



IOI GROUP

**TRANSFORMING
POTENTIAL INTO**

**SUSTAINABLE
VALUE**

SUSTAINABILITY REPORT 2026





For more information, refer to pages 48-65.



Photo by Mohd Aliff, Baturong 1 Estate, Lahad Datu, Sabah

NET ZERO

1

Achieving Net Zero by 2040 for Scope 1, 2 and 3 remains a strategic priority for the Group. Following our achievement that exceeded our 2025 emissions reduction target, our next milestone is Carbon Neutral for Scope 1 and 2 by 2030. As such, we are focused on our climate strategy, and on following our Climate Transition Plan which maps out our pathways to achieve Net Zero by 2040. To ensure that we are on track, we monitor progress against our emissions reduction targets, and track investments related to greenhouse gas emissions reduction for an informed decision-making process and appropriate resource allocation. We continue to refine our decarbonisation strategies, assess emerging technologies and identify pathways to reduce emissions while supporting sustainable business growth. Together with smart partnerships and collaborations, we stay committed to advancing our Net Zero ambition for a sustainable future.



Photo by Emerald Sunny, Pamol 2 Estate, Kluang, Johor

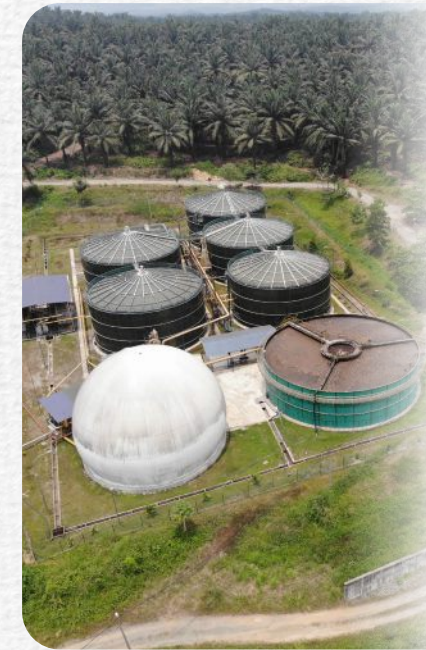


For more information, refer to pages 48-49.

CLIMATE CHANGE ACTION INITIATIVES

2

We first launched our Climate Change Action initiatives ("CCAI") in 2019 to reduce our emissions against 2015 baseline. By now, we have also developed a Climate Transition Plan to meet our Net Zero target by 2040, which integrates climate considerations into business and financial planning, risk management and operational decision-making process. Our approach combines nature-based solutions, engineered solutions and supply chain management to reduce emissions and strengthen climate resilience. Our climate strategies include implementing our 7Rs of circularity, renewable energy and various decarbonisation pathways, while maintaining transparency in reporting. Under our Climate Change Action Pledge, we avoid greenwashing practices, stay true to being sustainable and prioritise engagement with involved stakeholders for a Just Transition. We also enhanced our climate-related disclosures in accordance with IFRS S2, including the assessment of climate-related risks, opportunities and anticipated financial effects. These enhancements strengthen the relationship between sustainability and financial information, support informed decision-making and promote more precise disclosures.



CIRCULARITY

3

Since 2021, we adopted the 7Rs of circularity approach. We continue to integrate circularity into our operations by maximising the use of biomass, biogas, by-products and operational residues across our upstream and downstream operations. Key initiatives include using palm biomass for mulching and soil enrichment, capturing biogas from Palm Oil Mill Effluent ("POME") for renewable energy generation, converting oil palm trunks into building materials, and recovering by-products for value-added applications. These efforts improve resource efficiency, reduce waste and emissions, and support a more adaptive and agile business model.

Our Continued Journey in Transforming Sustainable Value



Photo by Chiew, IOI Edible Oils, Sandakan, Sabah

BIODIVERSITY

4

Based on our biodiversity and ecosystem enhancement guidelines which are aligned with the Science Based Target for Nature ("SBTN"), we have a four-step process (Identification, Management and Execution, Monitoring and Crisis Management, Mitigation and Protection) to strengthen biodiversity management at our operating sites. We set up a Reforestation and Biodiversity Task Force to strengthen internal cross-functional collaborations, to identify potential areas to implement biodiversity initiatives, and to integrate nature-related considerations into business decision-making. We also continue to engage stakeholders and conservation partners to enhance biodiversity outcomes and ecosystem resilience. These efforts support the protection of natural capital and reinforce our commitment to responsible environmental stewardship.



Photo by Darren Alfio, Syarimo Palm Oil Mill, Lahad Datu, Sabah



For more information, refer to page 87.

JUST TRANSITION

5

People are at the heart of our sustainability journey. So, for a cohesive and inclusive response towards climate change, we need to ensure that our climate change adaptation and mitigation efforts are conducted in a fair and equitable way that would benefit all relevant stakeholders. As we adopt mechanisation and low-carbon technologies, we support our employees through training, upskilling and capacity building programmes to adapt to evolving job requirements, enhance workplace safety and access new growth opportunities. We also engage and support local communities through initiatives that strengthen livelihoods, promote socio-economic well-being and essentially be part of customary-led conservation initiatives when we embark on our reforestation and rehabilitation activities. Through these efforts, we aim to ensure that the benefits of business transformation are shared and contribute to an inclusive and just future.



DIGITALISATION

6

We enhanced digital systems and data integration to improve data collection and strengthen data integrity for increased accuracy and auditability. We also strengthened cybersecurity governance and data protection practices to safeguard information assets, support business continuity and maintain stakeholders' trust. As digital technologies evolve, we remain committed to their responsible and secure use through appropriate governance, oversight and risk management which is especially crucial with the advent of agentic artificial intelligence ("AI"). Digitalisation can also support employee productivity, efficiency and coordination between different functions within an organisation, helping build a more collaborative future-ready organisation.



