove GHG emissions:

INNOVATION IN PLANTING MATERIALS

Led by IOI Palm Biotech and IOI Tissue Culture, IOI maintains its emphasis on research and development to ensure continuous improvement in oil yields of planting materials per hectare. Doing so ensures that IOI can adapt to such weather events as droughts or heavy rains driven by climate change while reducing LUC emissions that are linked to agricultural expansion.

EXPANDING RENEWABLE ENERGY USAGE

IOI has been increasing its number of methane capture facilities over the years. As of FY2025, 10 methane capture facilities are in operation, with 3 more under development. The biogas captured were then fed into biogas engines for electricity generation and biogas boilers for steam generation. IOI has also begun development of solar farms in selected remote estates for electricity generation where electricity is difficult to procure from the normal routes and to further reduce our dependence on fossil fuel usage and as a cleaner source of electricity. More information can be referred to in section Metrics and Targets (pg 56).

OPTIMISING ENERGY USAGE AND REDUCING EMISSIONS IN IOI'S RESOURCE-BASED MANUFACTURING OPERATIONS

IOI's resource-based manufacturing facilities have installed multiple cogeneration facilities, solar panels, and solar thermal heating systems to optimise energy usage and reduce their Scope 2 emissions. We expect further improvements to our GHG reduction efforts with the expected commissioning of two more new cogeneration units in IOI Acidchem Penang. IOI's Pan-century Edible Oils and Oleochemicals in Johor is currently awaiting the setup of its biomass boiler, while smaller initiatives like transitioning to energy-efficient lighting and electric forklifts were implemented across multiple facilities.

Similar efforts to reduce GHG emissions were also seen in IOI's operations based in Germany, where green electricity was purchased. At our IOI Edible Oils in Sandakan, efforts were undertaken to optimise its cooling tower efficiency. This involves modification of piping systems and installing variable speed drive pumps, leading to an estimated 40% reduction in power usage and 139,230 kg CO_2e of reduction over 300 days.

REDUCING GHG EMISSIONS FROM OIL PALM BYPRODUCTS

The concept of circularity is closely linked with decarbonisation in terms of reducing emissions from byproducts. IOI has embarked on innovative partnerships to reduce emissions from EFB and OPT by converting them into attractive alternatives for paper pulp and wood panels respectively. IOI Palm Wood's facility was also designed with sustainability in mind, where conventional heating systems were replaced with thermal oil systems paired with biomass boilers. The biomass boilers run on saw dust and palm chippings as feedstock obtained from the waste generated during the OPT processing, thereby, diverting waste from landfills to a better use.

SUPPLY CHAIN MANAGEMENT

As mentioned in the Strategy section (page 50), supply chain management forms an important component of IOI's journey to net zero by 2040.

SUPPLY CHAIN DECARBONISATION

The following is an update of the three-step approach to supply chain decarbonisation:

1 Supply Chain Mapping

IOI has mapped its suppliers according to capacity, commitment, and potential, beginning with Tier 1 suppliers and progressively expanding as required, ensuring full coverage and progress achieved in traceability. Leading suppliers from large plantations have already established their own decarbonisation commitments, while medium-sized growers and millers are encouraged to invest in methane capture and other initiatives to work towards reducing their GHG emissions. Suppliers requiring additional technical guidance are provided with the necessary support to build readiness and embark on their own decarbonisation journey.

2 GHG Assessment

In this segment, IOI's RS team actively supports suppliers in calculating their GHG emissions. For suppliers who are certified RSPO growers, they are encouraged to share their PalmGHG accounting of their GHG emissions with IOI. In Malaysia, where majority of our sourcing occurs, MSPO has been a key enabler, driving all MSPO-certified plantations to calculate GHG emissions by 2025 using the MSPO GHG calculator. These initiatives enhance supplier capacity, improve data reliability, and accelerate progress towards IOI's net zero target.

3 Stakeholder Engagement

IOI maintains regular supplier engagement to educate stakeholders and provide technical knowledge-sharing to suppliers and other stakeholders on the importance of GHG reduction and assessment. This long-term engagement strengthens capacity across the value chain and serves as a key pathway to achieve IOI's decarbonisation targets.

CLIMATE-RELATED PROCUREMENT

Building on supplier engagement, our RS team recognises the pivotal role of procurement in driving climate action and advancing environmental sustainability. This approach encourages the adoption of suppliers with low carbon footprints or those actively implementing carbon reduction practices. Our climate-related procurement principles are applied primarily to direct suppliers and extended to indirect suppliers through engagement with our direct partners. Through the implementation of the IOISP and IOI's Responsible Sourcing Guidelines, key-climate related procurement principles like NDPE, Zero Burning Policy, sustainability certifications, and compliance with social and environmental management requirements, help establish clear, actionable, and measurable climate-related sourcing standards for the suppliers to support their transition towards a low-carbon economy.

GREEN SUPPLIER SELECTION AND COMPLIANCE

To support IOI's climate goals and policy compliance across our supply chain, on top of our general supplier selection process (see page 18 for more details), we have added a green supplier selection process that includes a specific component to address climate related matters such as identifying, monitoring, and reporting GHG emissions of our suppliers in accordance with the GHG Protocol. The selection process will also continue to evolve to address emerging climate risks, regulatory developments, and stakeholder expectations. IOI remains committed to enhancing supplier traceability and improving emissions data transparency, with the goal of promoting sustainable and climate-resilient practices across our supply chain.

METRICS AND TARGETS

MANAGEMENT APPROACH

Through the CCAi, IOI adopts a targeted approach to reduce group-wide emissions. The GHG reduction initiatives are implemented by the respective business division within the Group, monitored by their sustainability departments and reported to the GSSC. IOI regularly reviews and updates its GHG accounting methodologies, inputs and assumptions according to the latest available data that is accepted in the industry.

IOI's GHG emissions from our resource-based manufacturing divisions are calculated based on the methodology from the ISO 14064 and are verified and certified accordingly under the same scheme. The emissions from our Plantation division are calculated using the RSPO Palm GHG which is in alignment with the GHG Protocol. To ensure the verification of the emission's data from the Plantation division, they are audited under the RSPO certification scheme. More information about the methodology used can be referred to in the Appendix section.

ACTIVITY-DRIVEN PERFORMANCE AND IMPACT

IOI Group's Progress towards Carbon Neutral by 2030 (Scope 1 & 2)

As of FY2025, IOI has achieved 46% reduction in Group-wide GHG emissions intensity from its base year of 2015, surpassing its initial target of 40%. In absolute terms, IOI Group's Scope 1 and 2 emissions currently stand at 2,378,307 tCO_2e. Scope 1 contributes towards majority of the emissions. Due to the nature of IOI's business composition, the Plantation division remains the largest contributor of gross emissions (Figure 1).

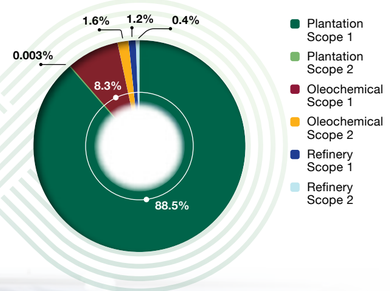


Figure 1. IOI's Group-wide Scope 1 and 2 Emissions.

Carbon sequestration from IOI's crops and forested conservation areas plays a significant role towards achieving our goal of carbon neutrality by 2030. These areas contribute a total carbon sequestration of 1,638,707 $MTCO_2e$ in FY2025. Figure 2 shows the breakdown of carbon sequestration contribution of the oil palm (crop sequestration) and forested conservation area.

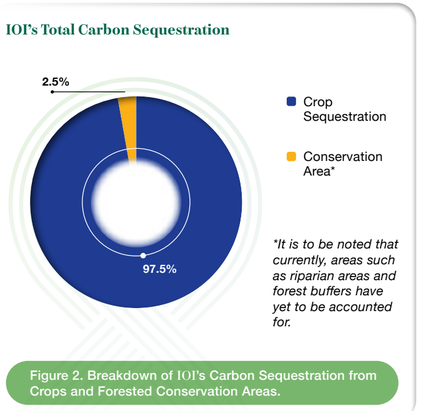


Figure 2. Breakdown of IOI's Carbon Sequestration from Crops and Forested Conservation Areas.

To further enhance our sequestration efforts, IOI had conducted a carbon sequestration assessment on all its set-aside lands (forested conservation areas, riparian, buffer, etc.) using remote sensing technology to better identify areas for potential reforestation and rehabilitation. More information on this activity is available in the section on Nature-based Solutions.

In terms of IOI's net absolute emission for FY2025, after accounting for carbon sequestration, it is 703,848 $MTCO_2e$/MT Product (Table 1). Additionally, it can be seen from Table 1 that the Plantation division remains the highest contributor to IOI's GHG emission but also the division that contributes to the largest reduction going forward.

Table 1. Breakdown of IOI's emissions (Intensity and Absolute), for the past 3 years by business divisions.

	FY2023	FY2024	FY2025	
	Intensity (MT CO_2e/MT Product)	Intensity (MT CO_2e/MT Product)	Intensity (MT CO_2e/MT Product)	Absolute (MT CO_2e)
IOI Group	1.80 (-20%)	1.30(-42%)	1.22 (-46%)	703,848
IOI's Business Divisions				
Plantation	1.37 (-25%)	0.87 (-52%)	0.74 (-60%)	429,585
Oleochemical	0.40 (11%)	0.40 (10%)	0.44 (23%)	234,715
Refinery	0.03 (-38%)	0.03 (-43%)	0.03 (-41%)	39,547

Note: For FY2023 and FY2024, their absolute emission values can be found in the Appendix of their respective Annual Sustainability Reports

Going forward, our next step which is to achieve carbon neutral by 2030 for our Scope 1 and 2 emissions, will see us progressing towards reducing the remaining 54% of our emissions intensity within the next 5 years. To do so, IOI will continue to leverage our nature-based and engineered solutions as depicted in our pathway to net zero by 2040. For more details, please refer to our section about Nature-based Solutions and Engineered Solutions.

Emissions Breakdown by Business Division (Scope 1 & 2)

IOI Plantation

IOI Plantation contributes 83% of total Group-wide emissions. The largest share comes from land conversion and operational emissions from POME and fertiliser-related emissions (Figure 3).

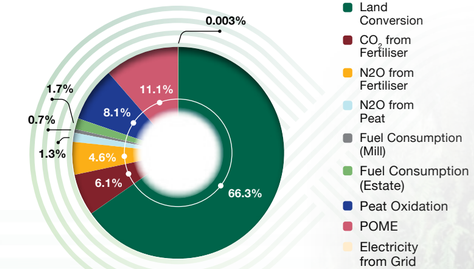


Figure 3. Breakdown of IOI Plantation's Scope 1 Emissions. POME and Fertiliser-related Emissions represent the Largest Contributor of Operational Emissions.

In terms of land conversion, most of the emissions came from legacy land conversion (i.e., land conversion emissions were still accounted for after 1 or 2 cycles of oil palm planting). Currently, only 35% of land conversion is in their first cycle (i.e., from secondary forested or degraded land to oil palm). Where operational emissions are concerned, IOI Plantation has been reducing its Scope 1 emissions by installing more methane capture facilities. Since FY2015, these methane capture facilities have contributed to an estimated 47% reduction of POME-related emissions. By substituting diesel consumption with biogas, our palm oil mills have managed to save over 2.9 million litres of diesel resulting in a cost reduction of about RM8.4 million.

Through the implementation of circularity, installation of biogas engines and biomass boilers, IOI's Plantation division had also been able to reduce its reliance on purchased electricity, leading to a 98% reduction in Scope 2 emissions since 2020. IOI expects a downward trend in Plantation emissions with the continued expansion of methane capture facilities, adoption of battery-electric field machinery and development of new solar farms for its remote estates. As of FY2025, one solar farm have been set up and 6 more are in various developmental stages.

METRICS AND TARGETS

IOI Oleochemical

IOI's Oleochemical division accounts for 10% of Group-wide emissions and recorded a year-on-year increase in net emissions intensity of 10%. Scope 1 emissions remain the largest contributor to IOI Oleochemical's operational emissions (Figure 4). The increase can be partly attributed to evolving and competitive market demand, leading to a decrease in total production and plant efficiency. Regardless, IOI Oleochemical continues its efforts to reduce its emissions intensity by optimising production systems to reduce fuel consumption and increase energy efficiency. As of FY2025, the division is in progress of commissioning two cogeneration units at IOI Acidchem, and a biomass boiler in Pan-Century Oleochemical facilities, both of which are expected to further reduce operational emissions.

IOI Refinery

IOI's Refinery division recorded a year-on-year increase in net emissions intensity of 4%. Scope 1 emissions represent the largest contributor to IOI Refinery's operational emissions (Figure 5).

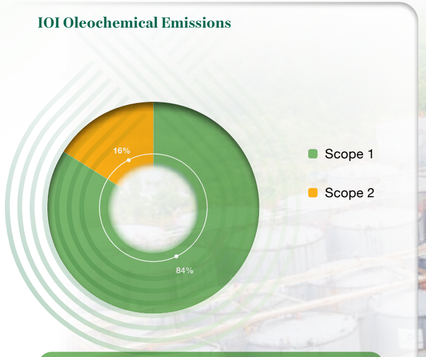


Figure 4. GHG Emissions Composition for the Oleochemical Division.

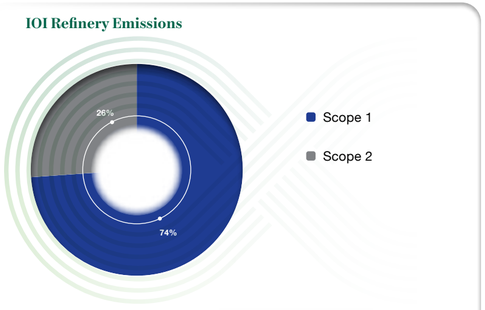


Figure 5. GHG Emissions Composition for the Refinery Division.

The division will continue its plant optimisation efforts to reduce emissions intensity. Some of the efforts include modifications to utility supply lines between machineries, resulting in reduced fuel consumed for steam generation. Modifications have also been made to cooling tower systems to reduce pressure and frictional losses, thus reducing power consumption. One of the division's facility, IOI Edible Oils, is implementing smart energy systems to replace manual monitoring, leading to more precise control of cooling tower fan operations, thereby reducing energy consumption. More details can be found in the Engineered Solutions section.

IOI's Scope 3 Emissions

IOI's Group-wide Scope 3 emissions currently stand at 4,069,839 tCO_2e. The Scope 3 emissions from IOI Plantation is relatively low due to the upstream nature of IOI Plantation production and the fact that the supply of its oil are either segregated or identity preserved from its own estates.

On the other hand, IOI's downstream segment, IOI Refinery, contributes to 90% of total Group-wide Scope 3 emissions (Figure 6), of which 99% comes from purchased goods and services (Category 1). This signifies the importance of supply chain management and engagement with our suppliers. IOI will be continuing its Scope 3 emissions monitoring. Efforts to collaborate with IOI's suppliers will continue to increase their understanding of Scope 3 emissions within the value chain and to work towards reducing their emissions collectively.

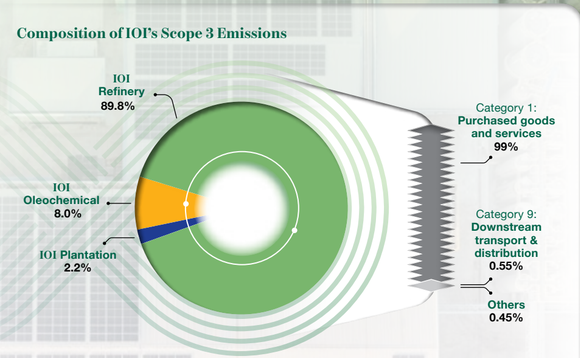


Figure 6. IOI's Group-Wide Scope 3 Emissions. IOI Refinery is the Largest Contributor of IOI's Scope 3 Emissions.

TOGETHER, DRIVING NATURE POSITIVE IMPACTS

AT IOI, WE BELIEVE IN INTEGRATING SUSTAINABILITY INTO EVERY FACET OF OUR BUSINESS. WE ARE TRANSFORMING HOW LAND IS CULTIVATED, HOW RESOURCES ARE USED AND HOW BIODIVERSITY IS ENHANCED.

Our new Strategic Priority #4 places Sustainability up front and centre as part of our operating business model. Circular water systems, responsible fertiliser & pesticide use, water governance, and pollution control, these are some of the practices already firmly ingrained within our operations. We are championing regenerative agriculture, one that protects soil health, revitalises growth and ecosystems. We are integrating nature-positive thinking across the Group. We are embedding these values into our plantation and manufacturing operations, supply partnerships and decision-making frameworks ensuring that every crop produced today strengthens the ecosystem of tomorrow.

Growing Sustainably, Protecting Nature.

Cultivating a future where agriculture heals, sustains, and elevates both people and planet. **Together, we regenerate tomorrow.**

REGENERATIVE AND PRECISION AGRICULTURE

MANAGEMENT APPROACH

IOI Plantation practices agronomy to optimise oil yield through sustainable management. These practices also involve the implementation of regenerative and precision agriculture as part of our best agricultural practices. These efforts are supported by policies and guidelines, including the IOISP, Agrochemical Guidelines, and Environmental Management Guidelines, to ensure good governance and effective environmental management. As an example of IOI's strong agronomy, IOI plants and promotes the growth of cover crops such as *Calopogonium mucunoides* to reduce soil exposure. Basically, the vegetation cover protects the soil from erosion and nutrient runoff, while the cover crops supports microorganisms that naturally enrich the soil. A specific showcase of the implementation of regenerative and precision agriculture practices is our organic oil palm plantations in the Pamol Kluang region.

ACTIVITY-DRIVEN PERFORMANCE AND IMPACT

Enriching the Soil Naturally

IOI emphasises circularity by utilising its EFB and palm fronds for mulching in our estates. These biomass can be a source of essential nutrients like nitrogen, phosphorus and potassium that play a vital role in plant growth. After the POME discharged from IOI's palm oil mills are treated to comply with local regulations, they are diluted and redirected to land application. The diluted, treated effluent provides additional nutrients that enhances crop growth. Together, these practices not only reduce wastes directed to landfills, but also reduce the application of inorganic fertilisers. For FY2025, roughly 614,686 MT of biomass have been reused and applied as fertiliser throughout IOI's estates. Other than these practices, IOI also cultivates certain legume cover crops like *Mucuna bracteate* in our plantations that can help improve soil fertility. These cover crops aid nitrogen fixation, increasing soil nutrient availability and create habitats for beneficial soil microorganisms.

