

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.

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

Challenges and Value created

Stakeholders	Challenges	Value Created
Bukit Leelau Mini Landscape Project	Bunge Loders Croklaan, IOI Bukit Leelau Estate, Orang Asli, GEC, and others	<ul style="list-style-type: none"> Limited access to resources and alignment with stakeholders
Child Education Initiative	IOI, IOI Workers' children, Borneo Child Aid Society, Indonesian consulate,	<ul style="list-style-type: none"> Limited access to education due to remoteness of the plantation Limited teachers willing to work in plantations
Plant Your Own Food Initiative	IOI employees, and IOI management	<ul style="list-style-type: none"> Limited access to fresh vegetables, due to remoteness
Rice Farmer Empowerment Programme	IOI staff, local farmer at PT Sukses Karya Sawit	<ul style="list-style-type: none"> Pest attacks and low quality of yield
Climate Change Adaptation-flood	IOI employees and nearby communities	<ul style="list-style-type: none"> Frequent floods affecting operations and communities
IOI Mesra Application	IOI employees in plantations	<ul style="list-style-type: none"> Fear of retaliation, limited accessibility, and possible lack of trust of the system
Women Empowerment Committee	Women employees, IOI management	<ul style="list-style-type: none"> Insufficient resources (time, budget, facilitators) to run women-focused programs.
Communication Towers in Plantations	IOI employees, telco company, service provider	<ul style="list-style-type: none"> Hardware delivery to the site due to accessibility
Help and care given to communities in need	IOI employees, various communities	<ul style="list-style-type: none"> The appropriate help given to the appropriate recipient