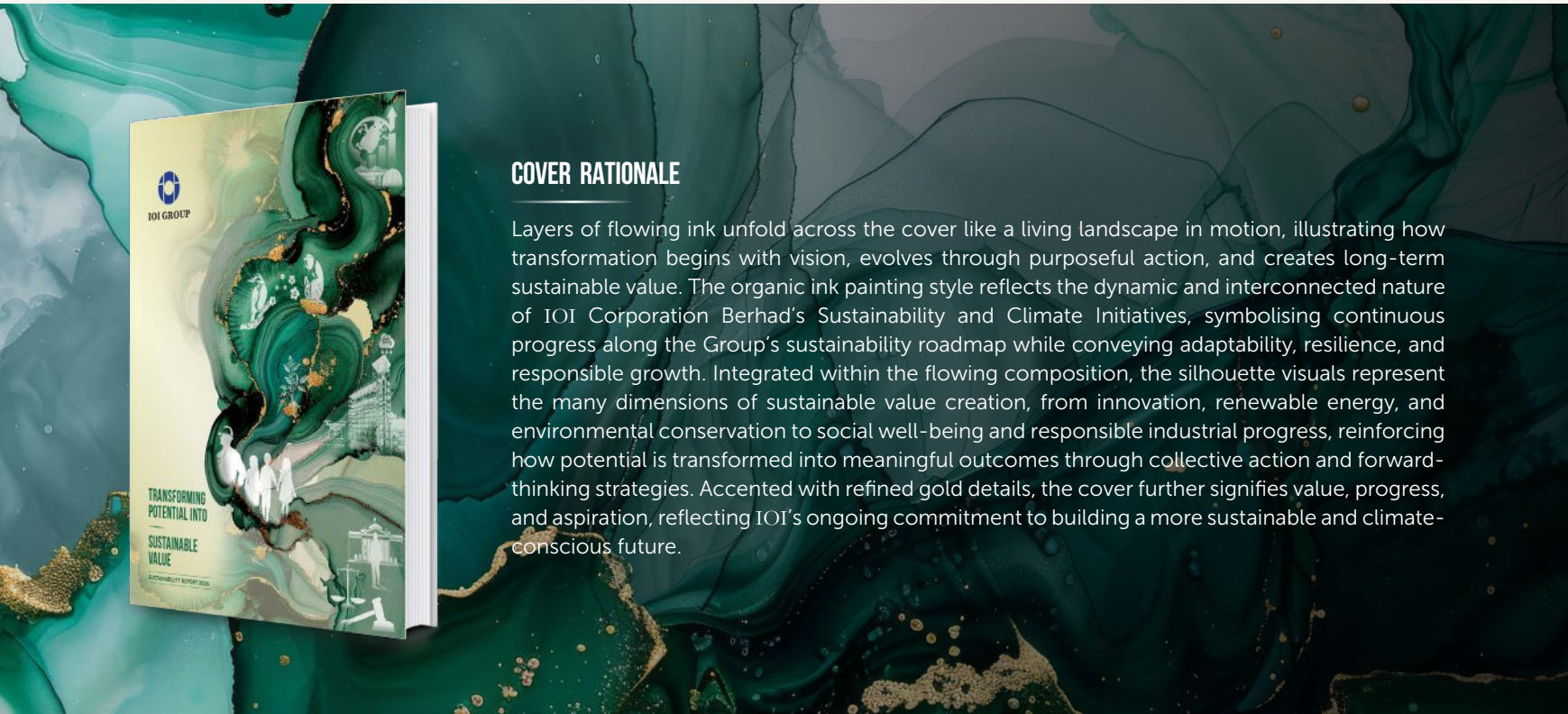
For more information, refer to pages 76-77.



For more information, refer to page 37.

1. Inside Stories

2 ABOUT THIS REPORT The Focus of This Report04 Basis of Preparation04 Assurance05 Forward-looking Statement05	3 MANAGEMENT KEY MESSAGES Message from Group Managing Director and Chief Executive06 Reflections of the Chief Sustainability Officer10	4 ACHIEVEMENT AND MEMBERSHIP Awards and Recognition12 Performance in Global Assessments, Indices, and Ratings14 Membership and Association15	5 SUSTAINABILITY APPROACH Sustainability Commitment and Compliance16 Regulatory and Third-Party Compliance17 Sustainability Highlight - Outcomes from Five Sustainability Consultation Forum18	6 GOVERNANCE Sustainability Governance20 Stakeholders' Engagement24 Strategic Priorities, Sustainability Targets and Contributions to the UN SDGs27	7 SUSTAINABILITY MATERIAL MATTERS Sustainability Material Matters31 IOI's List of Material Matters32 Identified Sustainability Material Matters and Our Responses33
8 ECONOMIC PILLAR Economic Pillar37 Data Integrity and Auditability via Digitalisation37 Traceability and Responsible Sourcing38 Sustainability Statement on IFRS S140	9 TRANSFORMING CLIMATE ACTION INTO RESILIENT VALUE Climate Transition Plan48 Sustainability Statement on IFRS S250 Governance50 Strategy51 Risk Management53 Metrics and Targets63	10 TRANSFORMING NATURAL CAPITAL INTO RESOURCE VALUE Regenerative and Precision Agriculture68 Circular Economy and Operational Efficiency70 Safeguarding and Managing Natural Resources73 Enhancing Biodiversity and Ecosystem76	11 TRANSFORMING HUMAN AND SOCIAL CAPITAL INTO SHARED PROSPERITY Protecting Our Workforce80 Uplifting Our People87 Expanding Our Impact on Community90 Sharing Prosperity93	12 APPENDIX Bursa Malaysia Prescribed Table95 Supplementary Information (QR Code)101 - Independent Assurance Statement102 - Performance Metric for Environmental and Social105 - GRI Content Index110 - IFRS Disclosure Index (S1 and S2)117 - GHG Calculation Methodology127 - Rare, Threatened, and Endangered ("RTE") List129 - Glossary132	13 PULL-OUT SECTION IOI Through Our Lens136 Flagships on 5 Impactful Case Studies137