Optimising Nutrient Efficiency

IOI Research Centre regularly collects soil and plant samples to identify nutrient deficiencies and presence of pests and diseases. Natural means of controlling pest and soil enrichment will always be prioritised, while the use of organic fertilisers and biopesticides are encouraged wherever possible. Inorganic fertilisers and pesticides were only used when required and its usage will be practiced in accordance to IOI's standard operating procedure. This includes ensuring operations were done under strict supervision by personnel equipped with PPE, and that no chemicals listed in the Class 1A or 1B under the Rotterdam Convention and Stockholm Convention were to be used. The list of commonly used agrochemicals can be found in the Appendix section.

Integrated Pest Management

At IOI plantations, beneficial plants like *Cassia cobanensis* and *Antigonon leptopus* are planted to facilitate the spread of beneficial insects and control pest populations naturally. For larger pests like rodents which damages young palms, barn owls and hunting dogs were kept to control rodent population. This translates to reduced usage of chemical baits, which may cause environmental contamination and harm to other wildlife.

As climate change may also impact the local population of beneficial species required to control pests, efforts are underway to mitigate this. Specifically, we cultivate and release additional beneficial plants and animals when needed to maintain a stable and healthy population of these beneficial species, ensuring pests and diseases are under control.

Crop Diversification

Some estate operations under IOI have been practicing crop diversification to maximise the efficiency of land usage. While intercropping provides additional financial support in periods where oil palm yield is low, the variation of crops also introduce diversity to the soil ecosystem, reducing the impact of mono-agriculture on soil fertility. As of FY2025, IOI has planted 3,616 Ha of coconuts, 515 Ha of bananas, 11 Ha of pineapples and 109 Ha of durians within its estates.

Organic Oil Palm Production

IOI initiated its pilot project for organic oil palm cultivation back in 2021 at an estate that previously cultivated oil palm but planted conventionally, albeit in accordance to sustainable practices, i.e., it was RSPO certified. The pilot project aimed to apply regenerative and precision agriculture practices and it took about 3 years for the land to be certified as fully free from the chemicals used earlier. Inorganic fertilisers were replaced with natural fertilisers like mulched EFB, palm fronds and POME solids. For pest management, IOI Research Centre breeds and releases beneficial insects like *Sycanus dichotomous* to control bagworm population in organic cultivations. In FY2025, over 1,000 of these insects were released to increase and stabilise the population of beneficial insects. Buffaloes were used for grazing and weed management. Due to the absence of pesticides and herbicides, we expect organic cultivation to have higher level of biodiversity. With the success that we have achieved thus far, IOI aims to expand its organic oil palm cultivation from 1,100 Ha to 3,500 Ha by FY2028.

Life Cycle Analysis of IOI's Crude Palm Oil Production

To further understand the life cycle impacts of IOI's palm oil production, IOI has collaborated with IOI's buyer and an LCA expert to conduct a consequential life cycle analysis covering the crop cultivation and FFB processing stage. The analysis revealed that the global warming potential ("GWP") of 1 kg of IOI's RBDPO is 2.21 kg CO_2e/kg RBDPO after accounting for indirect land use change, which is lower than the industry average of 3.68 kgCO_2e/kg RBDPO. The main contributor to lower GWP values is the high number of mills equipped with methane capture facilities reducing POME-related emissions. IOI also has relatively low oil palm cultivation on peat soil and a large size of conservation areas under its management that is unplanted, further contributing to lower emissions.

Genetically Modified Organisms ("GMO")

While GMO technologies may have been used to increase crop productivity in some commodities like soybean and corn, IOI does not currently use GMOs in our oil palm breeding programs. Instead, IOI's R&D focuses on conventional breeding techniques and marker-assisted selection, with an emphasis on sustainability, productivity and resilience to pest, drought, etc. In the meantime, IOI is closely monitoring the evolving market, science or health benefits (adverse or otherwise), and regulatory conditions. Should there be any changes in the circumstances, we will be guided by local regulations, scientific integrity, and alignment with IOI's sustainability values.

Advancing Biotechnology through Research and Development ("R&D")

IOI Research Centre and IOI Palm Biotech have been collaborating closely to advance oil palm agriculture. Over the years they have conducted multiple studies focusing on breeding planting materials with desired traits and improving the identification of oil palm genomes linked to favourable traits. One such study involves the identification of biomarkers associated with slower palm height increment. The research led to the development of genetic markers that enabled breeders to select shorter palms for commercial planting, potentially reducing harvesting costs and lengthening the 25-30 years life span of the palm trees before replanting is required due to height constraints.

IOI Palm Biotech Centre has also collaborated with external stakeholders like the International Oil Palm Research Consortium and MPOB to enhance access to oil palm genomic resources. Under the 2025 Transfer-of-Technology programme, IOI collaborated with MPOB to adopt an advanced genotyping platform that is currently being used in IOI's molecular research, to support the development of superior planting materials.

IOI is also currently collaborating with UPM for the research on *Ganoderma boninense,* a fungal pathogen that causes basal stem rot in oil palms as part of IOI's long-term ganoderma management strategies. The research aims to identify the genes associated with host resistance and pathogen virulence to develop disease-tolerant planting materials.

CIRCULAR ECONOMY AND OPERATIONAL EFFICIENCY

MANAGEMENT APPROACH

IOI is committed to responsible waste management and operational efficiency, and recognises the importance of Circular Economy and Waste Management as one of the top ten material matters for this year. Although the 7Rs of circularity concept was formally introduced in IOI in 2021, the practice of circularity has long been integrated within our operation through practices such as utilising dried palm fronds or EFBs as mulching in our oil palm plantation as part of best management practices to utilise all biomass produced. At the group level, the IOI Environmental Management Guideline serves as the primary framework for our waste management plan that is applicable to all operating units across IOI Group. The Guideline outlines our commitment to managing effluent, scheduled waste, and adherence to our Zero Burning Policy.

In addition to implementing our own guidelines and commitment to capture and reduce GHG emissions through operational efficiency and from waste reduction, we ensure that we are also in full compliance with local environmental regulations. For example, our operations in Malaysia are subject to national enforcement under the Environmental Quality Act 1974 (EQA) by the Department of Environment ("DOE"). Other than that, multiple audits are also regularly conducted, both at our upstream and downstream operations such as certification audits under RSPO, MSPO, ISCC, ISO 14001, etc. Through these processes, external auditors verify that our practices are aligned with the requirements of the standards, and are effectively implemented. IOI aims for high compliance with environmental law and audit requirements while continuously monitoring and tracking, responsible waste handling practices to identify opportunities for reduction and operational efficiency.

ACTIVITY DRIVEN PERFORMANCE AND IMPACT

1 Plantation and Resource-based Manufacturing Division

In IOI, most of the so-called non-hazardous waste produced in the plantation division are actually termed as biomass, i.e., OPT, PKS, EFB, fronds, and POME residues. The biomass are recycled and reused as part of IOI's 7Rs practices and will be discussed further in the next section. For this financial year, we have recycled 99% of our non-hazardous waste. They are largely reused as organic fertiliser in the estates and renewable energy generation in the mills.

As for our resource-based manufacturing divisions, waste reduction remains one of IOI's key focus areas. IOI monitors waste disposal metrics and targets against its target annually. In one of their efforts to reduce waste, IOI Oleochemical is operating a sludge dryer that removes moisture, thus reducing the volume of waste disposed of. The process also reduces disposal costs and simplifies sludge handling during recycling, increasing operational efficiency. For FY2025, IOI Oleochemical achieved a recycling rate of 62%, which is higher than last year (56%). Meanwhile, at IOI's Refinery division, IOI Bio-Energy reuses biomass from the estates to generate renewable energy, replacing fossil fuel to power its refining processes. This innovation has reduced approximately 2,080 MT CO_2e of GHG emissions for this year. Additionally, IOI Refinery achieved a recycling rate of 96% which is lower than last year (98%).

At the heart of our success in reducing waste, is the culture of circularity. To instil responsible waste handling practices within our operations, we conduct employee awareness programs and training. For example, a Certified Environmental Professional in Scheduled Waste Management ("CEPSWAM") course is one of our approaches to training our people in becoming competent persons in handling waste plus the course is certified by the DOE. We also encourage our employees to implement 7Rs in their daily routine, which helps to reduce domestic wastes sent to the landfill.

2 IOI Palm Wood

Traditionally, OPT were left to decay in the fields as fertilisers, releasing GHG such as methane and carbon dioxide, thereby still contributing towards GHG emission. As part of the 7Rs initiatives, IOI Palm Wood demonstrates that OPT can be repurposed into a value-added product, i.e., engineered palm panels which can serve as a valuable, sustainable alternative to timber. This circularity effort not only gives a second life to a previously discarded material and locks the GHG emission but also adds economic value, creates employment opportunities, and showcases innovation within the palm oil industry. In addition, the production at IOI Palm Wood implements energy efficient management initiatives where manufacturing residues such as offcuts, sawdust, palm chips, and fibre are repurposed as biomass fuel instead of using thermal oil heaters to generate heat for their drying operation. Essentially, approximately 23,000 m³ of biomass residue was consumed for energy generation, achieving a 99.6% recycling rate of biomass for this financial year.

3 IOI Paper Pulp

IOI further reaffirms our effort in treating our byproducts into valuable raw materials via IOI Paper Pulp Sdn Bhd, the latest subsidiary under IOI. It is a joint venture with Nextgreen Global Berhad, to transform EFB into paper pulp. The new entity will develop a high-capacity, bio-integrated pulp production facility at the Green Technology Park ("GTP") in Pahang, strengthening Malaysia's sustainable manufacturing landscape within the Eastern Corridor Economic Region ("ECER"). This development, currently in Phase 1, focuses on producing 150,000 metric tonnes of paper pulp from EFB annually as a raw material and serves as an alternative to timber-based paper pulp products. Through this application, GHG emissions from EFB decomposition at the fields can be reduced.

4 Partnership with Tetra Pak: Expanding Beverage Carton Recycling to Sabah

IOI Group has partnered with Tetra Pak Malaysia to advance the collection and recycling of used beverage cartons ("UBC") across its operations. First launched in October 2022, this pioneering initiative within the plantation sector highlights IOI's ongoing efforts to align its operations with sustainable practices.

Building on the success of the UBC recycling programme in Peninsular Malaysia, IOI extended the initiative to Sabah in September 2024. Awareness sessions were rolled out across 29 operating units in Sandakan and 40 operating units in Lahad Datu, ensuring extensive employee engagement and reinforcing a culture of responsible waste management. To date, a total of 10,838 UBCs have been collected through the programme.

This culture of circularity is further extended to the next generation through a pilot initiative at Humana schools in Lahad Datu, as it helps to foster responsible habits among students, engages them in environmental stewardship, and advances IOI's ethos towards circularity and waste reduction in general. The initiative has since been extended to 16 other Humana schools across the region, engaging a total of 2,182 students. Looking ahead, IOI plans to progressively expand this environmental education initiative involving recycling UBC to more schools, including those in the Sandakan region of Sabah.

Ultimately, through its partnership with Tetra Pak, the recycled cartons can be repurposed into practical products for community housing and refurbishment projects, delivering lasting environmental and social benefits while supporting the Group's 2040 net zero target.

CIRCULAR ECONOMY AND OPERATIONAL EFFICIENCY

Water Recycling Activities

As part of our commitment to circularity and sustainable resource management, IOI actively implements water recycling systems across its operations. These initiatives include the rainwater harvesting systems and recycling of effluent wastewater through the reverse osmosis process to recoup water for non-critical use and reduce water withdrawal from the municipal supply. It provides cost savings and also reduces wastewater discharge. More details can be found in the Water Stewardship section in Safeguarding and Managing Natural Resources.

7Rs Summary

IOI implements circularity practices in the form of 7Rs: Rethink, Repurpose, Recycle, Reuse, Reduce, Recover, and Repair. Through these practices, it allows IOI to maximise use of its natural resources while optimising operational efficiency. General aspects of 7Rs are shared in the summary table.

7R

Rethink	Implement innovative waste-to-resource and renewable energy solutions across IOI, as well as finding alternatives to extend the end of life of equipment or machineries in general.
Repurpose	Repurposing byproducts into valuable products such as high-performance palm wood panels, paper pulp from EFB, and repurposing used materials for a new function.
Recycle	Various recycling awareness and activities which includes recyclable items from daily usage, such as plastics, UBCs, and paper.
Reuse	Waste and water from operations are reused for many purposes, such as waste as a feedstock for energy and steam generation, empty fertiliser bags for waste collection purposes and many others.
Reduce	Examples would include reducing use of chemicals such as fertilisers, pesticides, water or energy in our operations.
Recover	Recovering waste heat for reuse in operations and harvesting rainwater for non-potable purposes such as cleaning and gardening are some of the practices within IOI.
Repair	We minimise equipment disposal by ensuring regular maintenance and timely repairs, with only obsolete or irreparable items being replaced.

SAFEGUARDING AND MANAGING NATURAL RESOURCES

WATER STEWARDSHIP

MANAGEMENT APPROACH

The governance of IOI's water stewardship falls under the oversight of the BSC and senior management team. Water-related risks are identified along with other climate-related risks via IOI's climate risk assessment process. The IOI Group Water Policy serves as the foundation for all water stewardship initiatives within the company, and all operating units are equipped with site-specific water management plans that are reviewed annually. Part of IOI's approach is to ensure that our water consumption for FFB processing is maintained below 1.2m³/MT FFB processed by implementing water conservation strategies, complying with environmental law and audit requirements while continuously monitoring and tracking, responsible waste handling practices to identify opportunities for reduction and operational efficiency.

ACTIVITY-DRIVEN PERFORMANCE AND IMPACT

IOI's climate risk assessment identifies water stress and water pollution to be potential risks to the operations. Water stress may negatively impact crop yield in estates, while water shortages in manufacturing facilities can disrupt operations since water is frequently used in cooling and/or material processing. In terms of water pollution, poor control may lead to environmental damage and disruption to ecosystem services that negatively impact communities that relies on water for their livelihood, not to mention the effects on crops and other living things that rely on this very important commodity. In addition, the cost for environmental remediation and subsequent regulatory non-compliance to wastewater quality standards may be financially burdensome, not to mention the negative impact due to the loss of sustainable palm oil certification and subsequent damage to our reputation.

However, these risks are expected to have low impacts since IOI have already implemented various risk mitigation measures as shared here:

1 Rehabilitation of Buffer Zones

Water stewardship starts with protecting natural water sources. Buffer zones were set up along rivers and water bodies. These buffer zones include a 'chemical-free' exclusion area with clear signages to ensure no chemical leaching that may pollute water sources. Care was also taken to ensure waste disposal occurs within the designated boundaries and silt traps were well-maintained to prevent accidental pollution into water ways. Rehabilitation efforts are continuously being conducted throughout river buffers at IOI's estates. One notable example is the well-vegetated river buffers along the Kinabatangan River, where IOI is present and cares for, which not only provides habitat for wildlife, but also acts as a natural filter to maintain good river water quality.

2 Peatland Rewetting

Peat soils have high moisture content that may reduce the impacts of droughts by slowly releasing water to its surrounding ecosystems. Other than conducting reforestation in several prioritised sites, IOI rehabilitates degraded peatlands in line with RSPO's best management practices to restore the existing water table. Peatland rewetting measures include installing water gates and canal blocks to lower the flow of water out of peatlands. By doing so, the volume of water available to the environment can be increased.

Peatland rewetting also lower peat subsidence rates and likelihood of peat fires, thus preventing the release of carbon emissions. A very successful initiative that we had undertaken is the Bukit Leelau Mini Landscape Level Initiative that illustrates what good peatland rewetting and management can achieve (see pg 69 for more details).

3 Land Application of Treated POME

Treated POME contains high volumes of water and solids that is found to be beneficial as a source of natural fertiliser. Instead of discharging into water sources, our mills practice land irrigation to return water back into the field, thus reducing the need for additional irrigation. As droughts are expected to increase in frequency and severity, this practice can help stabilise water availability in soils while reducing the impacts of drought on oil palm health and yield.

4 Water Recycling and Rainwater Harvesting

Multiple IOI manufacturing facilities have installed water recycling systems to reduce water consumption. In FY2025, such systems have recycled 268,365 m³ of water. In IOI Palm Wood, the replacement of thermal oil system with steam-based heating has saved an estimated 450 m³ of water monthly, resulting in an estimated savings of RM 1597/month. Rainwater harvesting systems were also installed across mills and other manufacturing facilities. While the volume of rainwater harvested depends on annual rainfall, it still represents an alternative water source for non-essential services like cleaning.

SAFEGUARDING AND MANAGING NATURAL RESOURCES

5 Industrial Effluent Treatment Systems

Optimal effluent treatment and management is one of our environmental commitments in the IOI Group Water Policy. With the addition of methane capture facilities, the chemical ("COD") and biological oxygen demand ("BOD") of POME can be further reduced, with some mills achieving a COD removal rate of nearly 95%. Annual audits are conducted to ensure mill effluents that are being discharged adhere to allowable limits set by local regulatory authorities. These emission limits typically fall within the range of 20-100 mg/L of biological oxygen demand.

All IOI palm oil mills and manufacturing facilities conduct regular water sampling and testing by accredited laboratories to ensure regulatory compliance. IOI's refineries also treat PORE and a portion of it was redirected back into water recycling systems, reducing water withdrawal through circularity. For FY2025, IOI Edible Oils in Sandakan had recycled and reused 85,313m³ of treated effluent water in the refinery's vacuum system and for other cleaning purposes.

RESPONSIBLE LAND USE AND MANAGEMENT

MANAGEMENT APPROACH

IOI practices a multi-faceted approach to responsible land use and management. IOI's operations are guided by policies and guidelines relating to NDPE, fire management, soil management, conservation and more. Compliance to these policies is regularly monitored by specific assigned staff during their day-to-day operations and communicated to the senior management team at least every half-yearly.

ACTIVITY-DRIVEN PERFORMANCE AND IMPACT

No Deforestation

Since 2016, IOI has placed a moratorium on deforestation across all IOI operating units. Guided by IOISP and other relevant environmental guidelines, IOI conducts monitoring across all its estates to ensure NDPE is properly enforced. This practice extends to IOI's suppliers via frequent communication, supplier engagement and assessments by dedicated teams. Any potential non-compliance to IOI's NDPE policy will be investigated. Time-bound plans will be developed and support provided to ensure suppliers can meet IOI's sourcing requirements. As of FY2025, no deforestation-related fines were received from all IOI's operations.