COVER RATIONALE

Layers of flowing ink unfold across the cover like a living landscape in motion, illustrating how transformation begins with vision, evolves through purposeful action, and creates long-term sustainable value. The organic ink painting style reflects the dynamic and interconnected nature of IOI Corporation Berhad's Sustainability and Climate Initiatives, symbolising continuous progress along the Group's sustainability roadmap while conveying adaptability, resilience, and responsible growth. Integrated within the flowing composition, the silhouette visuals represent the many dimensions of sustainable value creation, from innovation, renewable energy, and environmental conservation to social well-being and responsible industrial progress, reinforcing how potential is transformed into meaningful outcomes through collective action and forward-thinking strategies. Accented with refined gold details, the cover further signifies value, progress, and aspiration, reflecting IOI's ongoing commitment to building a more sustainable and climate-conscious future.

TRANSFORMING POTENTIAL INTO SUSTAINABLE VALUE

FEEDBACK AND COMMENTS

IOI Group welcomes 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, Lebuhr IRC, IOI Resort City, 62502 Putrajaya, Malaysia**
Tel: **(+603) 8947 8888**



Cross-referencing refers readers to information elsewhere in this report.



This icon indicates where more details can be accessed elsewhere in this report.



This icon indicates where more details can be accessed online.

About This Report



Photo by Chiew, IOI Edible Oils, Sandakan, Sabah

THE FOCUS OF THIS REPORT

For IOI's Financial Year 2026 ("FY2026"), the theme "Transforming Potential into Sustainable Value" demonstrates IOI Corporation Berhad's ("IOI" or "the Group") resolve to strengthen climate resilience and nature stewardship through our actions on matters such as biodiversity, climate change, and circularity.

In FY2026, we continue to enhance biodiversity conservation through habitat protection, reforestation initiatives, and collaborative stakeholder engagement. These efforts are supported by various initiatives that will be further detailed in this report. In parallel, IOI continues to implement its Climate Change Action initiatives ("CCAI") by integrating climate-related risks and opportunities into business planning processes while advancing its Climate Transition Plan ("CTP") through mitigation measures, monitoring of our performance and

transparent disclosures, against the targets set. We also reinforced our CCAI efforts through IOI's 7Rs (Rethink, Repurpose, Reduce, Reuse, Recycle, Repair and Recover) of circularity, which is one of IOI's key pillars in managing climate change. This group-wide approach to circularity is further substantiated by introducing an innovative approach to business, such as the IOI's Palm Wood division for repurposing oil palm trunks ("OPTs") into palm wood for building materials. In addition, the utilisation of our resources and by-products are optimised and our operational efficiency enhanced based on our 7Rs of Circularity, resulting in cost and waste reduction.

This report provides an overview of the Group's sustainability management approach, its activity-driven efforts and performance in mitigating the impacts of climate change and in adapting to any ecological impacts whilst transitioning to a low-carbon economy. Through these efforts, the Group aims to create long-term benefits for our employees and all other stakeholders involved. Our sustainability commitments and

performance disclosed in this report are further aligned with IOI's Five-Year Strategic Roadmap (2025–2029), with specific focus on Strategic Priority #4 - Sustainability and Climate Initiatives.

This report also shares both our progress and challenges faced in safeguarding our workforces' well-being and surrounding communities, together with upholding human rights. This report will also disclose our efforts in protecting our environment and advancing responsible supply chain practices. All topics presented throughout this report reflect our commitment to Economic, Environmental, Social, and Governance ("EESG"), with the top materiality matters identified through a double materiality assessment. IOI continues to also measure our performance against the set targets and goals of the six United Nations Sustainable Development Goals ("UN SDGs") that we have adopted, which we have deemed to be most relevant and where we can be most impactful in helping to forward the objectives of the UN SDGs.

BASIS OF PREPARATION

General Reporting Standards and Principles

Our report has been prepared in accordance with the Global Reporting Initiative ("GRI") Sustainability Reporting Standards 2021, together with GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022 V1.1. As a Malaysian Public Listed Company ("PLC"), this report aligns with the National Sustainability Reporting Framework ("NSRF"), which incorporates the International Financial Reporting Standards ("IFRS") Sustainability Disclosure Standards for the annual reporting period ended 30 June 2026. This report is prepared with reference to the IFRS Sustainability Disclosure Standards, IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information), and in accordance with IFRS S2 (Climate-related Disclosures). Our disclosures are prepared based on available resources, reasonable and supportable information that is specific to IOI, and take into account our external environment, includes available information at the reporting date, and where relevant, the data is reported as guided by IFRS. The details on the IFRS statement can be found on page 40 and 50. The report also adopts content elements from the International Integrated Reporting Framework and the Accountability Framework Initiative ("AFI"). As sustainability reporting requirements continue to evolve, IOI remains committed to enhancing the quality, consistency, and transparency of our sustainability disclosures while further aligning with regulatory and stakeholder expectations.

Photo by Teodorus, PT, Kalimantan Prima Agro Mandiri, Indonesia.



Reporting Scope and Period

This report provides an overview of IOI Group's sustainability management approach and performance data, including, where relevant, the associated impacts, risks, and opportunities related to our EESG material matters. Its covered entities include our headquarters in Putrajaya, Malaysia, and core business operations comprising: IOI Plantation, which encompasses the estates, mills, biotech centre, and research centres in Malaysia and Indonesia; Resource-based Manufacturing operations, which include refineries (IOI Refinery), oleochemical activities (IOI Oleochemical) located in Malaysia and Germany; and a palm wood manufacturing facility (IOI Palm Wood) located in Johor, Malaysia. The report covers slightly different boundaries from the Group's consolidated financial reporting boundaries in AR2026 whereby the financial performance of IOI Group and its subsidiaries are consolidated, whereas this report focuses on operations over which we have operational control and excludes IOI Group sales offices and associate companies.

This report covers a reporting period from 1 July 2025 to 30 June 2026, which aligns with IOI's FY2026. The IOI's Sustainability Report ("SR2026") is published together with IOI's Annual Report 2026 ("AR2026") as part of IOI's Annual Integrated Reporting ("IR"). There were no changes to IOI's size or supply chain during the reporting period. The Group's structure or ownership will be disclosed in AR2026.

The information and figures outlined in this report are based on the most up-to-date data available for the reporting period. Certain data disclosed in this report may differ from information disclosed in other reporting platforms, 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 2025 to December 2025). Where relevant, some figures reported in the previous Sustainability Reports may have been restated to reflect enhancements in our data collection and analysis. This report is intended to be read together with our AR2026. Throughout this report, some sustainability-related disclosures can be found on our website.

ASSURANCE

This report has been reviewed by our Chief Sustainability Officer ("CSO"), recommended by the IOI Board Sustainability Committee ("BSC"), and approved by the IOI Board of Directors ("the Board").

This report has been validated and verified by IOI's Group Internal Audit, under the Global Internal Audit Standard ("GIAS") promulgated by the Institute of Internal Auditors, to provide reasonable assurance on the selected 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, which are related to the IOI's two financial material matters and top five sustainability material matters, excluding Climate Change, GHG Emission Management, including Low Carbon Technology. The verification includes the consistency of the data with the underlying records.

For FY2026, IOI engaged an external assurance provider to conduct an independent limited assurance over the calculation and disclosure statement of the Group's Scope 1 and 2 greenhouse gas ("GHG") emissions following the Assurance Engagements on Greenhouse Gas Statements ("ISAE 3410") scheme, which is in transition to the International Standard on Sustainability Assurance ("ISSA 5000"). Detailed scope and further information on the assurance can be found in pages 102-104.

In connection with the audit of the financial statements of the IOI Group, BDO PLT, the external auditors, are required under ISA 720 (Revised), The Auditor's Responsibilities Relating to Other Information, to read the other information included in IOI Corporation Berhad's Annual Report. The "other information" comprises financial and non-financial information included in the Annual Report, including the Sustainability Report, but excludes the audited financial statements of the Group and of the Company and the auditors' report thereon.

In reading the other information, BDO considers whether such information is materially inconsistent with the audited financial statements or with the knowledge obtained in the audit, or otherwise appears to be materially misstated. BDO's audit opinion does not cover the other information, including the Sustainability Report, and BDO does not express any form of assurance conclusion thereon.

Other than assurance provided, to improve our credibility on the sustainability-related statement and data shared to our stakeholders, there are various certification audits, including, but not limited to, the RSPO, Malaysian Sustainable Palm Oil ("MSPO"), Indonesian Sustainable Palm Oil ("ISPO"), as well as ISO-related audits such as ISO 14064-1 and ISO 45001 that have been conducted across the Group. These initiatives support IOI's commitment to continuously maintaining good management systems, enhancing data credibility and improving reporting disclosures to ensure transparency.

FORWARD-LOOKING STATEMENT

SR2026 and other related communications released by IOI, 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 stakeholders' expectations;
- Global or local crises, such as pandemics, conflict, civil unrest, or natural disasters.

Message from Group Managing Director and Chief Executive

Dear Stakeholders,

From tariff wars and the wars in the Middle East to supply chain disruptions, energy security, and extreme climate change, these VUCA (Volatility, Uncertainty, Complexity and Ambiguity) challenges encapsulate the current multipolar world order. In the midst of all these, the sustainability agenda seems to have been sidelined. However, at IOI, we believe in our theme for this year's Sustainability Report - *"Transforming Potential into Sustainable Value"*. In pursuing our mission to achieve responsible and sustainable commercial success, we have been resilient and growing against these VUCA challenges.

We have always been anticipating and preparing for a future that may look different from today. The four strategic priorities (Product Portfolio Expansion, Innovation, Productivity and Quality, and Sustainability and Climate Initiatives) in our current Five-Year Strategic Roadmap (2025–2029) were launched in 2025 with the anticipation that these priorities would enable us to withstand the market shocks and global challenges. I am pleased to say that with the full embrace of our strategic priorities, we achieved good performance and results during the financial year ended 30 June 2026 ("FY2026").