Protection of High Conservation Value ("HCV") and High Carbon Stock ("HCS") Areas

IOI identifies HCV and HCS areas through comprehensive HCV and High Carbon Stock Approach ("HCSA") assessments. In estates with such areas, HCV management plans will be developed and implemented. IOI also sets aside forest, river buffers, peatlands and unplantable areas as conservation areas to be managed and protected. To further protect these sensitive areas, IOI uses drone and satellite surveillance to track land use changes. These measures were supplemented with warning signages against any chemical use and regularly patrolled to prevent illegal encroachments.

Soil Management

As soil plays a vital role in agriculture, soil management is managed holistically. Our activities are guided by our policies and guidelines such as the Agrochemical Management Guideline, Agricultural Best Practices, etc., and our approach is in alignment with RSPO's Principles and Criteria and covers all types of soil in IOI's landbank.

IOI's propagation of cover crops combined with existing understorey vegetation retains soil biodiversity, supplying a mixture of nutrients important for crop growth. The vegetation also increases the soil's ability to retain moisture and this is complemented by moisture made available to the soil through mulching and land application of POME. With droughts expected to intensify in the near future, such practices will be increasingly important for overall soil health.

Peat Management

IOI manages legacy, planted peatlands that was inherited before our commitment to no new planting on peat according to RSPO Best Management Practices for peat and IOI's Peatland Protection Guidelines. Since then, IOI has stopped all new planting on peat as part of our NDPE commitment. Currently, the total hectarage of managed peat is 3,850 Ha (Malaysia and Indonesia).

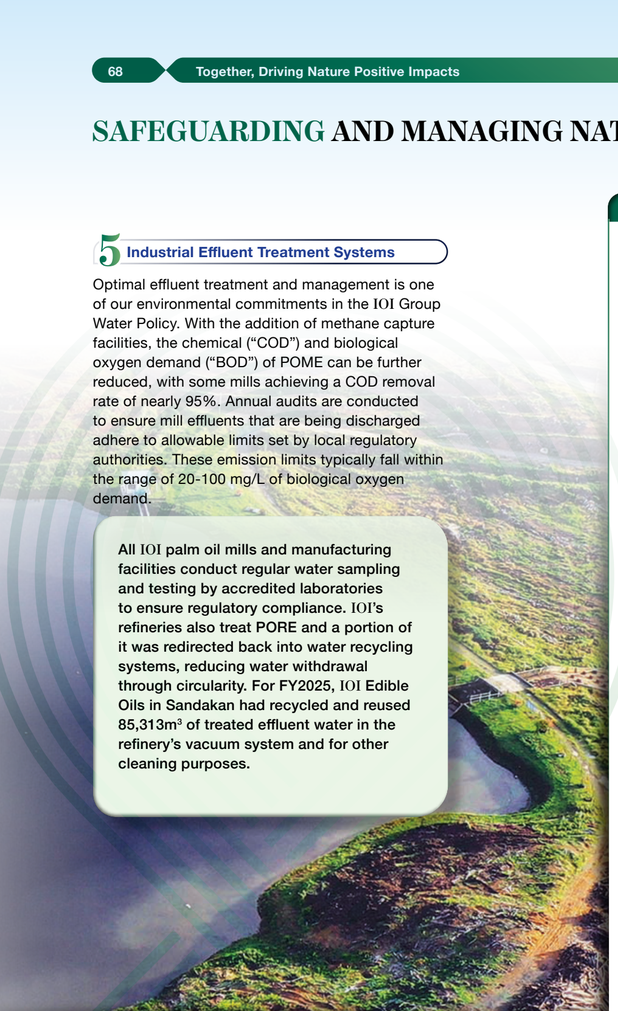
In Indonesia, our concession at PT SNA manages 1,683 Ha of the 3,850 Ha planted peat in accordance to RSPO's Best Management Practices for existing oil palm cultivation on peat. In addition to that, tools were set up to monitor and maintain the water level both inside and outside of the planted areas. Doing so allows our operations team to monitor the rate of peat subsidence. Apart from planted peat, PT SNA also manages a total of 2,539 Ha of peatlands as conservation areas and additional 240 Ha of slightly degraded peatlands for future peat rehabilitation activities.

In terms of a landscape-level peatland management approach, the Bukit Leelau Mini landscape level initiative, which is located within the nearly 230,000 hectares of Southeast Pahang Peatlands is a good example. In the first phase, due to our rehabilitation and rewetting activities, no fires were recorded in the previously fire prone area. In addition, as a social contribution to improve the welfare and living standards of the local communities, access to nearby IOI estate clinics were provided and health campaigns were conducted. With the second phase, IOI plans to work with several stakeholders to continue maintaining existing rewetted areas, constructing new canal blocks where necessary and planting 1,000 tree saplings to further enrich the biodiversity and the surrounding ecosystem.

Fire Management

Fires risk damaging habitats, crops, and communities. So, at our estates, we work closely with local communities and fire departments to monitor, report, and extinguish potential fires. IOI also regularly conducts fire drills and communicates fire prevention SOPs to all employees. Each estate is equipped with a fire preparedness plan. IOI has enforced strict no open burning rules, guided by IOI's Zero Burning Policy. IOI also uses satellite monitoring technologies to identify fire hotspots. Once detected, IOI's specific fire management team on the ground will conduct site inspections to verify the presence of fires and take fire-fighting measures accordingly. In FY2025, there were 7 fire incidences within our estates and 43 fire incidences that occurred outside IOI's estate boundaries.

A particularly a sensitive matter in Indonesia, where cause of fire is mainly due to human negligence, our PT SNA concession insulates our concessions from the spread of external fires by developing fire rings using heavy machinery. These rings create distance between vegetation cover preventing fires from spreading. We also built, to date, 66 fire towers which is beyond the regulatory requirements in Indonesia. Fire alert zones were also created based on historical wildfire records to help strategise the estate management's fire-fighting resource allocation.



ENHANCING BIODIVERSITY AND ECOSYSTEM

MANAGEMENT APPROACH

Agricultural practices at IOI extends beyond responsible land use. IOI implements practices adhering to the IOISP, IOI's Environmental Management Guidelines and Biodiversity & Ecosystem Guidelines to ensure biodiversity and ecosystems located within and around IOI's estates are protected and well-managed. Across all conservation areas in IOI's estates, natural regeneration is encouraged. In areas that require rehabilitation or enrichment planting, native species were used in effort to restore and support native biodiversity. Through estate patrols, rapid biodiversity surveys were conducted periodically and sightings of rare, threatened, and endangered ("RTE") species were recorded. In areas with higher wildlife research interest, IOI collaborates with external parties to set up camera traps. A list of species observed within our estates throughout the past few years can be found in the Appendix section of this report.

ACTIVITY-DRIVEN PERFORMANCE AND IMPACT

Management and conservation of ecosystems and its biodiversity require frequent multistakeholder engagements. Over this year, IOI's estates in Peninsular Malaysia, Sabah and Indonesia have participated in at least 27 engagements with local community leaders, government representatives, and local NGOs to collectively improve biodiversity conservation and reduce human-wildlife conflicts.

1 Protecting Ecosystems through Reforestation and Enrichment Planting

IOI has been collaborating with one of its key supply chain partners, Nestlé to conduct reforestation in designated areas along the Kinabatangan River. The project was done with the aim of rehabilitating the river buffer, improving habitat connectivity, and enhancing carbon sequestration in mind. As of FY2025, over 58,601 new seedlings were planted in our Unico 4 estate. Reforestation in other areas under this project has been completed and maintenance activities are ongoing. Apart from the Nestle ReLeaf project, IOI has ongoing reforestation and rehabilitation across its operating areas which are currently championed by the regional sustainability teams. Progress of each region's reforestation and rehabilitation efforts will be communicated twice-annually to the senior management team. As of FY2025, approximately 445.54 Ha of IOI's conservation areas are covered by ongoing reforestation and rehabilitation plans.

However, from this year, after IOI had completed its carbon baselining assessment for all its conservation and set-aside areas, a few selected sites has been set aside as a pilot program for reforestation based on local environmental factors and results from previous year's conservation area. These pilot sites will be managed by the RTF, where they will also include a more detailed tracking of biodiversity-related metrics. Once successful, more sites will be included for reforestation and rehabilitation as part of our nature-based solution to climate change.

2 Protecting and Reducing Negative Impacts on Biodiversity

IOI fully complies with local wildlife-related regulations and is against any illegal encroachment and poaching as they represent serious threats to biodiversity. IOI further mitigates these risks by enforcing a no hunting commitment throughout its operating areas. Warning signs have been set up along the borders of IOI's conservation areas and are regularly patrolled to ensure no one encroaches into these protected areas.

In Sabah, IOI collaborates with the Sabah Wildlife Department to train and appoint estate personnel as Honorary Wildlife Wardens ("HWW"). HWW were designated under the Wildlife Conservation Enactment (WCE) 1997, where they are allowed to implement wildlife conservation laws to stop and prevent illegal activities related to wildlife protection. As of FY2025, 33 IOI wardens have been appointed while 37 more are waiting to be gazetted. To ensure similar level of governance and monitoring, best practices and lessons learnt from the HWW program in Sabah were shared and adopted at both our Indonesian and Peninsular estates.

3 Reducing Human-wildlife Conflicts

In Indonesia, IOI is working closely with Balai Konservasi Sumber Daya Alam ("BKSDA") for the management of HCV areas in our estates at the Ketapang district. Part of the engagement is to conduct a survey for orangutan population. The survey is expected to provide more details on the existing orangutan population and subsequently propose the type of conservation measures to be taken. Apart from that, IOI is currently engaging Balai Pengelolaan Sumber Daya Pesisir dan Laut ("BPSPL") and local community leaders to manage and reduce human-wildlife conflict for the safety of estate staff and local residents, especially related to crocodile incidences.

In Malaysia, some estates are located close to regions where human-elephant conflicts are common due to overlapping habitat ranges, availability of food near human settlements and oil palm plantations. In Ulu Muanad, Sabah, IOI is collaborating with the Sabah Wildlife Department, Earthworm Foundation, and local community leaders to share information about pygmy elephant sightings and setting up electric fences at strategic locations to minimise crop and property damage. A workshop on elephant conservation, dealing with human-elephant encounters were also conducted in conjunction with World Elephant Day to raise awareness between employees in the area. Our sustainability team in Sabah also maintains close collaborations with HUTAN, Seratu Aatai and Sabah Wildlife Department to foster co-existence between elephants and the local communities. Previous efforts include collaring and tracking elephant movement around IOI's estates in lower Kinabatangan region. IOI has also installed some camera traps for monitoring purposes to shed light on elephant behaviour and help researchers track elephant movements. To instil a culture of co-existence among the next generation, IOI and Seratu Aatai jointly conducted elephant awareness programs in HUMANA schools in April and June 2025.

4 South Ketapang Landscape Initiative

The South Ketapang Landscape aims to enhance community livelihoods, promote sustainable land use, and protect the environment through targeted conservation and no-deforestation initiatives. It is linked to the broader region through The Sustainable Trade Initiative ("IDH") Production, Protection, Inclusion ("PPI") compact—a collaborative platform that brings together public, private, and civil society organisations.

Leveraging co-funding from IOI and IDH, the South Ketapang Landscape project has conducted an independent assessment of community livelihoods against the living income benchmark and on deforestation threats across the landscape. These insights will serve as a foundation for targeted interventions, guiding collaborative actions that strengthen ecosystem resilience, support sustainable land use, and ensure that both environmental and community needs are addressed. By integrating risk analysis with proactive engagement, the upcoming activities aim to create a long-term positive impact across the South Ketapang Landscape, to foster a more sustainable and resilient future for both people and nature.

5 4th Sustainability Consultation Forum

The Fourth IOI Sustainability Consultation Forum ("SCF"), held on August 1, 2024, focused on "Addressing the Impacts on Biodiversity and Ecosystem" within IOI's operations and surrounding landscapes. The forum covered two main topics: "Understanding the Threats, Impacts, and Challenges for Biodiversity and Ecosystems" and "Solutions for Biodiversity and Ecosystem Management". The first session highlighted significant threats such as climate change, habitat fragmentation, and forest fires, as well as challenges like inadequate communication with local stakeholders and insufficient funding for conservation efforts. The second session focused on developing practical solutions, including protecting HCV areas, rehabilitating degraded areas, implementing sustainable land management, and enhancing monitoring systems.

One of the forum's recommendations stressed that a more in-depth study on biodiversity might be needed to further understand the impact of ecosystems by utilising the IOI's Biodiversity and Ecosystem Enhancement Guidelines. Another recommendation involved developing clear landscape-level biodiversity conservation plans with active local stakeholder engagement, identifying and protecting HCV areas and wildlife corridors, and improving conservation within estates through regenerative agriculture practices. These recommendations are in line with our efforts at the Bukit Leelau Mini Landscape and South Ketapang Landscape Initiative. The forum also recommended enhancing the rehabilitation of buffer zones, peatlands, and catchments to provide wildlife habitats and bolster climate change resilience. Additionally, support for smallholders to transition to sustainable practices, exploring financing mechanisms like biodiversity credits, and documenting best practices were highlighted as crucial for long-term sustainability.

TOGETHER, EMPOWERING PROGRESS WITH PURPOSE

AT IOI, OUR PROGRESS IS NOT MEASURED BY GROWTH ALONE, BUT BY THE INTEGRITY OF OUR ACTIONS AND THE IMPACT WE CREATE ACROSS EVERY EMPLOYEE AND COMMUNITY WE SERVE.

We are embedding purpose into the heart of performance, upholding the highest social safeguards to ensure our progress enriches. From ensuring the economic wellbeing and health of our employees and families are protected to promoting an inclusive approach that fosters collective responsibility and shared benefits with local communities, our actions are clear, verifiable, and in place.

Through collaborative efforts with local and indigenous communities, we are empowering inclusive stewardship, one that blends tradition with technology and conservation with care. We empower through knowledge, uplift through action and grow through accountability. Every initiative is designed to deliver enduring value that creates prosperity for our people.

Safeguard and Uplift

In this journey, our movement is driven by purpose.
Together, we empower progress with purpose.

PROTECTING OUR WORKFORCE

SAFETY AND HEALTH

MANAGEMENT APPROACH

As the top material matter, the Group's occupational safety and health matters have oversight at multiple levels: at the Board level through the ARMC and BSC, at the senior management level within business divisions or segments, and at the operational level by assigned safety and health personnel across operating units. At the operational level, our business units closely monitor control measures to ensure that practices align with the IOISP and the newly approved IOISHP which was published in December 2024. The IOISHP applies across the Group's operations, with specific sections applicable to the Plantation and Resource-based Manufacturing divisions. In addition to workplace safety, the IOISHP highlights our commitment to addressing global health issues such as HIV/AIDS, tuberculosis, malaria, and other critical health concerns.

In addition to internal control measures, we ensure that our operations comply with local safety regulations, international standards such as ISO 45001 and sustainability certification requirements by RSPO P&C, MSPO and ISPO standards. We also conduct ongoing monitoring to align with Hazard Analysis and Critical Control Points ("HACCP"), Good Manufacturing Practice ("GMP"), and other relevant requirements. These efforts reinforce our commitment to maintaining the highest standards of sustainability, quality, health, and safety across both our plantation and manufacturing operations.

ACTIVITY DRIVEN PERFORMANCE AND IMPACT

Occupational Safety and Health Management System

Our Occupational Safety and Health ("OSH") management system covers 100% of the Group's operations, including all employees, external providers, and contractors. It is established in line with the ISO 45001:2018 Occupational Safety and Health Management System Standard.

All refineries and oleochemical operations, along with six plantation operating units, are ISO 45001:2018 certified. Our OSH management system is periodically reviewed to ensure compliance with applicable laws, regulations, standards, and codes of practice. To support implementation, we have established guidelines covering work-related injury prevention, chemical handling, roles and responsibilities, emergency response, and other key areas. We ensure that all of our operations use the same management system to promote fairness and consistency, while providing all employees with a safe and healthy workplace.

Safety and health risks are assessed using the Hazard Identification, Risk Assessment and Risk Control ("HIRARC"). All operations undergo annual risk assessments, as well as reviews following any process change, occupational incidents, or prior to the start of new operations.

All employees, workers, and contractors attend a site safety and health briefing before commencing work. Contractors are also required to acknowledge the 'Safety and Health Requirements for Service Providers' form and obtain approval before starting operations, to ensure compliance with our safety procedures to prevent occupational incidents.

Emergency response plans are established across our operations to address situations such as fires, chemical spills, extreme weather events, and severe accidents, with regular drills conducted to ensure workforce preparedness.

Workers Participation in Safety Committee and Meetings with Management

Safety and Health Committees are established at respective operating units, comprising of employer, workers, and contractor representatives. The committees meet quarterly to review OSH matters, and oversee the implementation of the OSH management system. Their responsibilities include, but are not limited to, the following:

- Review occupational incident cases and near-misses.
- Discuss findings from safety and health risk assessment.
- Review safety and health training programs.
- Promote safety and health awareness among employees and workers.
- Recommendations for improvements in safety and health policies and procedures.

Safety and Health Training

We regularly conduct OSH trainings for employees and workers to build a strong safety culture and prevent workplace incidents. The trainings cover general safety practices, equipment use, regulatory compliance, hazard identification, Personal Protective Equipment ("PPE"), and safe work culture. Tailored training needs assessments ensure specific hazards, activities, and situations are addressed effectively. In FY2025, 24,645 employees and workers were trained, strengthening risk awareness, operational safety, and overall workplace well-being.

Occupational Incident Reporting

We target zero fatality within our operations. Unfortunately, in FY2025, two work-related fatalities occurred in the Plantation division and each case was thoroughly investigated. In the first case, a crocodile attack occurred when a worker entered a restricted area known for crocodile infestation and another from equipment mishandling arising from not following the stated SOP. Arising from both incidences, we implemented additional control measures and workers were further engaged to raise awareness on the importance of following SOPs. There were no work-related fatality cases for the Resource-based Manufacturing division.

Lost time injury ("LTI") refers to an occupational incident that result in one or more lost workdays. IOI monitors LTI and other safety performance indicators across all our operations in Plantation, Refinery, Oleochemical and IOI Palm Wood, as stated in Appendix, page 92. In FY2025, a total of 1,536 lost time injury cases were reported, and all were reviewed by management to ensure corrective and preventive actions were taken. High consequence incident cases involving permanent disability or fatality were immediately reported to the unit's safety manager and escalated to senior management, reinforcing accountability and driving stronger safety measures across operations.

Occupational Health Monitoring

At our plantation estates and mills, hospital assistants conduct periodic health surveillance for workers in high-risk work, such as in handling chemicals. These workers also undergo annual medical assessments by occupational health doctors, who prepare reports with follow-up actions to guide health coordinators and hospital assistants in monitoring and managing workers' health.

At the mills, noise risk assessments identify workers exposed to excessive noise at work. These workers undergo annual audiometry tests by occupational health doctors, with periodic follow-up tests for those showing abnormal results or threshold shifts, to monitor their hearing.

Promotion of Worker Health

The Plantation division operates 69 estate clinics staffed by 80 hospital assistants, providing primary medical care for workers, their dependents, and the surrounding communities. Workers requiring specialised treatment are referred to government hospitals or medical centers. Visiting Medical Officers also conduct fortnightly visits to workers' quarters and clinics for regular screenings that include checks for non-communicable diseases such as hypertension and diabetes.

Foreign workers hired for IOI's Malaysian operations undergo mandatory medical check-ups in their home country before entry to Malaysia, followed by immigration-required examinations arranged through the Foreign Worker's Medical Examination Monitoring Agency ("FOMEMA") in Malaysia. Current foreign workers also receive annual medical check-ups to monitor their health status.

Combatting Global Health Issues

One key principle of our IOISHP is addressing global health issues such as HIV/AIDs, tuberculosis, malaria, and other critical health concerns by raising awareness, collaborating with stakeholders, and implementing preventive measures.
The following presents several of the activities conducted in FY2025 in line with our commitment towards combatting global health issues.

- On 2 August 2024, Tangkak District Health Office conducted tuberculosis and HIV/AIDS screenings for 37 workers at Bukit Serampang Estates.
- From 10 to 19 February 2025, 223 workers at Lahad Datu operations underwent medical screenings under the government-led National Screening Health Initiative ("NSHI") for early detection of preventable diseases like hypertension, diabetes, and obesity.
- From 22 to 23 May 2025, the Kinabatangan District Health Office conducted an Immunisation Outreach Program at Morisem Plantation, vaccinating 40 workers' dependents (aged 6 months–17 years) against diphtheria and measles.
- On 19 June 2025, 149 workers of Bukit Dinding Estate were screened for malaria and filariasis by Bentong Health Clinic.
- Throughout FY2025, IOI Oleochemical held worker engagement activities on health topics, including breast cancer, glaucoma, Parkinson's disease, and influenza to raise awareness on these global health issues.

PROTECTING OUR WORKFORCE

Safety And Health Engagement Activities

In FY2025, IOI organised various safety, health, and well-being engagements for employees and workers, reinforcing our commitment to a safe and healthy workplace under IOISP. Key safety campaigns and training are highlighted below.

- On 28 July 2024, Syarimo Palm Oil Mill held a Safety, Health and Environment Campaign featuring safety talks, a working-at-height briefing, safety harness guidance, and an emergency response drill for employees and workers.
- During July 2024, IOI Acidchem and IOI Esterchem organised a month-long campaign, focusing on food safety in conjunction with World Food Safety Day, where they had interactive games and quizzes on food safety issues for employees.
- On October 2024, the annual IOI Care campaign launched the World Mental Health Month, where IOI partnered with Naluri to spread awareness on mental health for employees at IOI headquarters by organising webinars such as, Mood Matters: Building Strong Relationships, The Power of Exercise for Mental Wellness and Achieving Work-Life Balance.
- Throughout February 2025, IOI Palm Wood's employees and management were given essential first aid training in order to be well prepared to assist in case of minor injury incidents.
- From 19 May to 18 June 2025, the Sandakan Plantation division held a Safety, Health, and Environment Campaign with safety talks, fire drills, chemical spill handling, and emergency response exercises.

UPHOLDING WORKERS' RIGHTS

MANAGEMENT APPROACH

Our approach to fair labour practices and human rights is guided by international frameworks such as the UN Guiding Principles on Business and Human Rights ("UNGPs"), the ILO Core Conventions, and other relevant global standards as embedded in the IOISP. In line with the UN SDG 8 on Decent Work and Economic Growth, we are committed to fostering safe, inclusive, and productive employment that provides fair income and protects employees' rights across our operations.

The salient issues that we focus on include freedom of association and collective bargaining, eliminating forced and child labour, promoting equal opportunity and inclusivity, maintaining a safe and healthy working environment, and ensuring proper handling of grievances. Strong governance underpins our approach. The BSC regularly reviews relevant concerns based on updates presented by the CSO. Any potential risks identified are discussed at the GSSC level, where mitigation measures are developed to ensure clear guidance from higher management and effective execution by the respective sustainability lead together with other relevant personnel.

We recognise that failing to uphold human rights can lead to unfair treatment of workers and higher workforce turnover. It also exposes the company to serious complaints from NGOs, legal and reputational risks, suspension of sustainability certifications, and even potential import bans in key markets such as Europe and the United States. To mitigate these risks, we assess our potential risk by using ERM bi-annually. Human rights risks are reviewed both at operational sites and at the group level, to enable us to identify potential gaps and ensure that corrective and preventive measures remain valid and effective.

Aside from our own internal monitoring systems and compliance to the Code of Conduct ("COC") on Ethical Recruitment and Responsible Employment, IOI is also subject to frequent external audits by independent parties. As a RSPO, MSPO and ISPO certified company, our operations are regularly audited to ensure compliance with the relevant principles, criteria, and indicators required by these certification schemes. In addition, our operations are also subject to regular inspections by regulators, who monitor adherence to labour regulations across the regions where we operate, in Indonesia and Malaysia. These external reviews complement our internal due diligence and provide additional assurance that our labour practices meet both international standards and local legal requirements.

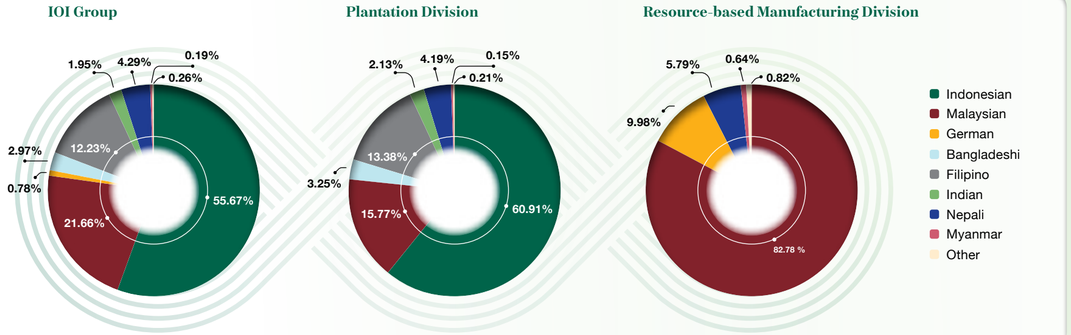
ACTIVITY DRIVEN PERFORMANCE AND IMPACT

The total workforce in FY2025 for IOI Group is 27,945. The following pie charts show the breakdown of employees and their nationalities at the group and business division levels. The pie chart will also illustrate the distribution of foreign workers within our plantation and manufacturing operations, with the majority foreign workers, mostly Indonesian, found in our plantations.

The following table shows the breakdown of our employees by nationality and business operations.

Table: **Breakdown on the Percentage of Employees' Nationality by Business Divisions.**

Nationality	IOI Group	Plantation	Manufacturing
Indonesian	55.67	60.91	-
Malaysian	21.66	15.77	82.78
German	0.78	-	9.98
Bangladeshi	2.97	3.25	-
Filipino	12.23	13.38	-
Indian	1.95	2.13	-
Nepali	4.29	4.19	5.79
Myanmar	0.19	0.15	0.64
Other	0.26	0.21	0.82



PROTECTING OUR WORKFORCE

ERADICATING FORCED LABOUR

We are committed to fair labour practices and human rights, and to upholding our pledge to eradicate all forms of forced labour through comprehensive mitigation measures across our operations. To achieve this, we conduct several initiatives and activities:

- Employee engagement activities conducted by Human Resource department on social and welfare related matters across 111 operating units, inclusive of estates, mills, research center, and Regional Offices, for FY2025. These sessions involve all categories of employees, including field supervisors, office staff, sustainability teams, management personnel, as well as both local and foreign workers.
- All operating unit Managers and Assistant Managers regularly renew their signed Declaration of Compliance, affirming that no elements of forced labour exist in their operations. Management personnel are expected to clearly understand forced labour indicators and ensure they neither contribute to, nor overlook such practices.
- Multiple accessible and anonymous channels are in place for workers to raise concerns. These include the IOI Mesra mobile app (with an anonymity function) as well as onsite grievance mechanisms. (See page 80 for further details.)
- Conducted structured interviews with workers at critical employment stages: a Pre-Departure online interview to ensure understanding of employment terms, zero-recruitment policy, rights, and grievance channels, followed by two Post-Arrival interviews to verify conditions align with agreed terms and no elements of forced labour exist.
- Provide decent living facilities and safe working conditions in line with local labour and safety laws. Our facilities are periodically inspected under the Minimum Standards of Housing and Amenities Act 1990 (Act 446). During the year, we received 8,524 accommodation maintenance requests, reflecting workers' easy access to repair channels.
- Monitoring through internal audits conducted by the sustainability team on ILO's 11 indicators on forced labour, for purpose of early detection and proactive prevention approach.
- In collaboration with IOM and a customer, we have developed a Pre-Employment Orientation Module whereby several Indonesian NGOs have been selected to conduct the training for the hired IOI's foreign workers in their source country, scheduled for rollout next financial year.
- Concluded our human rights due diligence survey with an independent provider, achieving 17.82% response rate and candid feedback. The anonymous channel enabled workers to share experiences openly, allowing management to identify priorities, address concerns proactively, and strengthen early warning and risk mitigation.

NON-DISCRIMINATION, FREEDOM OF ASSOCIATION, AND COLLECTIVE BARGAINING

We are an equal opportunity organisation. Workers are able to freely join or form associations and to engage in collective bargaining. The following highlights reflect our performance in these areas during the year:

1. On 13 December 2024, IOI signed a new Collective Agreements 2025 with the National Union of Plantation Workers ("NUPW"), effective 1 January 2025 to 31 December 2027. The agreements provide substantial benefits for Peninsular Malaysia plantation workers, including wage increases up to 13.4% for general workers and 14–20% for harvesters, with IOIC also advancing the RM1,700 minimum wage by one month.
2. A total of 1,070 workers in Peninsular Malaysia registered with NUPW. In addition, 2467 workers in Sabah registered for the Sabah Plantation Industry Employees Union ("SPIEU"). This covers 15% of our workers in Malaysia who are registered as Union members.
3. The long established Employee Consultative Committee ("ECC") and Joint Consultative Committee ("JCC") at each plantation unit continue to be an effective formal platform for bi-monthly two-way communications, enabling workers' representatives to raise concerns and collaborate with management on welfare, safety, equal opportunity, and working conditions.
4. This structured dialogue complements grievance mechanisms and reinforces our commitment to human rights and fair labour practices. All complaints were promptly investigated and resolved through formal grievance procedures, with corrective actions implemented to prevent further recurrences. In FY2025, we report that zero substantiated incidents of discrimination were recorded.
5. Our COC sets clear expectations on fair treatment and respect for all employees.

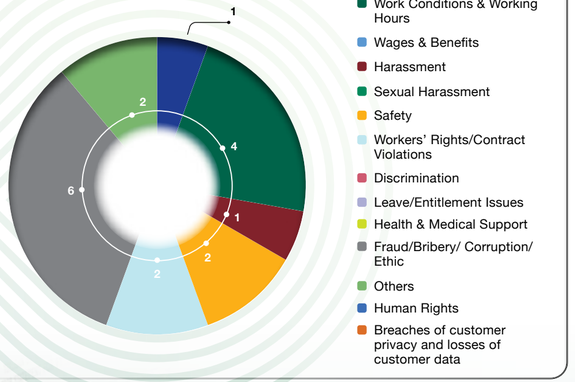
GRIEVANCE ANALYSIS

At IOI, grievance management is a core part of safeguarding our workforce, ensuring workplace concerns are addressed promptly, transparently, and fairly. This protects human rights, strengthens governance, and enhances employee engagement, while ensuring compliance with the IOISP. We have established multiple channels at the group level, including the IOI Whistleblowing channels, the IOI Mesra Apps, and internal grievance mechanisms at the operating unit level, where complaints are managed by the respective unit head and escalated to Human Resource or higher management when necessary. In FY2025, we reported 4 cases of substantiated human rights complaints which involves 3 on sexual harassment and one on verbal harassment. In all cases 4 cases, they are between workers and do not involve any management personnel or any other external parties. All were promptly investigated, achieving a 100% resolution rate.

IOI Whistleblowing

The Whistleblowing Channel continues to serve as a platform for employees and external parties to raise complaints or concerns about suspected or possible violations of the IOI Group's Code of Business Conduct & Ethics, any non-compliance with laws and regulations, company policies, etc. The summary of the reported cases by category, all internally is presented as follows.

IOI Whistleblowing



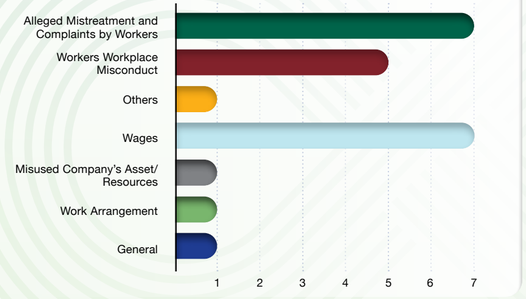
Under this channel the most concerning ones are those under the 'Ethics' category but they have all have been investigated, resolved, and closed. The rest are very minor issues like vaping in the office, complains of noise at housing areas, etc., while the one under harassment was not substantiated.

PROTECTING OUR WORKFORCE

IOI *Mesra Application*

The IOI Mesra App continues to serve as a trusted grievance channel for plantation workers. In FY2025, 23 grievances were reported, compared to 92 in FY2024—a decline of nearly 75%, reflecting the impact of strengthened workplace practices, awareness programmes, and improved communication channels. All reports were submitted anonymously, underscoring workers' confidence in the system's confidentiality. Most cases were related to alleged mistreatment and complaints by fellow workers (7), misunderstanding on wages related matters (7) and fellow workers workplace misconduct (5).

Reports Received from IOI Mesra Apps



Other Grievance Channels

Aside from whistleblowing and IOI Mesra Apps, we also monitored grievance from other channels which were handled by respective operating units (Mills and Estates) such as ECC/JCC, Grievance Book, Safety Meeting, stakeholder meeting, etc. A total of 503 grievances were recorded from various categories of complaint as detailed in Table A. This is a slight decrease compared to 511 cases in FY2024. The majority complaints reported in FY2025 were related to safety matters in the plantation such as road conditions in the field, poor or inadequate lighting, improvement on safety signages, etc. This level of openness is important as it allows management to take early action and continuously improve safety conditions in the estates. In Table B, we can conclude that our employees' most comfortable channels to report maintenance and living condition type matters are through the ECC/JCC and Grievance Book. The number of reports is higher compared to Table A because this included the complaints related to repair and request on amenities. This year, a total of 8,524 complaints were recorded under repair and request categories, reflecting employee's confidence in utilising the grievance channels provided. This active reporting enables timely attention to workplace needs and supports continuous improvements in facilities and amenities.

Table A: Number and percentage of complaints received by category of complaint.

Category of Complaint	Number of Complaints	Percentage
Discrimination	0	0%
Fraud/Bribery/Corruption	1	0.20%
Harassment	7	1.39%
Sexual Harassment	5	0.99%
Safety	295	58.65%
Wage Related	34	6.76%
Work Related	148	29.22%
Workers' Rights/employment contract	13	2.58%
Total	**503**	**100%**

Table B: Number and percentage of complaints by grievance channel submitted.

Grievance Channel	Number of Complaints	Percentage
ECC/JCC	1511	37.32%
External stakeholder request	152	3.75%
Grievance Book (Buku Hijau)	1200	29.64%
WEC	141	3.48%
Internal stakeholder meeting	351	8.67%
Others	575	14.20%
Safety Meeting	119	2.94%
Total	**4,049**	**100%**

UPLIFTING OUR PEOPLE

MANAGEMENT APPROACH

At IOI, our people are at the centre of our sustainability journey. We are committed to creating an inclusive, fair, and future-ready workplace by advancing gender equality and empowerment, supporting a just transition, and strengthening talent development and capacity building. Together, these pillars form the foundation of our social responsibility and our commitment to uplifting our people.

IOI enforces a strict zero-tolerance approach on sexual harassment and gender discrimination, as outlined in the IOISP and Whistleblowing Policy. Robust reporting mechanisms, including anonymous channels, ensure grievances are addressed impartially and confidentially. In addition, the Women Empowerment Committees ("WECs") provide dedicated support in managing complaints while fostering a safe, respectful, and inclusive workplace.

As we transition towards a low carbon economy, we recognise the importance of a just transition that safeguards the rights and livelihoods of workers, smallholders, and communities. As outlined in our Just Transition Plan (SR 2024), our approach emphasises open social dialogue and provides opportunities for reskilling and upskilling. By integrating workforce welfare into our climate and sustainability strategies (Strategic Priority #4), we aim to ensure that no one is left behind in our decarbonisation journey.

Finally, in line with UNSDG 8.6, we prioritise talent and capacity building as a driver of long-term growth and innovation. Through structured training programmes, leadership development initiatives, and continuous learning opportunities, we equip our employees with the skills needed to thrive in a changing industry landscape.

ACTIVITY DRIVEN PERFORMANCE AND IMPACT

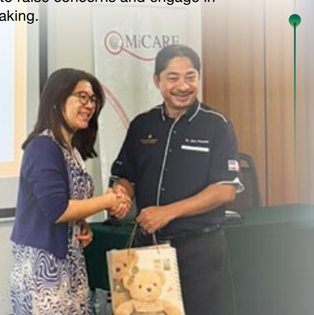
1 Gender Equality and Diversity

We have achieved 37.5% female representation on our Board, exceeding the Malaysian Code of Corporate Governance of 30% target. Across our workforce, 25% of managerial and above roles are held by women. However, at the Corporate Level, 52% women are at the managerial level with 37.5% as Heads of Department. In the traditionally male-dominated plantation operations, we recorded a total of 74.5% men and 25.5% women, while 19.3% of women are recorded to be at the Executive and above level. These milestones are testament to our commitment towards equal opportunities and inclusive leadership.

Through sexual harassment and grievance training, health awareness programs, and community outreach, we support, respect, and empower women across all our operations. Our WECs, established at plantations, refineries, and manufacturing sites, provide platforms for women to raise concerns and engage in decision-making.