Dato' Lee Yeow Chor
Group Managing Director and Chief Executive

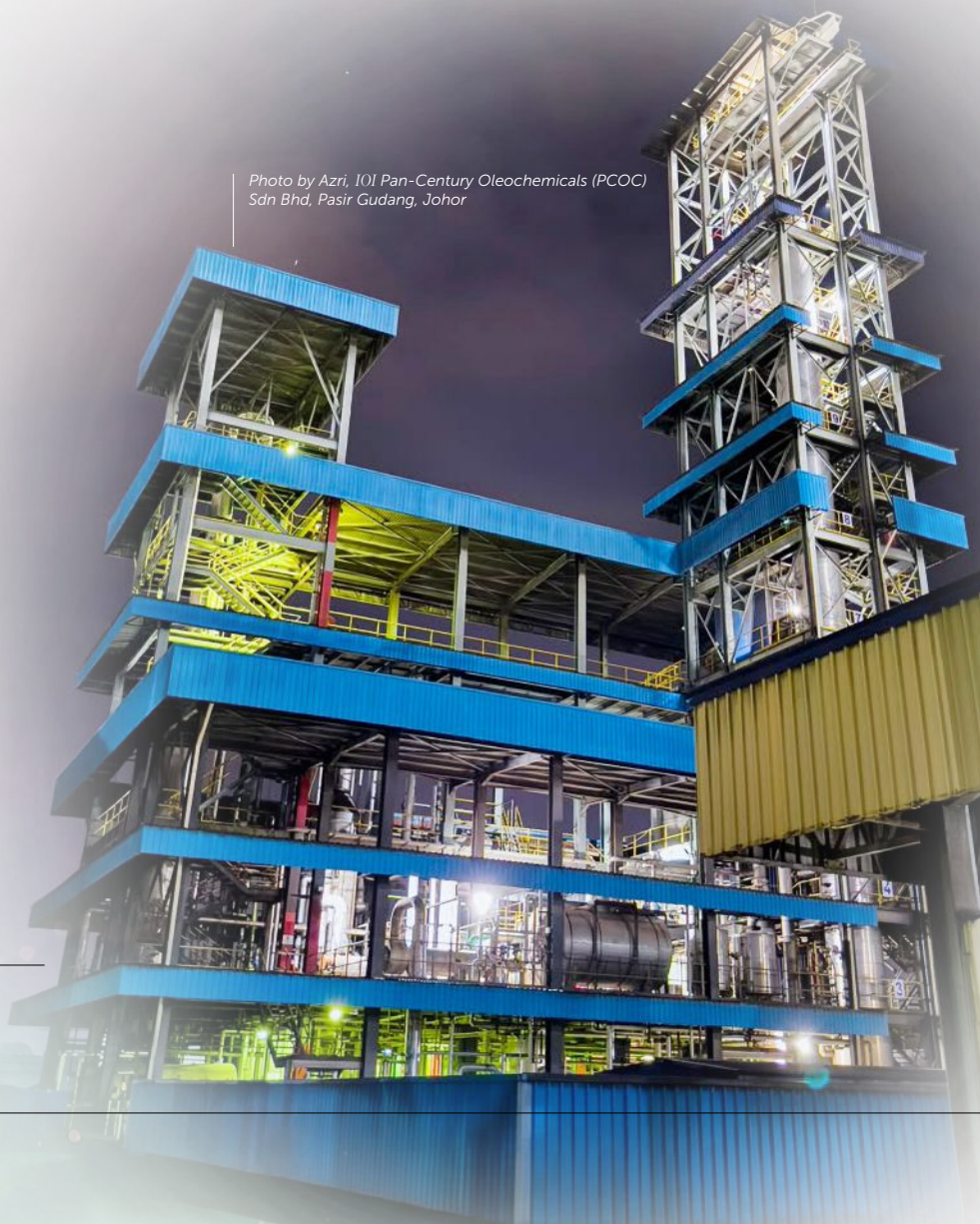


Photo by Azri, IOI Pan-Century Oleochemicals (PCOC) Sdn Bhd, Pasir Gudang, Johor

TRANSFORMING CLIMATE ACTION INTO RESILIENT VALUE

The installation of 11 methane capture facilities equipped with biogas engines and biogas burners in our mills captured approximately 45 million m³ of biogas which resulted in the removal of 205K MT CO₂e GHG emissions from the palm oil mill effluent. The biogas captured was used to produce steam in our boilers and to generate non-fossil fuel-based electricity for our mills and estates. As a result, we managed to mitigate the surge in fossil fuel price due to the conflicts in the Middle East. In fact, the steam and electricity generated from these facilities have displaced the use of approximately 3.3 million litres of diesel during FY2026 which resulted in a cost savings of approximately RM13.1 million. We continue to pivot away from fossil fuel-based energy by installing four additional solar panels in our estate housing areas, making it a total of five solar panels so far.

During FY2026, 1.63 million MT CO₂e were sequestered by our oil palm trees and forested conservation areas, as verified under RSPO PalmGHG methodology. This verification has given us a strong impetus as we pursue our next target of achieving carbon neutrality in our Scope 1 and Scope 2 GHG emissions by the year 2030.

Our operations generated

3,711,610
MT

of by-products, including 3,683,249 MT of biomass from our plantations during FY2026.

In the pursuit of this target, we have begun to intensify our activities in nature-based solutions. We have identified 4,806 hectares ("Ha") of areas within and surrounding our plantation areas which can be reforested or rehabilitated. So far, 489 Ha of areas have been reforested, including 66 Ha under the Nestlé RELeaf project.

For the engineered solutions approach, we emphasise on circularity and value creation for the by-products generated in our operations. It is estimated that our operations generated 3,711,610 MT of by-products, including 3,683,249 MT of biomass from our plantations during FY2026. For example, during FY2026, IOI Palm Wood utilised 21,535 oil palm trunks felled during replanting to convert into wood products.

In our resource-based manufacturing business, we commissioned a 3.2 MW cogeneration plant in Penang in July 2025 which resulted in GHG reduction of 9,000 MT CO₂e over 12 months. We have also completed a biomass boiler in Johor in August 2026 with a potential GHG reduction capacity of 20,000 MT CO₂e per annum.



Message from Group Managing Director and Chief Executive

TRANSFORMING NATURAL CAPITAL INTO RESOURCE VALUE

The current severe El Niño conditions reinforce the importance of regenerative agronomy, strong water stewardship and fire risk management. We strengthen our approach to ecological stewardship to minimise environmental and social impacts and ensure that our landscapes remain healthy and vibrant.

Our certified organic oil palm plantation in Pamol Kluang showcases regenerative agriculture where the use of 100% organic fertiliser and integrated pest management of chemical pesticides have enhanced biodiversity and soil health. Water stewardship at IOI involves rehabilitation of buffer zones designated as chemical-free exclusion zone. The rewetting of peatlands through the installation of water gates and canal blocks lowers peat subsidence rates, and is especially crucial at this time of drought and peat fire risks.