We encourage our WECs in each business division to proactively organise activities that advance gender equality and empower women such as:

- On 5 December 2024, IOI WEC HQ hosted a 'Guide to Home Emergency Readiness' talk, offering practical tips on handling fires, accidents, and medical emergencies.
- On 7 March 2025, IOI Group WEC celebrated International Women's Day with the theme 'Accelerate Action'. The live-streamed event from IOI Oleochemical Prai featured a Fireside Chat, moderated by our CSO, with Dato' Ong Bee Leng (CEO, Penang Women's Development Corporation ("PWDC")) and Mr. David Koo (Director, Oleochemical Malaysia) sharing insights on leadership, empowerment, and inclusive growth.



UPLIFTING OUR PEOPLE

- In addition, IOI HQ, IOI Refinery Sandakan, IOI Palm Wood, IOI Pan-Century, as well as our estates and mills, organised their own respective IWD celebrations to recognise and honour the contributions of women in their operations.
- IOI Plantation Division (SNA) in Indonesia organised empowerment programmes, including talks on the role of Posyandu (community-based maternal and child health services) and a fashion competition to encourage creativity and confidence.
- Corporate Communication team partnered with Athena Holdings Sdn Bhd to address period poverty by running a Menstrual Hygiene Management programme and distributing reusable eco-friendly sanitary pads to local and indigenous communities.

2 Just Transition

In response to the growing challenges of climate change, IOI is actively pursuing decarbonisation initiatives as part of our long-term sustainability commitment. One key focus is the transition from internal combustion engine ("ICE") to electric machinery ("EM"), which not only reduces GHG but it is less burdensome to operate. Please refer to page 54 for more decarbonisation efforts throughout the group.

Furthermore, the implementation of mechanisation represents a shift away from traditionally heavy and very labour-intensive work found generally in plantation operations. The machineries introduced enhances operational efficiency while significantly reducing the physical and environmental burden to our workers through the elimination of physical crop pushing and reducing noise pollution as well as machine vibration. This shift enables them to perform their work with greater safety, comfort, and increased productivity, contributing to a healthier and more resilient workforce.

To ensure an inclusive and socially responsible transformation, IOI has also focused on upskilling our workforce for new technologies. Estate management and machinery operators were given vendor-led trainings that covered SOPs, basic maintenance, and hands-on practical skills. These initiatives boost productivity and reduce equipment downtime. These efforts are further reinforced through IOI's Mechanisation Roadshow 1.0, 2.0, and 3.0, organised by the Mechanisation Team across IOI estates in Peninsular Malaysia and Sabah.

These roadshows are aimed at building awareness, and equipping estate teams with new technologies, improving their technical capabilities, and increasing their operational readiness. With the introduction of green technologies to help reduce our GHG in areas such as biogas, solar, and regenerative agriculture, new green job opportunities such as machinery operators, maintenance technicians, and digital monitoring operators are also created.

Our latest innovation, the Mechanical Weed Sprayer for Terraces known as Swing Sprayer, was first introduced at both Mekassar and Detas Estates on a sharing basis, with further expansion planned across estates in the Peninsular region. This innovation is part of our broader strategy to modernise operations and improve workforce productivity.

Mechanisation also contributes directly to improving our land-to-worker ratio, which was IOI's strategic priority targets (FY2020 – FY2024). This year, we achieved a land-to-worker ratio of 1:8.5, which is close to the ideal ratio of 1:9 hectares.

Moving forward, IOI continues to be committed to ongoing social dialogue, ensuring workers, employees, and stakeholders are heard throughout the transition through annual stakeholder meetings, safety meetings, and joint consultations. Last but not least, Social Impact Assessments ("SIAs"), particularly on climate change and the adoption of new technologies or major operational changes are conducted yearly. This will provide us with valuable insights into our workers' welfare, any occupational safety risks, and the impact on the broader community, and will enable us to continuously refine our strategies and strengthen trust with our stakeholders on the ground. For further details on our social dialogue initiatives, please refer to the pull-out section.

3 Talent Development and Capacity Building

IOI continues to provide our full effort and support for employees in building the growth and development of their talent, whether it is work-related competencies or soft skills. We provide support across diverse learning platforms, which aligns with current technologies and trends, and ensures our employees are equipped with the most effective approach in terms of gaining more knowledge.

In terms of attracting talent and strengthening employees' skills, knowledge, and leadership potential, this financial year, the Corporate Learning and Organisational Development Department conducted 62 training sessions, both physical and virtual, investing around RM290,000. Sessions included Critical Thinking, Leadership, Coaching, Cybersecurity, Communication, Tax, and department-specific programmes to support strategic objectives.

IOI also offers the e-learning platform called IOI Grow for employees across the Group, including refineries and manufacturing, enabling flexible and anytime learning. Since 2020, participation has grown in batches; this year, 127 Plantation employees are using the platform, bringing the total to over 500. The platform supports continuous learning and development.

In addition to general development programs, IOI emphasises safety, health, mechanisation, and machinery training, particularly in manufacturing and plantations. Employees completed 679,710 hours of training to enhance workplace safety, operational efficiency, and technological adaptability.

This year, 71.6% also received anti-corruption training, reflecting our commitment to integrity and zero tolerance for corruption.

To ensure employees are provided with the right opportunities, IOI evaluates employee's growth through annual performance reviews for all staff levels and above. Through Key Performance Index ("KPI"), IOI can assess individual growth, identify areas for improvement, and highlight opportunities for career development. In this financial year, 100% of our staff and above are being evaluated. This approach enables us to align employees' potential and performance with the company's goal.

In addition, IOI also provides a digital health platform called Naluri, under the IOI Cares initiative. Since its launch in 2024, we have a total of 271 employees participating, and this platform helps employees take care of their physical health and mental well-being to achieve their healthiest and best selves. IOI Cares connects employees with their multi-disciplinary team of healthcare professionals and gives them access to digital tools such as a step tracker, food journal, thought journal, and planner. They also regularly conduct webinars on relevant health topics to keep our employees updated with the latest health information. IOI Cares provides an integrated digital health solution with end-to-end support to ensure a successful corporate wellness programme rollout. The benefits of having these initiatives can enhance performance and productivity, reduce healthcare costs, attract and retain top talent, as well as foster a positive workplace culture.

EXPANDING OUR IMPACT ON COMMUNITY

MANAGEMENT APPROACH

IOI is committed to advancing sustainable development by protecting child rights, supporting communities, and promoting the inclusion of smallholders in sustainable supply chains, in line with UNSDG 8, UNSDG 17 and IOISP. Through community outreach programmes, we engage and invest in initiatives that improve access to education, livelihood opportunities, etc., thereby strengthening our social licence to operate. We conduct annual SIAs to gather feedback from internal and external stakeholders including our nearby communities. Please refer to the pull-out at the end of this report for details on the SIA and the value created.

We uphold child rights and strictly prohibit child labour by ensuring compliance with international conventions and national laws, while also supporting child education initiatives, especially in our plantations in Sabah. In Indonesia, we support plasma scheme smallholders and engage with independent smallholders by providing training, technical assistance, and inclusion into our sustainable supply chains. These efforts help smallholders improve productivity, achieve certification standards, and secure fair income opportunities.

ACTIVITY DRIVEN PERFORMANCE AND IMPACT

Community Outreach and Initiatives

We are committed to creating a positive socio-economic impact and enhancing the quality of life and well-being of the communities in which we operate. We continue to support GEC and Bunge in the Bukit Leelau mini landscape initiative, with a focus on fire prevention and improving the livelihoods of local communities near IOI plantations, including providing access to our estate clinic. In addition to the key contributions channelled through our charity arm, IOI Foundation (refer to page 86), our manufacturing and plantation operations (particularly in Indonesia) actively engage with local communities and support their development.

Our team in Indonesia actively carries out outreach activities and contributes to the well-being of local communities. Some of the key initiatives highlighted this year include:

1. Financial assistance provided to 10 members of the *Dungun Jaya* farmers' group for corn cultivation at their Air Hitam Besar village.
2. Funding support for the purchase of agricultural inputs and rice planting equipment for the *Sejahtera Bersama* farmers' group in Air Hitam Besar village, that benefitted 15 members of the *Sawit Sejahtera* farmers' group.
3. Assistance for the repair of school toilets at SDN 09 Kendawangan to improve sanitation facilities at the school.
4. Improvement of village facilities and infrastructure to benefit the community of Natai Kuini village.

The following are among the most impactful community-focused initiatives implemented under Community Service Committee from IOI Oleochemical:

1. **School Bag Contribution** – Distribution of school bags to students from B40 families across four schools, to ease the financial burden on parents while encouraging education.
2. **Convoy and Beach Cleaning** – A community-driven clean-up activity aimed at protecting marine life and reducing pollution.
3. **Food basket** to support 20 underprivileged families in Kampung Jawa, Penang aimed to ease the burden of daily lives for families struggling with economic hardship.
4. **A joint community clean-up program** with Pasir Gudang City Council to promote environmental awareness, cleanliness, and community cooperation including a bowling session with government bodies.

Strengthening Child Rights through Child Education Initiative

We further continue our commitment and effort to provide the best for our workers' children in Sabah through Child Education Initiative. This financial year, we continue to maintain the 42 schools that IOI had established which consist of 31 HUMANA (Primary school) and 11 CLC (Secondary school) schools. This initiative has benefitted 4364 children in Sabah, with a 1.23% increase in enrolment, compared to the last financial year.

The 'Full-Day Zero Cost Educational Platform', implemented since 2021, has contributed to improving school retention rates, as shown in the increasing number of enrolments. Under this program, we provide free meals, uniforms, and school fees, totalling to the amount of RM3,115,310. Free medical treatment in our estate clinics are also provided for these school children. In addition to enhancing facilities for the children, we are extending opportunities outside school hours. This approach not only maximises classroom learning in school but also provides children with a safe and structured environment, thereby reducing the risk of child labour in plantations. The after-school programs are designed with a variety of activities, ranging from daily and weekly sessions, as well as occasional events such as annual celebrations. Among the activities conducted are A Day A Book Campaign, Cultural Dance, and Environmental Awareness Program. The positive impact of these after-school programs is to close the scheduling gaps between school-ending hours and parents' working hours. Through these programs, the parents can have the assurance that their children are in a safe, supervised and beneficial environment.

Our smallholders

The Group, through our subsidiary in Indonesia (PT SNA), continues to support local communities by providing capacity building, advisory services, and technical assistance. These efforts benefit plasma smallholders, independent smallholders, as well as nearby villages. Key activities during the reporting period are summarised as follows:

- Providing training on the company's profile, SOP for setting FFB prices, introduction to ISPO and RSPO, fire prevention, and no-deforestation to seven cooperatives comprising of 4,080 participants.
- Certification of these plasma smallholders under RSPO P&C and ISPO ensuring alignment with our sustainability commitment. To reinforce transparency, maps of all plasma smallholders are publicly available on the GeoRSPO website, providing full traceability of our FFB suppliers.
- Provided support to independent smallholders who are our third-party FFB suppliers. A total of 85 independent smallholders, organised under three smallholder groups were engaged. In 2024, 38 (45%) of them received training to strengthen their capabilities, with 27 trained in Good Agricultural Practices by PT Daya Guna Lestari, and 11 trained in both Good Agricultural Practices and Safety programmes by IOI at the PT SNA Training Center. These initiatives help independent farmers improve their productivity, adopt better agricultural practices, and secure long-term benefits.

SHARING PROSPERITY

MANAGEMENT APPROACH

IOI Foundation stands as the philanthropic arm of the Group, dedicated to enriching the lives of communities by sharing our prosperity. Aligned with IOISP and our 3 Pillars of Sustainability, IOI Foundation's efforts demonstrate our commitment to driving socio-economic impact for local communities by focusing our initiatives around the Group's operations across Malaysia. IOI Foundation's initiatives focus on the following four core pillars:

ACTIVITY DRIVEN PERFORMANCE AND IMPACT

As of June 2025, IOI Foundation has contributed a cumulative amount of RM67,117,904 towards various communities through its programmes. In FY2025, IOI Foundation contributed a total amount of RM1,698,463 towards 146 beneficiaries consisting of individuals and organisations.

Aligned with the "Education" core pillar, IOI Foundation continues to contribute extensively towards schools, universities, and educational organisations as well as individuals pursuing primary, secondary, and tertiary education. As of June 2025, 356 students have been awarded scholarships to pursue tertiary education in local universities by IOI Foundation while 1,649 students have been adopted through our Student Adoption Programme. Upon graduation, the individuals awarded scholarships are also given work placement opportunities across IOI's business segments.

Several of the community engagement initiatives conducted in FY2025 are as followed:

SJK (C) Tambang Batu Anam in Johor located near Tambang Estate operation was facing a termite infestation within the school grounds. In July 2024, IOI Foundation contributed a total of RM10,000 towards the school to rid the termite infestation and make necessary repairs for the school's infrastructure, providing the students a safe space to continue their school days.

In conjunction with Deepavali celebrations, on 18 October 2024, IOI Foundation and Palm Garden Golf Club organised a sport's day for 24 children from Pusat Jagaan Beribuan Kasih and Kebajikan Yesuvin Mahligai Selangor. The sports activities included badminton, pickleball and ping-pong. A donation of RM5,000 was also made to each home to support their operations.

From 4 to 6 June 2025, IOI Foundation organised the IOI Youth Leadership Camp which focused on equipping 28 children with life skills outside of the classroom. The camp was facilitated by MicFront Academy and included various activities that covered topics such as leadership, empathy, conflict resolution, self-learning, etc. for the enrichment of the children who participated.

The table below presents FY2025 contribution and cumulative contribution (in RM) of IOI Foundation as of June 2025:

Programmes	FY2025 Contribution (RM)	Cumulative Contribution (RM)
School Building Funds	1,015,000	24,967,438
Scholarship Awarded	240,000	11,808,309
Young Achiever Awards	-	680,185
Student Adoption Programme	85,200	5,399,280
Others – Education	181,803	2,414,789
Medical Aid Purposes	960	6,201,930
Social Programme and Donation	175,500	15,645,973
TOTAL	1,698,463	67,117,904

BURSA'S SUSTAINABILITY PERFORMANCE REPORT

Indicator	Measurement Unit	2023	2024	2025
Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Management	Percentage	34.3	66.03	95.37
Executive	Percentage	29.2	41.92	100
Non-executive/Technical Staff	Percentage	27.7	38.66	100
General Workers	Percentage	0.18	38.48	61.93
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100	100	100
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	2
Bursa (Community/Society)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	4,476,813.00	2,748,159.66	1,698,463.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	511	141	146
Bursa (Diversity)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Management Under 30	Percentage	1.61	0.27	0.31
Management Between 30-50	Percentage	66.77	66.30	65.43
Management Above 50	Percentage	31.61	33.42	34.26
Executive Under 30	Percentage	26.99	28.20	25.00
Executive Between 30-50	Percentage	64.96	62.22	62.81
Executive Above 50	Percentage	8.05	9.59	12.19
Non-executive/Technical Staff Under 30	Percentage	34.20	28.11	25.53
Non-executive/Technical Staff Between 30-50	Percentage	54.93	57.61	60.19
Non-executive/Technical Staff Above 50	Percentage	10.88	14.28	14.28
General Workers Under 30	Percentage	37.20	33.36	32.95
General Workers Between 30-50	Percentage	55.11	58.32	58.49
General Workers Above 50	Percentage	7.69	8.32	8.56

Internal Assurance | External Assurance | No Assurance | (*) Restated

BURSA'S SUSTAINABILITY PERFORMANCE REPORT

Indicator	Measurement Unit	2023	2024	2025
Gender Group by Employee Category				
Management Male	Percentage	75.72	77.45	75.62
Management Female	Percentage	24.28	22.55	24.38
Executive Male	Percentage	68.97	68.52	65.75
Executive Female	Percentage	31.03	31.48	34.25
Non-executive/Technical Staff Male	Percentage	62.91	64.40	64.86
Non-executive/Technical Staff Female	Percentage	37.09	35.60	35.14
General Workers Male	Percentage	71.72	76.35	76.20
General Workers Female	Percentage	28.28	23.65	23.80
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	57.10	57.10	62.50
Female	Percentage	42.80	42.80	37.50
Under 30	Percentage	0	0	0
Between 30-50	Percentage	14.29	14.29	12.50
Above 50	Percentage	85.71	85.71	87.50
Number of women on the board	Number	3	3	3
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megawatt	2,913,999.97	2,685,568.39	N/A
Bursa C4(a) Total energy consumption	Gigajoule	10,490,315.98*	9,668,038.47*	13,451,219.68
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	5	3	2
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	4.50	4.89	4.52
Bursa C5(c) Number of employees trained on health and safety standards	Number	286	25,449	24,645
Bursa (Labour practices and standards)				
Bursa C6(a) Total hours of training by employee category				
Management	Hours	5,285	15,678	12,595
Executive	Hours	15,485	51,833	42,760
Non-executive/Technical Staff	Hours	37,785	49,393	62,096
General Workers	Hours	615,565	961,555	562,260

Internal Assurance | External Assurance | No Assurance | (*) Restated

Indicator	Measurement Unit	2023	2024	2025
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.40	3.59	4.68
Bursa C6(c) Total number of employee turnover by employee category				
Management	Number	69	41	26
Executive	Number	104	141	125
Non-executive/Technical Staff	Number	193	292	357
General Workers	Number	3,254	7,726	6,095
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	2	8	4
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	92	90	88
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	5,306.974	3,871.675	5,031.79
Bursa (Waste management)				
Bursa C10(a) Total waste generated	Metric tonnes	532,350	1,021,363.10	1,208,826.24
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	506,381	991,093.70	1,195,918.09
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	25,769	30,206.46	12,908.15
Bursa (Emissions management)				
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	1,061,675.83	745,129.31	655,190.19
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	39,771	32,423.45	48,657.56
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	6,709,997.89	4,385,919.57	4,069,838.66

*The values for total energy consumption for year 2023 and 2024 was restated in Gigajoules to align with GRI and Bursa's Sustainability Reporting Guide (3rd Edition).

Internal Assurance | External Assurance | No Assurance | (*) Restated

SUPPLEMENTARY INFORMATION (QR CODE)

SUPPLEMENTARY INFORMATION FOR THE SR2025 CAN BE FOUND THROUGH THE QR CODE BELOW. THESE INCLUDE INFORMATION REGARDING:

1.	Performance Metric for Environmental and Social	page 91-96
2.	GRI Content Index	page 97-109
3.	GHG Calculation Methodology	page 110
4.	Rare, Threatened, and Endangered (“RTE”) List	page 111-113
5.	Glossary	page 114-116

https://www.ioigroup.com/integrated-report/sr/2025/esg/supplementary-information.pdf

PERFORMANCE METRIC FOR ENVIRONMENTAL AND SOCIAL

WORKPLACE PERFORMANCE DATA

Number of Employee and Diversity

GRI 405-1 Diversity of Employees

Number of Employee by Employment Level

	Senior Management	Middle Management	Executive	Non-executive	Workers	Total
Male	91	154	739	1,890	18,053	**20,927**
Female	22	57	385	1,024	5,638	**7,126**

Employee Nationality Breakdown

Nationality	Employee Nationality (%)
Indonesian	55.67
Malaysian	21.66
German	0.78
Bangladeshi	2.97
Filipino	12.23
Indian	1.95
Nepali	4.29
Myanmar	0.19
Other	0.26
Total	100

Note:
Total Turnover: 6,603
Total New Employees: 4,971

GRI 404-1: Employee Training Hours

Employee Training Hours by Employment Level (Hours/ Year)

Gender	Senior Management	Middle Management	Executive	Non-executive	Workers
Male	3,032.16	6,385.94	33,456.57	49,884.90	451,888.54
Female	830.58	2,346.37	9,303.04	12,210.76	110,371.90

Average Training Hours by Employment Level (Hours/Person/Year)

	Senior Management	Middle Management	Executive	Non-executive	Workers
Average Training Hours by Employment Level (Hours/Person/Year)	34.18	41.39	38.04	21.31	23.73

PERFORMANCE METRIC FOR ENVIRONMENTAL AND SOCIAL

OCCUPATIONAL HEALTH AND SAFETY PERFORMANCE DATA

GRI 403-9 & GRI 403-10: Occupational Health & Safety Data

Man-hours[1]	Unit	IOI Corporation Division			
		IOI Plantation	IOI Refinery	IOI Oleochemical	IOI Palm Wood
Employees	Hours	59,952,000.00	1,668,439.84	3,427,577.03	208,143.50
Non-employees Workers[2]	Hours	1,790,400.00	494,208.00	368,927.15	7,337.00

[1]Man-hours is estimated based on estimate this on the basis of normal or standard hours of work, taking into account entitlements to periods of paid leave of absence from work (e.g., paid vacations, paid sick leave, public holidays).
[2]An individual who performs work for entity which provide services to IOI.

Health & Safety Performance-Employee[1]	Units	IOI Corporation Division			
		IOI Plantation	IOI Refinery	IOI Oleochemical	IOI Palm Wood
Injury					
Total number of injuries[2]	Number	1,440	8	9	7
Total recordable injury frequency rate	Number/Million Hours	23.32	3.70	2.37	32.49
Total number of fatalities	Number	2	0	0	0
Fatility rate	Number/Million Hours	0.03	0.00	0.00	0.00
Total number of high consequences injuries (excluding fatalities)	Number	73	0	1	0
High consequence injuries rate (excluding fatalities)	Number/Million Hours	1.18	0.00	0.26	0.00
Total number of lost time injuries	Number	1,515	8	10	3
Lost time injury frequency rate	Number/Million Hours	24.54	3.70	2.63	13.92
Disease					
Total cases of recordable work-related ill health	Number	142	0	0	0
Total fatalities as a result of ill health	Number	0	0	0	0
Occupational disease rate	Number/Million Hours	2.30	0.00	0.00	0.00

[1]Figures include consideration of both employees and workers unless otherwise stated.
[2]Injuries reported include both minor injuries (beyond first aid level) and major injuries.

ENERGY

GRI 302-1 & GRI 302-3: Energy Production and Consumption

Energy	Unit	IOI Plantation	IOI Refinery	IOI Oleochemical	IOI Palm Wood
Non-renewable sources					
Fuels purchased and consumed	GJ	10,095.00	446,931.45	3,481,810.73	1.44
Electricity purchased and consumed	GJ	31,304.78	66,149.51	130,930.12	-
Steam and pressurised air purchased and consumed	GJ	-	-	177,336.21	-
Renewable sources					
Renewable energy generated and consumed	GJ	6,764,165.24	1,566,387.55	46,763.49	39,103.27
Renewable fuels purchased and consumed	GJ	602,445.32	22,144.27	18,672.64	657.17
Electricity purchased and consumed	GJ	-	-	46,321.48	-
Total energy consumption	**GJ**	**7,408,010.34**	**2,101,612.79**	**3,901,834.67**	**39,761.88**
Total energy consumption (IOI Group)	**GJ**	**13,451,219.68**			
Total electricity sold	GJ	-	-	1,751.23	-

EMISSIONS

GRI 305-1 & GRI 305-4: GHG Emission

Total IOI Group emissions	Gross emissions (tCO2e)
Scope 1	2,329,649.12
Scope 2	48,657.56
Scope 1 carbon sequestration and removals	1,674,458.93
Total Scope 1 & 2 gross emissions	**2,378,306.67**
Net total Scope 1 & 2 emissions	**703,847.74**
Scope 3	4,069,838.66
Net total Scope 1-3 emissions	**4,773,686.41**

IOI Group emissions intensity	FY2023	FY2024	FY2025
Unit	**tCO_2e/ MT Product**	**tCO_2e/ MT Product**	**tCO_2e/ MT Product**
IOI Group	**1.80**	**1.30**	**1.22**
Plantation (Net Intensity)	1.39	0.87	0.74
Oleochemical	0.40	0.40	0.44
Refinery	0.03	0.03	0.03

PERFORMANCE METRIC FOR ENVIRONMENTAL AND SOCIAL

Total emissions by business division									
Business division	**IOI Plantation**			**IOI Oleochemical**			**IOI Refinery**		
	FY2023	**FY2024**	**FY2025**	**FY2023**	**FY2024**	**FY2025**	**FY2023**	**FY2024**	**FY2025**
Unit	**tCO_2e**	**tCO_2e**	**tCO_2e**	**tCO_2e**	**tCO_2e**	**tCO_2e**	**tCO_2e**	**tCO_2e**	**tCO_2e**
Scope 1	2,545,142.81	2,288,000.67	**2,103,975.61**	183,290.25	209,210.49	**196,410.24**	30,125.45	26,398.77	**29,263.27**
Scope 2 (Location-based)	-	180.10	**68.50**	26,163.30	21,417.07	**38,305.02**	13,608.57	10,826.28	**10,284.04**
^**Scope 3 (Total)**	121,756.98	90,415.36	**87,917.14**	2,298,993.88	511,286.51	**325,554.97**	3,999,117.41	3,752,876.08	**3,656,366.55**
Category 1: Purchased goods and services	*	9,738.91	**10,053.74**	2,214,932.37	438,490.84	**281,197.71**	3,978,514.78	3,567,142.21	**3,618,428.84**
Category 2: Capital goods	*	6,468.15	**4,158.24**	5,317.14	2,680.63	**1,118.97**	1,507.30	626.49	**566.76**
Category 3: Fuel & energy-related activities	*	19,428.31	**15,158.67**	10,920.02	13,929.12	-	5,119.10	4,300.30	**3,583.00**
Category 4: Upstream transportation & distribution	-	-	-	47,127.86	12,407.02	**11,916.64**	6,443.99	8,500.64	**13,029.05**
Category 5: Waste generated in operations	*	1,039.38	**1,350.82**	672.90	939.02	**886.69**	472.85	117.29	**126.07**
Category 6: Business travel	-	-	-	141.24	108.97	**71.00**	19.56	23.01	**10.99**
Category 7: Employee commuting	-	-	-	2,369.62	2,445.72	**392.72**	1,223.72	443.18	**355.84**
Category 8: Upstream leased assets	-	-	-	32.24	-	-	-	-	-
Category 9: Downstream transport & distribution	-	-	-	3,431.04	39,505.19	**29,935.80**	3,192.58	171,532.76	**20,111.87**
Category 10: Processing of sold products	-	-	-	-	-	-	-	-	-
Category 11: Use of sold products	-	-	-	-	-	-	-	-	-
Category 12: End of life treatment of sold products	-	-	-	-	-	-	-	-	-
Category 13: Downstream leased assets	-	-	-	481.32	37.36	**35.44**	2,623.53	190.20	**154.13**
Category 14: Franchises	-	-	-	-	-	-	-	-	-
Category 15: Investments	*	53,740.62	**57,195.67**	13,568.13	742.64	-	-	-	-

^Scope 3 emissions for FY2023 and FY2024 was previously disclosed as Scope 3 emissions intensity.
*Due to the retirement of the previously used Scope 3 emission calculator, the total Scope 3 emissions were estimated based on past year data and category-specific breakdowns are unavailable.

GHG Emissions Reduction Against Baseline	FY2015	FY2025	Progress
Unit	**tCO_2e/ MT Product**	**tCO_2e/ MT Product**	**tCO_2e/ MT Product**
IOI Group	2.246	1.22	-46%
Plantation	1.83	0.74	-60%
Oleochemical	0.361	0.44	23%
Refinery	0.055	0.03	-41%

WATER

GRI 303-3, GRI303-4 & GRI303-5: Water Consumption & Water Discharged

Water	Unit	IOI Plantation	IOI Oleochemical	IOI Refinery
Total water withdrawal	ML	7,308.87	2,084.09	711.53
Total water consumption	ML	3,113.88	1,263.32	654.58
Water consumption intensity	m^3/MT Product	0.92	2.37	0.52
Total water discharged	ML	3,350.82	840.97	88.60
Total water consumption (Group)	**ML**			**5,031.79**

AGROCHEMICALS USED IN IOI'S OPERATIONS

List of Agrochemicals (By Active Ingredient) Used in IOI's Operations
Triclopyr Butoxy Ethyl Ester
MSMA and diuron
Sodium Chlorate
2,4-D Dimethylamine
Glyphosate isopropylamine
Metsulfuron methyl
Cypermethrin

PERFORMANCE METRIC FOR ENVIRONMENTAL AND SOCIAL

WASTE

GRI 306-2: Waste Disposal

Waste	Unit	IOI Plantation	IOI Oleochemical	IOI Refinery	IOI Palm Wood
Total waste generated	**MT**	**1,181,486.68**	**10,604.55**	**15,133.73**	**1,601.28**
Total hazardous waste disposed		**329.61**	**2,624.30**	**11.24**	**7.08**
Scheduled waste	MT	329.61	-	10.50	7.08
Incineration	MT	-	116.40	-	-
Landfill	MT	-	1.60	0.74	-
Other disposed waste	MT	-	2,506.30	-	-
Total hazardous waste recycled		**-**	**2,238.90**	**2.20**	**-**
Recycle	MT	-	1,263.50	2.20	-
Reuse	MT	-	975.40	-	-
Total non-hazardous waste disposed		**8,075.75**	**1,368.66**	**491.51**	**-**
Incineration	MT	-	181.67	-	-
Landfill	MT	5,163.38	1,061.57	267.90	-
Others	MT	2,912.37	125.42	223.61	-
Total non-hazardous waste recycled		**1,173,081.32**	**4,372.69**	**14,628.78**	**1,594.20**
Reused	MT	207.76	1,023.22	-	-
Recycled	MT	2,000.66	3,340.45	173.29	-
Composting and land application	MT	614,685.92	-	5,617.14	1,594.20
Material recovery and energy recovery	MT	556,186.98	9.02	8,838.35	-
Percentage of waste recycled	%	**99.29%**	**62.35%**	**96.68%**	**99.56%**
Total waste directed to disposal	MT	8,405.36	3,992.96	502.75	7.08
Total waste diverted from disposal	MT	1,173,081.32	6,611.59	14,630.98	1,594.20

GRI CONTENT INDEX

Statement of use	IOI Corporation Berhad has reported in accordance with the GRI Standards for the period from 1 July 2024 to 30 June 2025.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Standard(s)	GRI 13: Agriculture Aquaculture and Fishing Sectors 2022

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	SECTION	PAGE NUMBER	ADDITIONAL INFORMATION	OMISSION			GRI SECTOR STANDARD REF. NO.
					REQUIREMENT(S)	REASON	EXPLANATION	
GENERAL DISCLOSURES								
GRI 2: General Disclosures 2021	2-1 Organizational details	About this report	ASR, 2		A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	2-2 Entities included in the organisation's sustainability reporting	About this report	ASR, 2					
	2-3 Reporting period, frequency and contact point	About this report	ASR, 2					
	2-4 Restatements of information	About this report	ASR, 2					
	2-5 External assurance	About this report	ASR, 3					
	2-6 Activities, value chain and other business relationships	Value Creation Model	ASR, 20					
	2-7 Employees	Protecting Our Workforce Appendix	ASR, 74, 87, 88					
	2-8 Workers who are not employees	Appendix	ASR, 89					
	2-9 Governance structure and composition	Corporate Governance Overview Statement Sustainability Governance	AR, 101 ASR, 22					

GRI CONTENT INDEX

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	SECTION	PAGE NUMBER	ADDITIONAL INFORMATION	OMISSION			GRI SECTOR STANDARD REF. NO.
					REQUIREMENT(S)	REASON	EXPLANATION	
GENERAL DISCLOSURES								
GRI 2: General Disclosures 2021	2-10 Nomination and selection of the highest governance body	Corporate Governance Overview Statement	AR. 89, 101					
	2-11 Chair of the highest governance body	Corporate Governance Overview Statement	AR, 94					
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability Governance	ASR, 22-26					
	2-13 Delegation of responsibility for managing impacts	Sustainability Governance	ASR, 22-26					
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Governance	ASR, 22-26					
	2-15 Conflicts of interest	Profile of Directors	AR, 94					
	2-16 Communication of critical concerns	Our Material Sustainability Matters	ASR, 37					
	2-17 Collective knowledge of the highest governance body	Corporate Governance Overview Statement	AR, 109					
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance Overview Statement	AR, 107					

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	SECTION	PAGE NUMBER	ADDITIONAL INFORMATION	OMISSION			GRI SECTOR STANDARD REF. NO.
					REQUIREMENT(S)	REASON	EXPLANATION	
GENERAL DISCLOSURES								
GRI 2: General Disclosures 2021	2-19 Remuneration policies	Corporate Governance Overview Statement	AR, 116					
	2-20 Process to determine remuneration	Corporate Governance Overview Statement	AR, 116					
	2-21 Annual total compensation ratio	Key management personnel compensation				Information unavailable/ incomplete		
	2-22 Statement on sustainable development strategy	Message from Group Managing Director & Chief Executive	ASR, 4					
	2-23 Policy commitments	Sustainability Commitment & Compliance	ASR, 14					
	2-24 Embedding policy commitments	Sustainability Governance	ASR, 22					
	2-25 Processes to remediate negative impacts	Protecting Our Workforce	ASR, 79-80					
	2-26 Mechanisms for seeking advice and raising concerns	Protecting Our Workforce	ASR, 79-80					
	2-27 Compliance with laws and regulations	Regulatory and Third-Party Compliance	ASR, 15					
	2-28 Membership associations	Memberships and Associations	ASR, 12					

GRI CONTENT INDEX

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	SECTION	PAGE NUMBER	ADDITIONAL INFORMATION	OMISSION			GRI SECTOR STANDARD REF. NO.
					REQUIREMENT(S)	REASON	EXPLANATION	
GENERAL DISCLOSURES								
GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement	Stakeholder Engagement	ASR, 27-29					
	2-30 Collective bargaining agreements	Protecting Our Workforce	ASR, 78					
MATERIAL TOPICS								
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Our Material Sustainability Matters	ASR, 36		A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	3-2 List of material topics	Our Material Sustainability Matters	ASR, 37					
Topic 13.1 Emissions								
GRI 3: Material Topics 2021	3-3 Management of material topics	Management Approach	ASR, 48					13.1.1
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions *additional sector recommnedations	Appendix	ASR, 93-95					13.1.2
	305-2 Energy indirect (Scope 2) GHG emissions	Appendix	ASR, 93-95					13.1.3
	305-3 Other indirect (Scope 3) GHG emissions	Appendix	ASR, 93-95					13.1.4
	305-4 GHG emissions intensity	Metrics and Targets Appendix	ASR, 56-59 ASR, 93-95					13.1.5
	305-5 Reduction of GHG emissions	Metrics and Targets Appendix	ASR, 56-59 ASR, 93-95					13.1.6

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	SECTION	PAGE NUMBER	ADDITIONAL INFORMATION	OMISSION			GRI SECTOR STANDARD REF. NO.
					REQUIREMENT(S)	REASON	EXPLANATION	
MATERIAL TOPICS								
GRI 305: Emissions 2016	305-6 Emissions of ozone-depleting substances (ODS)	Together, Moving Towards Climate Positive				Information unavailable/ incomplete		13.1.7
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Together, Moving Towards Climate Positive				Information unavailable/ incomplete		13.1.8
Topic 13.2 Climate Adaptation and Resilience								
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change *additional sector recommendations	Notes to the Financial Statements	AR, 183					13.2.2
Topic 13.3 Biodiversity								
GRI 3: Material Topics 2021	3-3 Management of material topics	Management Approach	ASR, 70					13.3.1
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Enhancing Biodiversity and Ecosystem	ASR, 70					13.2
	304-2 Significant impacts of activities, products and services on biodiversity	Enhancing Biodiversity and Ecosystem	ASR, 70					13.3
	304-3 Habitats protected or restored	Enhancing Biodiversity and Ecosystem	ASR, 70					13.4
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	RTE Listing	ASR, 111-113					13.5

GRI CONTENT INDEX

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	SECTION	PAGE NUMBER	ADDITIONAL INFORMATION	OMISSION			GRI SECTOR STANDARD REF. NO.
					REQUIREMENT(S)	REASON	EXPLANATION	
MATERIAL TOPICS								
Topic 13.4 Natural Ecosystem Conversion								
Additional sector disclosure	Report the percentage of production volume from land owned, leased or managed by the organization determined to be deforestation- or conversion-free, by product, and describe the assessment method used	Management Approach	ASR, 70					13.4.2
	For products sourced by the organization, report the following by product: - the percentage sourced volume determined to be deforestation- or conversion-free, and describe the assessment methods used: - the percentage of sourced volume for wich origins are not known to the point where it can be determined whether it is deforestation- or conversion-free, and describe actions taken to improve traceability	Enhancing Biodiversity and Ecosystem	ASR, 70-71					13.4.3
	Report the size in hectares, the locations and the type of natural ecosystems converted since the cut-off date on land owned, leased or managed by the organisation	Enhancing Biodiversity and Ecosystem	ASR, 70-71					13.4.4
	Report the size in hectares, the locations, and the type of natural ecosystems converted since the cut-off date by suppliers or in sourcing locations	Enhancing Biodiversity and Ecosystem	ASR, 70-71					13.4.5