TRANSFORMING HUMAN AND SOCIAL CAPITAL INTO SHARED PROSPERITY

Besides climate action, carbon reduction and biodiversity, we also uphold human rights, safeguard our workforce, and are transparent in disclosing such efforts. Grievance management, ethical recruitment, workers' welfare, community development and stakeholders' engagement are fundamental to market access and long-term legitimacy of our business operations. Our collaboration with the International Organization for Migration ("IOM") in Indonesia to educate our migrant workers on their rights ensures that issues such as debt bondage and illegal recruitment fees are dealt with at source in their home country. In community development, our Indonesian plantation subsidiary has invested substantially in agricultural activities, schools and infrastructure maintenance which benefitted the communities surrounding its operations.

MOVING FORWARD

Looking ahead, commodity price volatility, increased fertiliser price, severe El Niño impact, shifting trade flows, more demanding ESG regulations and global economic turbulence will continue to test our fortitude.

Yet, we also see many opportunities to overcome these challenges by improving our productivity, accelerating innovation, strengthening climate resilience, investing in energy efficient technology, and developing sustainable products that meet the needs of our customers and society. We believe our engagement and collaboration with our stakeholder, namely the governments, regulators, customers, suppliers, employees, communities, civil society and investors can address critical issues, improve transparency, and sustain a robust industry. In these times when disruption is a constant, our responsibility is clear: we need to be resolute in purpose, disciplined in execution, and proactive in shaping an enduring future.

Reflections of the Chief Sustainability Officer

These past few years, businesses seemed to pivot their focus away from sustainability. However, I am of the opinion that it is more about recalibrating the role sustainability plays in business that has shifted. Where before, the emphasis is for sustainability be up front and centre, it has now evolved as most businesses and operations have sustainability embedded within their business strategy and operations.



Dr. Surina Ismail
Chief Sustainability Officer

Case in point is the **Five-Year Strategic Roadmap (2025–2029)** that was launched last year which clearly integrated sustainability within IOI's business strategy, specifically **Strategic Priority #4 – Sustainability and Climate Initiatives**.

Having achieved a reduction of 50% GHG emission intensity for FY2026, our next clear target is to be Carbon Neutral by 2030 for Scope 1 and Scope 2. In addition, our near-term climate target has been validated by the Science Based Targets Initiative. We have devoted a section under **"Transforming Climate Action into Resilient Value"** together with a clear **Climate Transition Plan** to highlight our way forward.

This is indeed the case with IOI Corporation Berhad ("IOI" or "the Group"). Our steady sustainability journey has transformed us into a corporation that holds fast to our belief that the balance between the responsibility to take care of the only planet that we have must be together with the prosperity garnered by us. This approach has proven to place IOI in good stead in dealing with constant upheaval, be it climate change, economic uncertainty or geopolitical turmoil. When going through our Sustainability Report, it will be obvious that we consistently translate our commitments into decisions, practices and outcomes. We understand that long-term economic resilience is inseparable from environmental stewardship, social responsibility, sound governance and smart partnerships. It also requires us to address our material impacts transparently and accountably. From matters such as human rights, biodiversity, responsible sourcing and operational efficiency, all must be based on credible, verifiable data and information.



Photo by Salleh, IOI Pan-Century Oleochemicals (PCOC), Pasir Gudang, Johor

To our employees and managers - **the people who convert our sustainability commitments into everyday performance**. They do this through, amongst others, the way the estates and mills, refineries and oleochemical plants are managed, and their response when standards are not met; through safeguarding the rights and safety of our colleagues; through efficient use of natural resources like land, water and energy; and through the protection of our biodiversity and ecosystem. This year, we have updated all the six UN SDG (SDGs 2, 8, 12, 13, 15 and 17) goals and targets most relevant to our business, to better align with the targets we aim to achieve by 2030.

In terms of reporting, our Sustainability Report is disclosed in accordance with both Bursa Malaysia and GRI requirements, while enhancing alignment with the IFRS Sustainability Disclosure Standards S1 and S2. This is the second year that we have reported against IFRS S2. We have placed emphasis on governance, strategy, risk management, metrics, targets and the sustainability-related risks and opportunities that may affect IOI's prospects. GRI complements this investor-focused lens by enabling IOI to report our impacts on economy, environment and people, while the updated GRI 13 supports more comparable reporting for agriculture-related activities.

However, reporting is not only about meeting a standard. Our digitalised IOI ESG Platform ensures clear ownership of data, and that robust controls and consistent methodologies are used and maintained. Ultimately, appropriate assurance through our rigorous internal and external audits, and an honest account of both progress and areas requiring improvement ensure that IOI is not associated with a landscape of misleading messaging. Within IOI, our deeper responsibility is to ensure that the underlying policies, systems and operational practices are effective and capable of withstanding scrutiny.

Sustainability at IOI ensures that value can be created through efficient use of resources such as water and land. Our businesses and operations are more resilient through the support and commitment of our people, and the use of technology and approaches such as circularity and ecological stewardship. Our market leadership is secured through embedding sustainability as one of the strategic business priorities that directly shapes our business value, risk management, and opportunities. At the end of the day, we understand that sustainability is not just about compliance. **It's about doing the right things in all circumstances.**



Photo by M.Herwanto, PT Sukses Karya Sawit, Indonesia

Photo by Mohamad Surej, IOI Esterchem Oleochemical, Pulau Pinang

Awards and Recognition

In FY2026, IOI Corporation Berhad and its subsidiaries received a combined 14 awards and recognitions spanning governance, workplace, environmental and product performance.

ACHIEVEMENTS OF IOI

- Received the **Company of the Year (Plantation) - ESG Champion Award** at the 10th Sustainability & CSR Malaysia Awards 2025.
- Awarded **Third Prize, Best Poster Competition (Agriculture, Biotechnology and Sustainability category)** at the MPOB International Palm Oil Congress and Exhibition ("PIPOC") 2025, for the poster titled "Screening Methodology for Low Lipase Oil Palm Varieties to Enhance Oil Quality at IOI Group".
- Named among the **Best Companies to Work for in Asia** (among 295 organisations) and received the **Most Caring Company Award** at the HR Asia Awards 2025.
- Received the **Overall Excellence Award 2025** at the National Corporate Governance & Sustainability Awards (NACGSA) 2025, ranking 20th among the Top 20 public-listed companies.
- Received the **Best of the Best Award** (a newly introduced category) at the fourth The Edge Malaysia ESG Awards 2025 - its fourth consecutive ESG award win, following three consecutive Gold awards in the Plantation sector from 2022 to 2024.
- Received **Gold (In-House Talent Pipeline Strategy) and Silver (Workplace Culture)** at the 13th HR Excellence Awards 2025.

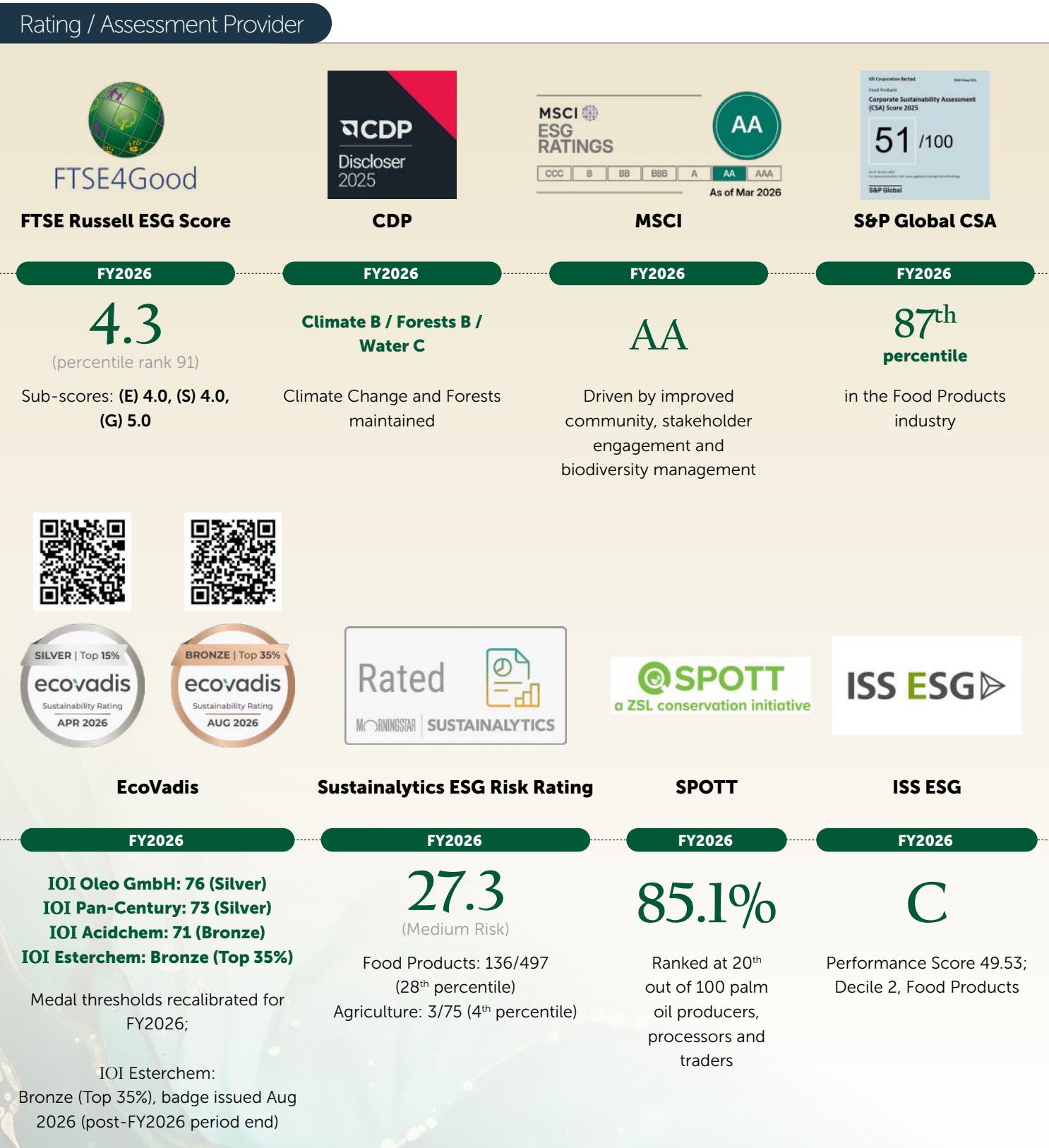
ACHIEVEMENTS BY IOI'S SUBSIDIARIES

- IOI Pukin Palm Oil Mill received the **Best Empty Fruit Bunch Management Award (Zone 2) and Best License Compliance Award (Zone 2)** from the Department of Environment Pahang.
- PT Sawit Nabati Agro ("PT SNA") and its four subsidiaries - PT Sukses Karya Sawit, PT Berkat Nabati Sejahtera, PT Bumi Sawit Sejahtera and PT Kalimantan Prima Agro Mandiri - jointly received ten awards under the **Corporate Social & Environmental Responsibility 2025 Award**, presented by the Ketapang Regency Government (Indonesia), across infrastructure, social, health and education categories.
- Syarimo 6 Estate won the **National OSH Award 2024 (Agriculture Category)**, selected from 257 entries nationwide (29 selected).
- Shahzan IOI 1 Estate received the **KWSP Best Employer Award Johor 2025**, presented at KWSP Segamat's Majlis Apresiasi Majikan & Stakeholder 2025, in recognition of strong compliance with legal obligations and proactive efforts to enhance employees' retirement savings.
- IOI Pan-Century Edible Oils Sdn Bhd ("IOIPCEO") achieved the **Prime Minister's Hibiscus Award (PMHA) 2024/2025** for Notable Achievement in Environmental Performance.
- IOI Oleo GmbH received the **Innovation Zone Best Ingredient Bronze Award (Functional Ingredients category)** at the in-cosmetics Korea Awards 2025.
- IOI Pan-Century Oleochemicals Sdn Bhd ("IOI PCOC") was named a **Top 4 Finalist in the "Large Employer" category (Southern Region) at the 23rd HRD Awards 2025**, receiving a Certificate of Appreciation in recognition of its human capital development achievements.
- IOI Palm Wood Sdn Bhd was awarded the **SIRIM Eco-Label (SIRIM ECO 086:2024) certification** in 2026, in recognition of the environmental performance of its products.