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	SECTION	PAGE NUMBER	ADDITIONAL INFORMATION	OMISSION			GRI SECTOR STANDARD REF. NO.
					REQUIREMENT(S)	REASON	EXPLANATION	
MATERIAL TOPICS								
Topic 13.7 Water and effluents								
GRI 3: Material Topics 2021	3-3 Management of material topics	Management Approach	ASR, 67					13.7.1
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Safeguarding and Managing Natural Resources	ASR, 67					13.7.2
	303-2 Management of water discharge-related impacts	Safeguarding and Managing Natural Resources	ASR, 67					13.7.3
	303-3 Water withdrawal	Appendix	ASR, 95					13.7.4
	303-4 Water discharge	Appendix	ASR, 95					13.7.5
	303-5 Water consumption	Appendix	ASR, 95					13.7.6
Topic 13.8 Waste								
GRI 3: Material Topics 2021	3-3 Management of material topics	Management Approach	ASR, 64					13.8.1
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Circular Economy and Operational Efficiency	ASR, 64-66					13.8.2
	306-2 Management of significant waste-related impacts	Circular Economy and Operational Efficiency	ASR, 64-66					13.8.3
	306-3 Waste generated *Additional sector recommendations	Appendix	ASR, 64-66, 96					13.8.4
	306-4 Waste diverted from disposal	Appendix	ASR, 96					13.8.5

GRI CONTENT INDEX

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	SECTION	PAGE NUMBER	ADDITIONAL INFORMATION	OMISSION			GRI SECTOR STANDARD REF. NO.
					REQUIREMENT(S)	REASON	EXPLANATION	
MATERIAL TOPICS								
GRI 306: Waste 2020	306-5 Waste directed to disposal	Appendix	ASR, 96					13.8.6
Topic 13.12 Local Communities								
GRI 3: Material Topics 2021	3-3 Management of material topics	Management Approach	ASR, 84					13.12.1
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Expanding Our Impact	ASR, 84-85					13.12.2
	413-2 Operations with significant actual and potential negative impacts on local communities	Expanding Our Impact	ASR, 84-85					13.12.3
Topic 13.15 Diversity and Equal Opportunity								
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Management Approach	ASR, 76					13.15.2
	405-2 Ratio of basic salary and remuneration of women to men *Additional sector recommendations					Information unavailable/ incomplete		13.15.3
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Protecting Our Workforce	ASR, 79-80					13.15.4
Additional sector disclosures	Describe any differences in employment terms and approach to compensation based on workers nationality or migrant status by location of operations					Information unavailable/ incomplete		13.15.5

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	SECTION	PAGE NUMBER	ADDITIONAL INFORMATION	OMISSION			GRI SECTOR STANDARD REF. NO.
					REQUIREMENT(S)	REASON	EXPLANATION	
MATERIAL TOPICS								
Topic 13.16 Forced or Compulsory Labour								
GRI 3: Material Topics 2021	3-3 Management of material topics	Management Approach	ASR, 78					13.16.1
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Protecting Our Workforce	ASR, 78					13.16.2
Topic 13.18 Freedom of Association and Collective Bargaining								
GRI 3: Material Topics 2021	3-3 Management of material topics	Management Approach	ASR, 76					13.18.1
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Protecting Our Workforce	ASR, 78					13.18.2
Topic 13.19 Occupational Health and Safety								
GRI 3: Material Topics 2021	3-3 Management of material topics *Additional sector recommendations	Management Approach	ASR, 74					13.19.1
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Protecting Our Workforce	ASR, 74					13.19.2
	403-2 Hazard identification, risk assessment, and incident investigation	Protecting Our Workforce	ASR, 74					13.19.3
	403-3 Occupational health services *Additional sector recommendations	Protecting Our Workforce	ASR, 75					13.19.4

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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	SECTION	PAGE NUMBER	ADDITIONAL INFORMATION	OMISSION			GRI SECTOR STANDARD REF. NO.
					REQUIREMENT(S)	REASON	EXPLANATION	
MATERIAL TOPICS								
GRI 403: Occupational Health and Safety 2018	403-4 Worker participation, consultation, and communication on occupational health and safety	Protecting Our Workforce	ASR, 74					13.19.5
	403-5 Worker training on occupational health and safety	Protecting Our Workforce	ASR, 74					13.19.6
	403-6 Promotion of worker health	Protecting Our Workforce	ASR, 75					13.19.7
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Protecting Our Workforce	ASR, 74-76					13.19.8
	403-8 Workers covered by an occupational health and safety management system	Protecting Our Workforce	ASR, 74					13.19.9
	403-9 Work-related injuries	Appendix	ASR, 92					13.19.10
	403-10 Work-related ill health	Appendix	ASR, 92					13.19.11
Topic 13.22 Economic inclusion								
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Sharing Prosperity	ASR, 86					13.22.2
	203-1 Infrastructure investments and service supported	Sharing Prosperity	ASR, 86					13.22.3
	203-2 Significant indirect economic impacts	Sharing Prosperity	ASR, 86					13.22.4
Topic 13.23 Supply chain traceability								
GRI 3: Material Topic 2021	3-3 Management of material topics *Additional sector recommendation	Management Approach	ASR, 55					13.23.1

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	SECTION	PAGE NUMBER	ADDITIONAL INFORMATION	OMISSION			GRI SECTOR STANDARD REF. NO.
					REQUIREMENT(S)	REASON	EXPLANATION	
MATERIAL TOPICS								
Additional sector disclosures	Describe the level of traceability in place for each product sourced, for example, whether the product can be traced to the national, regional, or local level, or a specific point of origin (e.g., farms, hatcheries and feed mill levels)	Palm Oil Dashboard & Traceability (https://www.ioigroup.com/sustainability/palm-oil-dashboard-and-traceability)						13.23.2
	Report the percentage of sourced volume certified to internationally recognized standards that trace the path o products through the supply chain, by product and list these standards	Palm Oil Dashboard & Traceability (https://www.ioigroup.com/sustainability/palm-oil-dashboard-and-traceability)						13.23.3
	Describe improvement projects to get suppliers certified to internationally recognized standards that trace the path of products through the supply chain to ensure that all sourced volume is certified	Palm Oil Dashboard & Traceability (https://www.ioigroup.com/sustainability/palm-oil-dashboard-and-traceability)						13.23.4
Topic 13.26 Anti-corruption								
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Statement on Risk Management and Internal Control	AR, 136					13.26.2
	205-2 Communication and training about anti-corruption policies and procedures	Corporate Governance Overview Statement	AR, 101-103					13.26.3
	205-3 Confirmed incidents of corruption and actions taken	Appendix	ASR, 87					13.26.4

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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	SECTION	PAGE NUMBER	ADDITIONAL INFORMATION	OMISSION			GRI SECTOR STANDARD REF. NO.
					REQUIREMENT(S)	REASON	EXPLANATION	
MATERIAL TOPICS								
Energy								
GRI 3: Material Topics 2021	3-3 Management of material topics	Management Approach	ASR, 50					
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Appendix	ASR, 93					
	302-2 Energy consumption outside of the organisation	Appendix	ASR, 93					
	302-3 Energy intensity	Appendix	ASR, 93					
	302-4 Reduction of energy consumption	Appendix	ASR, 93					
	302-5 Reductions in energy requirements of products and services	Appendix	ASR, 93					

Topics in the applicable GRI Standards determined as not material

TOPIC	EXPLANATION
Topic 13.5 Soil Health	Considered in the materiality assessment but not material for reporting period
Topic 13.6 Pesticides Use	Considered in the materiality assessment but not material for reporting period
Topic 13.9 Food Security	IOI's business modules and operations are not directly for food production.
Topic 13.10 Food Safety	Our product mostly used for industrial purposes, processed foods, and cosmetics, rather than direct food supply or staples
Topic 13.11 Animal health and welfare	IOI's business and operations not involve the use or management of animals.
Topic 13.13 Land and resource rights	We don't have issues related to land and resources rights
Topic 13.14 Rights of indigenous peoples	We don't have issues related to right of indigenous peoples
Topic 13.17 Child labor	Considered in materiality assessment but not material for reporting period. We don't have child labour issues since we provided schools for our workers children in plantations and prohibited them to work.
Topic 13.24 Public Policy	Not appllicable, IOI does not make any direct or indirect contributions to political parties, political associations and political candidates.
Topic 13.20 Employment practices	The number of part-time or temporary employees is not significant
Topic 13.21 Living income and living wage	Not material. As RSPO certified company, we are complying with living wage and regulated minimum wages.
Topic 13.25 Anti-competitive behavior	Our CPO and FFB price is subjected to regulated pricing and must complied with industry standard

GHG CALCULATION METHODOLOGY

THIS DOCUMENT OUTLINES THE CALCULATION APPROACHES USED IN IOI'S GREENHOUSE GAS ("GHG") EMISSIONS CALCULATIONS. IOI REGULARLY REVIEWS ITS CALCULATION METHODOLOGY TO ENSURE ALIGNMENT WITH THE LATEST INTERNATIONALLY-RECOGNISED METHODOLOGIES AND EMISSION FACTORS BY THE GREENHOUSE GAS PROTOCOL, INTERGOVERNMENTAL PANEL ON CLIMATE CHANGE, ISO14064 AND MORE.

GHG CALCULATION APPROACH

IOI calculates its GHG emissions using the operational control approach, while its calculation boundary covers all IOI-owned operating units in Malaysia, Indonesia and Germany. IOI has considered all seven GHGs that were recommended to be disclosed by the Kyoto Protocol and reports three GHGs: carbon dioxide (CO_2), methane (CH4) and nitrous oxide (N2O). Due to the nature of IOI's operations, only these three gases are significant and disclosed. For standardisation purposes, the disclosure of methane and nitrous oxide emissions were converted into its equivalent carbon dioxide emissions (CO_2e) using the 100-year global warming potential equivalent ("GWP") published by the IPCC. Wherever possible, IOI will use GWP values as stated in the latest publication of IPCC's Assessment Report. However, IOI's GHG calculations also includes the use of industry-accepted emission calculators which may still be in the process of incorporating the latest information. In this case, IOI will update its calculations based on the latest version of emission calculators.

During the calculation of IOI's GHG emissions, reductions and carbon sequestration, the following methodologies and assumptions were used:

SCOPE 1 EMISSIONS

Scope 1 emissions from IOI's estates and mills were calculated in alignment with GHG Protocol via RSPO PalmGHG. Emissions from land use change, peat oxidation, fertiliser application, palm oil mill effluent (POME), stationary and mobile fuel combustion were included. As for IOI Oleochemical and Refinery, material GHG emission sources include stationary and mobile fuel combustion. Process-related emissions were considered to be immaterial since the processes involved are largely aerobic and the by-product from the refining processes is water.

SCOPE 2 EMISSIONS

Scope 2 emissions were calculated using location-based method in alignment with GHG Protocol. Since our plantation division uses biogas and biomass for electricity generation, their contribution to overall scope 2 emissions are minimal. Major contributors of scope 2 emissions are purchased electricity from IOI's oleochemical and refinery facilities, with a minority of emissions contributed by purchased steam. Purchased heating and cooling were excluded since it was not purchased by our operating units.

SCOPE 3 EMISSIONS

The applicability of all 15 categories of Scope 3 emissions was assessed and only the significant categories were reported. The emissions were calculated using a combination of different calculation methods. Whenever possible, activity-based or supplier-specific emission factors and data were used. If activity-based or supplier-specific data or emission factors were unavailable, the relevant spend-based data and regional/global emission factors will be used to estimate emissions.

CARBON SEQUESTRATION AND GHG EMISSIONS REDUCTION

IOI's GHG emissions calculations also includes the use of carbon sequestration and GHG emission reduction initiatives to reduce its overall GHG emissions. The carbon sequestration comes from planted oil palms and conservation areas within IOI's concessions. These two sequestration values were calculated using land cover-specific sequestration factors from peer-reviewed literature and industry-accepted sources.

The use of methane capture facilities and biomass to reduce fossil fuel usage plays a pivotal role in IOI's decarbonisation efforts. Biogas generated from anaerobic treatment were captured and mostly reused for energy generation. The avoided methane and residual emissions were accounted during the calculation of POME and effluent emissions under scope 1. The GHG emission reductions from the use of biomass replacing fossil fuel usage were also accounted for during the calculation of scope 1 emissions.

RARE, THREATENED, AND ENDANGERED ("RTE") LIST

LIST OF WILDLIFE SPECIES AS STATED IN THE INTERNATIONAL UNION FOR CONSERVATION OF NATURE (IUCN) RED LIST OF THREATENED SPECIES SIGHTED WITHIN AND SURROUNDING IOI'S CONCESSION AREAS

IOI conducted regular patrols to monitor the impact of our operations on biodiversity (particularly Rare, Threatened and Endangered species) within and around our concession areas, especially at conservations and High Conservation Areas. These monitoring efforts are part of our commitments to safeguard biodiversity, as stated in our IOISP and biodiversity and ecosystem enhancement guidelines. Overall, we had identified 3 critically endangered, 11 endangered and 13 vulnerable species across our estates in Malaysia and Indonesia. Full details on the list of the IUCN Red List species can be found in the tables below.

Peninsular Malaysia

Common name	Scientific name	IUCN status	Type
Sunda pangolin	Manis Javanica	Critically endangered	Mammal
Bornean orangutan	Pongo Pygmaeus	Critically endangered	Mammal
Asian elephant	Elephas maximus	Endangered	Mammal
Proboscis monkey	Nasalis larvatus	Endangered	Mammal
Long-tailed macaque	Macaca fascicularis	Endangered	Mammal
Southern pig-tailed macaque	Macaca nemestrina	Endangered	Mammal
Flat-headed cat	Prionailurus planiceps	Endangered	Mammal
Dusky langur	Trachypithecus obscurus	Endangered	Mammal
Malay tapir	Tapirus indicus	Endangered	Mammal
Sun bear	Helarctos malayanus	Vulnerable	Mammal
Asian small-clawed otter	Aonyx cinereus	Vulnerable	Mammal
Bornean slow loris	Nycticebus borneanus	Vulnerable	Mammal
Sambar deer	Rusa unicolor	Vulnerable	Mammal
Bearded pig	Sus barbatus	Vulnerable	Mammal
Malayan porcupine	Hystrix brachyura	Least concern	Mammal
Banded linsang	Prionodon linsang	Least concern	Mammal
Small toothed-palm civet	Arctogalidia trivirgata	Least concern	Mammal
Leopard cat	Prionailurus bengalensis	Least concern	Mammal
Wild boar	Sus scrofa	Least concern	Mammal
Malay civet	Viverra tangalunga	Least concern	Mammal
White-breasted waterhen	Amaurornis phoenicurus	Least concern	Bird
Purple heron	Ardea Purpurea	Least concern	Bird
White crowned hornbill	Berenicornis comatus	Endangered	Bird
Wallace's hawk-eagle	Nisaetus nanus	Vulnerable	Bird
Blue-rumped parrot	Psittinus cyanurus	Near threatened	Bird
Intermediate egret	Ardea intermedia	Least concern	Bird
Greater coucal	Centropus sinensis	Least concern	Bird
Common hill myna	Gracula religiosa	Least concern	Bird
Buffy fish owl	Ketupa ketupu	Least concern	Bird
Scaly-breasted munia	Lonchura punctulata	Least concern	Bird
Blue-crowned hanging-parrot	Loriculus galgulus	Least concern	Bird
Red junglefowl	Gallus gallus	Least concern	Bird
Brahminy kite	Haliastur indus	Least concern	Bird
Lesser whistling-duck	Dendrocygna javanica	Least concern	Bird

RARE, THREATENED, AND ENDANGERED ("RTE") LIST

Common name	Scientific name	IUCN status	Type
Barn owl	Tyto alba	Least concern	Bird
Egret	Egretta garzetta	Least concern	Bird
Oriental pied hornbill	Anthracoceros albirostris	Least concern	Bird
White stork	Ciconia ciconia	Least concern	Bird
Asian giant tortoise	Manouria emys	Critically endangered	Reptile
King cobra	Ophiophagus hannah	Vulnerable	Reptile
Estuarine crocodile	Crocodylus porosus	Least concern	Reptile
Common water monitor	Varanus salvator	Least concern	Reptile
Reticulated python	Malayopython reticulatus	Least concern	Reptile
Malayan soft-shell turtle	Dogania Subplana	Least concern	Reptile
Rat snake	Pytas mucosa	Least concern	Reptile

Sabah, Malaysia

Common name	Scientific name	IUCN status	Type
Sunda pangolin	Manis Javanica	Critically endangered	Mammal
Bornean orangutan	Pongo Pygmaeus	Critically endangered	Mammal
Pygmy elephant	Elephas maximus borneensis	Endangered	Mammal
Proboscis monkey	Nasalis larvatus	Endangered	Mammal
Long-tailed macaque	Macaca fascicularis	Endangered	Mammal
Southern pig-tailed macaque	Macaca nemestrina	Vulnerable	Mammal
Sun bear	Helarctos malayanus	Vulnerable	Mammal
Asian small-clawed otter	Aonyx cinereus	Vulnerable	Mammal
Bornean slow loris	Nycticebus borneanus	Vulnerable	Mammal
Sambar deer	Rusa unicolor	Vulnerable	Mammal
Island flying fox	Pteropus hypomelanus	Near threatened	Mammal
Kinabalu squirrel	Callosciurus baluensis	Least concern	Mammal
Malayan porcupine	Hystrix brachyura	Least concern	Mammal
Banded linsang	Prionodon linsang	Least concern	Mammal
Small toothed-palm civet	Arctogalidia trivirgata	Least concern	Mammal
White crowned hornbill	Berenicornis comatus	Endangered	Bird
Wallace's hawk-eagle	Nisaetus nanus	Vulnerable	Bird
Intermediate egret	Ardea intermedia	Least concern	Bird
Greater coucal	Centropus sinensis	Least concern	Bird
Common hill myna	Gracula religiosa	Least concern	Bird
Buffy fish owl	Ketupa ketupu	Least concern	Bird
Scaly-breasted munia	Lonchura punctulata	Least concern	Bird
Blue-crowned hanging-parrot	Loriculus galgulus	Least concern	Bird
White-rumped shama	Copsychus malabaricus	Least concern	Bird
Asian giant tortoise	Manouria emys	Critically endangered	Reptile
King cobra	Ophiophagus hannah	Vulnerable	Reptile
Estuarine crocodile	Crocodylus porosus	Least concern	Reptile
Common water monitor	Varanus salvator	Least concern	Reptile
Reticulated python	Malayopython reticulatus	Least concern	Reptile

Indonesia

Common name	Scientific name	IUCN status	Type
Bornean orangutan	Pongo Pygmaeus	Critically endangered	Mammal
Sunda pangolin	Manis Javanica	Critically endangered	Mammal
Proboscis monkey	Nasalis larvatus	Endangered	Mammal
Long-tailed macaque	Macaca fascicularis	Endangered	Mammal
Southern pig-tailed macaque	Macaca Nemestrina	Endangered	Mammal
Bornean white-bearded gibbon	Hylobates albibarbis	Endangered	Mammal
Clouded leopard	Neofelis nebulosa	Vulnerable	Mammal
Bearded pig	Sus barbatus	Vulnerable	Mammal
Sun bear	Helarctos malayanus	Vulnerable	Mammal
Sambar deer	Cervus unicolor	Vulnerable	Mammal
Asian small-clawed otter	Aonyx Cinerea	Vulnerable	Mammal
Bornean clouded leopard	Neofelis diardi borneensis	Vulnerable	Mammal
Silvery langur	Trachypithecus cristatus	Near threatened	Mammal
Red langur	Presbytis rubicunda	Least concern	Mammal
Southern red muntjac	Muntiacus Muntjak	Least concern	Mammal
Plantain squirrel	Callosciurus notatus	Least concern	Mammal
Leopard cat	Prionailurus Bengalensis	Least concern	Mammal
Storm's stork	Ciconia stormi	Endangered	Bird
Rhinoceros hornbill	Buceros rhinoceros	Vulnerable	Bird
Black hornbill	Anthracoceros malayanus	Vulnerable	Bird
Lesser adjutant	Leptoptilos javanicus	Vulnerable	Bird
Common hill myna	Gracula religiosa	Least concern	Bird
Oriental pied hornbill	Anthracoceros albirostris	Least concern	Bird
Black-winged kite	Elanus Caeruleus	Least concern	Bird
Changeable hawk-eagle	Nisaetus cirrhatus	Least concern	Bird
Crested serpent-eagle	Spilornis Cheela	Least concern	Bird
Collared kingfisher	Todiramphus chloris	Least concern	Bird
Moustached kingfisher	Actenoides bougainvillei	Least concern	Bird
Rufous woodpecker	Micropternus brachyurus	Least concern	Bird
Cattle egret	Bubulcus ibis	Least concern	Bird
Greater coucal	Centropus sinensis	Least concern	Bird
Estuarine crocodile	Crocodylus porosus	Least concern	Reptile
False Gharial	Tomistoma schlegelii	Vulnerable	Reptile

GLOSSARY

Accountability Framework Initiative (“AFI”)	A roadmap for achieving ethical supply chains that protect forests, natural ecosystems, and human rights. The framework gives consensus-based guidelines for companies in the agriculture and forestry sectors .
Board Sustainability Committee (“BSC”)	Board-level committee established to oversee and guide the company’s sustainability direction.
Carbon Dioxide Equivalents (“CO_2e”)	CO_2e is a measure used to compare the emissions from various greenhouse gases based on their global warming potential.
Carbon Neutral	Balancing the greenhouse gas (GHG) that are emitted into the environment and capturing the carbon dioxide with various approaches.
Climate Change Action initiatives (“CCAi”)	IOI’s long-term action plans to mitigate and reduce GHG emissions from our diverse operations. This initiative aims to achieve carbon neutral as a group.
Crude Palm Oil (“CPO”)	Unrefined oil extracted from the mesocarp, or fleshy part, of the oil palm fruit of the oil palm tree
Economic, Environmental, Social and Governance (“EESG”)	A holistic framework for IOI sustainability, recognising the interconnectedness of economic growth, environmental protection, social well-being, and strong governance.
European Union Deforestation Regulations (“EUDR”)	Regulation adopted by the European Union aimed at combating deforestation and forest degradation
Energy Management System (“EMS”)	Support the tracking and optimisation of energy consumption to conserve its usage across an organisation’s physical assets, including in factories and office buildings.
Enterprise Risk Management (“ERM”)	The framework essentially links the Group’s strategic objectives and goals that are aligned with its vision to principal risks, and the principal risks to controls and opportunities that are translated into actions and programmes.
SAP Enterprise Resource Planning (“ERP”) System	Enterprise resource planning refers to a type of software that organizations use to manage business activities, accounting, and resource management.
Empty Fruit Bunch (“EFB”)	Remains of the fresh fruit bunches after the fruit has been removed for oil pressing.
Fresh Fruit Bunch (“FFB”)	Bunch harvested from the oil palm tree.
Global Reporting Initiative (“GRI”)	An international independent organisation that helps businesses, governments and other organisations understand and communicate the impact of business on critical sustainability issues such as climate change, human rights, corruption, and many others.
Greenhouse Gas (“GHG”)	GHG are gases in Earth’s atmosphere that trap heat and act like glass walls of a greenhouse. The main GHG include carbon dioxide, methane, nitrous oxides, and water vapor that causes the global warming.
High Carbon Stock (“HCS”)	Tropical forests that hold large stores of carbon and biodiversity, which are released and lost when these forests are cleared.
High Climate Change Scenario (RCP 8.5)	Continuation of business are usual with emissions at current rates. This scenario is expected to result in warming in excess of 4 degrees Celsius by 2100.
High Conservation Values (“HCV”)	HCVs are biological, ecological, social, or cultural values which are outstandingly significant or critically important at the national, regional, or global level.
Human-Elephant Conflict (“HEC”)	Any human-elephant interaction which results in negative effects on human social, economic or cultural life, and/or on elephant conservation and the environment.
Internal Carbon Pricing (“ICP”)	A monetary value on each ton of carbon emission generates within organization that will help in a long-term business planning and investment strategies.
International Labour Organisation (“ILO”)	ILO is the United Nations agency for the world of work. It sets international labour standards, promotes rights at work and encourages decent employment opportunities, the enhancement of social protection and the strengthening of dialogue on work-related issues.

International Sustainability & Carbon Certification (“ISCC”)	An independent multi-stakeholder organisation providing a globally applicable certification system for the sustainability of raw materials and products.
International Sustainability Standards Board (“ISSB”)	A standard-setting body under IFRS Foundation, whose mandate is the creation and development of sustainability-related financial reporting standards to meet investors’ needs for sustainability reporting.
International Organization for Migration (“IOM”)	A United Nations agency that provides services and advice concerning migration to governments and migrants, including internally displaced persons, refugees, and migrant workers.
IOI Group Sustainability Policy (“IOISP”)	The keystone policy for IOI Group’s commitment to sustainability practices and the implementation of a responsible global palm oil supply chain, formerly known as the IOI Sustainable Palm Oil Policy.
IOI Group Safety and Health Policy (IOISHP)	A policy established to cover safety and health commitment and control measures across the IOI Group.
Integrated Pest Management (“IPM”)	IPM is the careful consideration of all available pest control techniques and subsequent integration of appropriate measures that discourage the development of pest populations and keep pesticides and other interventions to levels that are economically justified and reduce or minimise risks to human health and the environment. IPM emphasises the growth of a healthy crop with the least possible disruption to agroecosystems and encourages natural pest control mechanisms.
Joint Consultative Committee (“JCC”)	A part of a grievance mechanism where it serves as a platform for the workers to voice out their issues or grievances to the Management through elected Workers’ Representatives as well as to provide alternatives for the worker union.
Landscape Level Approach (“LLA”)	A term used to describe collaborative initiatives in specific places that span multiple sectors and go beyond the scale of individual farms, forest management units, and protected areas.
Life Cycle Assessment (“LCA”)	The process of evaluating the effects that a product has on the environment over the entire period of its life.
Land Use Change (“LUC”)	Conversion of land from one land use to another
Lost Time Injury Frequency Rate (“LTIFR”)	The amount or number of lost time injuries that occurred in a workplace per 1 million hours worked.
Low Climate Change Scenario (RCP 2.6)	Aggressive mitigation actions to halve emissions by 2050. This scenario is likely to result in warming of less than 2 degree Celsius by 2100.
Malaysia’s National Policy on Biodiversity (“NBD”)	Direction and framework to conserve our biodiversity and use it sustainably in the face of the increasingly complex challenges.
Malaysian Sustainable Palm Oil Certificate (“MSPO”)	Certification Scheme is the national scheme in Malaysia for oil palm plantations, independent and organised smallholdings, and palm oil processing facilities to be certified against the requirements of the MSPO Standards.
Moderate Climate Change Scenario (RCP 4.5)	Strong mitigation actions to reduce emissions to half of current levels by 2080. This scenario is more likely than not to result in warming in excess of 2 degrees Celsius by 2100.
National Sustainability Reporting Framework (“NSRF”)	Framework to addresses the use of the IFRS® Sustainability Disclosure Standards issued by the International Sustainability Standards Board (ISSB), specifically the IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information, and IFRS S2 Climate-related Disclosures (collectively referred to as the ISSB Standards), as the baseline sustainability disclosure standards for companies in Malaysia, as well as the assurance requirements for sustainability reporting.
National Union of Plantation Workers (“NUPW”)	The largest plantation workers union in Malaysia and one of the largest in Asia.
Net Zero	A state in which the GHG entering the atmosphere are balanced by removal from the atmosphere.

GLOSSARY

No Deforestation, No New Planting on Peat, and No Social Exploitation ("NDPE")	'No Deforestation' is achieved by protecting High Conservation Value (HCV) and High Carbon Stock (HCS) areas, 'No New Planting on Peat' is achieved by avoiding planting on peat and 'No Social Exploitation' is achieved by protecting human rights, workers' rights and the rights of local communities and indigenous peoples.
Oil Extraction Rate ("OER")	The quantity of oil that is obtained from fresh fruit bunches.
Oil Palm Trunk ("OPT")	The trunk of an oil palm tree, typically obtained during replanting when palms reach the end of their economic lifespan (about 25–30 years). In IOI's context, OPT is treated as a by-product of replanting and can be repurposed.
Palm Fatty Acid Distillate ("PFAD")	A by-product from refining CPO.
Palm Kernel ("PK")	PK is the seed of any palm that yields palm-kernel oil.
Palm Kernel Oil ("PKO")	PKO is a plant oil derived from the kernel of the oil palm.
Precision Agriculture ("PA")	An approach to farm management that uses information technology to ensure that crops and soil receive exactly what they need for optimum health and productivity.
Production, Protection, Inclusion ("PPI")	PPI compacts are agreements between public, private, and civil society stakeholders to make land more productive and improve livelihoods, in exchange for protection of natural resources, most notably forests.
Rare, Threatened and Endangered ("RTE") species	Plants or animal species that are regionally relatively uncommon, nearing endangered status, or whose existence is in immediate jeopardy and that are usually restricted to highly specific habitats
Regeneration Agriculture ("RA")	A conservation and rehabilitation approach to farming systems which it focuses on improving soil health and biodiversity by protecting soil from erosion and improve water infiltration, water retention and others.
Roundtable on Sustainable Palm Oil ("RSPO")	A multi-stakeholder organisation based in Kuala Lumpur, Malaysia. The organisation has developed a certification scheme for sustainable palm oil.
RSPO Annual Communication of Progress ("ACOP")	Reports submitted by RSPO members to gauge their progress towards 100% RSPO-certified sustainable palm oil. Those reports are mandatory for Ordinary and Affiliate members, and are submitted each year.
Science Based Target initiative – Forest, Land and Agriculture ("SBTi-FLAG")	A framework that provides standard guidance for companies to develop verifiable science-based emission reduction targets in line with the latest climate science. IOI have committed to this initiative since March 2023.
Scope 1 Emissions	All direct GHG emissions.
Scope 2 Emissions	Indirect GHG emissions for consumption of purchased electricity, heat, or steam.
Scope 3 Emissions	Includes all other indirect GHG emissions that occur in a company's value chain.
Task Force on Climate-Related Financial Disclosures ("TCFD") Framework	A set of disclosure recommendations was created by the Financial Stability Board to help companies, banks, and investors in disclosing consistent climate-related financial information to their stakeholders.
Tools for Transformation ("T4T")	Tools for Transformation is an online platform intended to help the industry adopt responsible practices that support businesses, ecosystems, and people to thrive.
Traceability to Plantations ("TTP")	Defined as known information about the FFB suppliers; estates (names, parent company name, GPS coordinates/addresses, % volumes, certification status), dealers (names, % volumes), and smallholders (number of smallholders, % volumes, certification status).
United Nations Sustainable Development Goals ("UN SDGs")	The 17 SDGs by the UN are the blueprint to achieve a better and more sustainable future for all. They address the global challenges we face, including those related to poverty, inequality, climate, environmental degradation, prosperity, and peace and justice.
Women and Empowerment Committee ("WEC")	A platform for female employees to discuss any issues that may affect women workers, explore opportunities in empowering women in workplace and social activities.

Stakeholder Engagement through Social Impact Assessment ("SIA")

SIA is an important tool used to understand how our plantations, mills, and resource-based operations affect workers, surrounding communities, and other stakeholders. It helps identify potential impacts on livelihoods, land use, cultural practices, and access to resources, while also highlighting opportunities to improve community well-being. As part of the SIA process, we ensure the inclusion of all groups, such as women, migrant workers, indigenous peoples, local villagers, local authorities, etc. This practice acts as a safeguard so that all voices are heard, their issues are addressed properly, and that they are included in any decision-making process that affects them. SIA matters for IOI because it strengthens engagement with local communities, reduces the risk of conflicts, and builds trust, which is essential for maintaining our operations in a sustained manner. The assessments conducted also supports IOI's compliance with international and national sustainability standards such as RSPO and MSPO, which requires ongoing monitoring of social impacts. Through these engagements and assessments, IOI ensures that our operations are not only environmentally responsible but also socially sustainable, and aligned with its commitment to responsible palm oil production and long-term value creation for both business and society.

The general steps of the social impact assessment are illustrated as follows:

1 Stakeholders' Identification

a. Identify neighbouring village, settlement, farmer, etc., adjacent to our operation

b. Prepare the list of the relevant internal and external stakeholders and categorise them into employees, local communities, authorities, government agencies, non-governmental organisations, Technical Service Organisation ("TSO"), etc., together with their business relationship with IOI

2 Stakeholder Consultations

a. Ensure representation from each stakeholder group

b. Transparent and inclusive participation for stakeholders

c. Sharing current company policies and procedures that are relevant to stakeholders, such as for grievance, harassment, business ethics, etc.

d. The operating unit shall remain open to all ideas, constructive or otherwise

e. Key social topics to be discussed, but not limited to food security, climate change, replanting (for plantation only), etc.

3 Management Action Plan

a. Compile and analyse the identified positive and negative impacts

b. Develop mitigation, adaptation, and prevention measures

c. Further discuss with affected stakeholders on any proposed measures

d. Track and monitor the implementation of these measures

	Stakeholders	Challenges	Value Created
Bukit Leelau Mini Landscape Project	Bunge Loders Croklaan, IOI Bukit Leelau Estate, Orang Asli, GEC, and others	Limited access to resources and alignment with stakeholders	• No fire • Welfare facilities provided: solar systems, water pump facilities, etc. • Sustainable livelihoods: mushroom farming, fishing through canal blocks, etc.
Child Education Initiative	IOI, IOI Workers' children, Borneo Child Aid Society, Indonesian consulate,	• Limited access to education due to remoteness of the plantation • Limited teachers willing to work in plantations	• Children received Full-Day Zero Cost Education (both for primary and secondary education) • Opportunity provided for higher education
Plant Your Own Food Initiative	IOI employees, and IOI management	Limited access to fresh vegetables, due to remoteness	• Promotes healthier lifestyles and reduces food expenses • Fosters a sense of community, and well-being among employees & families
Rice Farmer Empowerment Programme	IOI staff, local farmer at PT Sukses Karya Sawit	Pest attacks and low quality of yield	• Improved yields and productivity through sustainable methods • Enhanced income and livelihood security • Access to quality seeds, irrigation, and modern practices
Climate Change Adaptation-flood	IOI employees and nearby communities	Frequent floods affecting operations and communities	• Transportation assistance during floods • Giving access to essential services
IOI Mesra Application	IOI employees in plantations	Fear of retaliation, limited accessibility, and possible lack of trust of the system	• Inclusive and accessible channels to voice concerns • Promotes fairness & strengthens trust
Women Empowerment Committee	Women employees, IOI management	Insufficient resources (time, budget, facilitators) to run women-focused programs.	• Women employees able to discuss and raise their concerns • Opportunities for career advancement
Communication Towers in Plantations	IOI employees, telco company, service provider	Hardware delivery to the site due to accessibility	• Improve connectivity through better internet coverage in remote areas
Help and care given to communities in need	IOI employees, various communities	The appropriate help given to the appropriate recipient	• Creates goodwill and future cooperation with IOI

Creating Social Value Through Engagement and Inclusion

At IOI, our Pillars of Sustainability (People, Planet and Prosperity) plus Partnership form part of the foundation of our Sustainability Vision of meeting the needs of the present without compromising that of the future generation. Part of the vision includes: **Ensuring that the economic, social wellbeing and health of our employees and their families as well as the wider communities are safeguarded.**

We achieve this through smart partnership, a belief based on IOI's core values and strong stakeholder engagement. Through our stakeholders' feedback, we identify the potential risks or opportunities, and take relevant actions accordingly, in order to create positive impacts that improve lives within and outside of our operations.

TOGETHER
WE
SUSTAIN

Sustainability, like nature, is an endless cycle as depicted by the infinity motif in this year's design. From the roots of our palms to the sustainable products that reach markets worldwide, every action creates a ripple, every initiative fuels the next. The designs on this cover are also meant to showcase our manifesto for a future where we hold fast with nature through our actions and commitments, that we do not just protect biodiversity and ecosystems, but also nurture them. That we can embrace the world of technology where digitalisation plays a very important role to further the sustainability agenda, from digital platforms that facilitate transparency and reporting, to digital solutions that support circular economy by improving waste management and resource efficiency. Where the theme **"Together We Sustain"** means challenging ourselves to go further, to dig deeper and to demand more as cohesive and independent entities, to address global challenges like climate change and biodiversity loss. This is our rallying call to action, a reminder that true impact is not measured in percentages but in our legacies that will endure, infinite in their reach, boundless in their promise for a thriving **future together.**

IOI CORPORATION BERHAD
196901000607 (9027-W)
IOI City Tower 2, Lebuh IRC, IOI Resort City,
62502 Putrajaya, Malaysia.

www.ioigroup.com

www.ioigroup.com

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