Performance in Global Assessments, Indices, and Ratings

IOI benchmarks its EESG performance against eight global ratings and assessment providers, using the results to identify gaps and prioritise follow-up action. FY2026 scores are set out below.



Membership and Association

IOI is a member of multiple international and national associations and industry working groups, listed below, through which it collaborates and contributes to policy development and shapes industry standards and technical guidelines.

Associations and Other Memberships	IOI's Roles
Group Level	
Roundtable on Sustainable Palm Oil ("RSPO")	Member: RSPO Board of Governance ("BOG"), RSPO Standard Standing Committee ("SSC"), Market Development and Standing Committee ("MDSC"), RSPO Shared Responsibility Working Group ("SRWG"), RSPO Living Wage Taskforce ("TF"); Chairman: RSPO GHG Taskforce ("TF"); Co-Chair: RSPO P&C Malaysia National Interpretation ("MYNI") Taskforce
Malaysian Sustainable Palm Oil ("MSPO")	MSPO GHG Working Group
Impact Alliance	Steering Committee ("SC"), Working Group ("WG")
Malaysian Palm Oil Association ("MPOA")	Member; Chairman of MPOA; Main R&D and Sustainability Committee
Securities Commission Malaysia	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
Taskforce on Inequality and Social-related Financial Disclosures ("TISFD")	Alliance Member
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 Committee
Pharmaceutical Supply Chain Initiative ("PSCI")	IOI Oleo GmbH is an associate member
Forum Sustainable Palm Oil ("FONAP")	IOI Oleo GmbH serves 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 Oleo 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
IOI Pan-Century — PAGEMA (Pasir Gudang Emergency Mutual Aid) (New for FY2026)	Member
IOI Pan-Century — CICM-RTC (New for FY2026)	Member
IOIEO/IBE — Federation of Sabah Industries (New for FY2026)	Member
IOIEO — MPOB, MPOA, PORAM, NIOSH, MOSTA (New for FY2026)	Member
IOIEO — Universiti Malaysia Sabah (UMS) and University of Nottingham Malaysia (New for FY2026)	Research collaboration
IOI Oleo GmbH - Association Européenne des Producteurs d'Acides Gras (APAG) (New for FY2026)	Member

Sustainability Commitment and Compliance

IOI's sustainability approach is anchored in three Pillars (People, Planet and Prosperity - plus Partnership), and guided by the IOI Group Sustainability Policy ("IOISP"). It is aligned with the UN SDGs that are most material to the business.

People

Planet

Prosperity

Partnership

Three priorities guide this focus:

- 1 • **Net Zero by 2040** - pursued through the Decarbonisation Pathway, with carbon neutrality targeted for 2030 in Scope 1 and 2
- As of FY2026, Group-wide Scope 1 and 2 emissions were reduced by 50%.

- 2 • **Biodiversity and Ecosystem Resilience** - strengthened across all operations
- In FY2026, close to **489 Ha** were planted or rehabilitated across Kalimantan, Indonesia (393 Ha rehabilitation, 10 Ha under a pilot project) and Sabah, Malaysia (86 Ha across Sandakan and Lahad Datu), in collaboration with the Reforestation and Biodiversity Task Force.

- 3 • **Just Transition** - ensuring the shift to a low-carbon economy is fair and inclusive for employees, suppliers, and communities
- IOI has continued to support this commitment through such initiatives as mechanisation roadshows and reskilling programmes to help employees transition smoothly into mechanised roles as mechanisation helps to reduce employees' exposure to physical risks such as heat while improving productivity and yields.

IOI Group Sustainability Policy Key Commitments

Last reviewed in FY2024, the IOI Group Sustainability Policy ("IOISP") sets out IOI's Group-wide sustainability commitments, built around the vision of "meeting the needs of the present without compromising that of future generations." It applies beyond palm oil to all operations, subsidiaries, joint ventures, and third-party suppliers.

These are further reinforced by:

- IOI Group Safety and Health Policy - Occupational Health and Safety management system aligned with ISO 45001:2018; covers employees, contractors, subcontractors and visitors across plantations and manufacturing operations. Targets:
- Zero occupational fatality annually.
- Annually reduce the Lost Time Injury Frequency Rate ("LTIFR") of employees by 10% at the business segment level against the preceding financial year.
- IOI Group Water Policy - Covers water risk assessments, climate adaptation measures, and diversified water supply sources across all IOI operations, including Joint Ventures and companies under IOI's management control. Targets include:
- Maintain water consumption below 1.20 m³ per MT FFB processed (up to mill level).

Science-Based Targets Officially Validated

On 8 December 2025, SBTi officially validated IOI's near-term emission reduction targets which were submitted on 11 July 2025, together with separate Forest, Land and Agriculture ("FLAG") targets and a no-deforestation commitment across its operations:

- 44.9% absolute reduction in Scope 1 and 2 emissions by FY2030
- 58.1% reduction in Scope 3 emissions per metric tonne by FY2032
- 30.3% absolute reduction in FLAG Scope 1 emissions by FY2030
- 36.4% absolute reduction in FLAG Scope 3 emissions by FY2032

New Group Policy: IOI Group Responsible Sourcing Policy

In December 2025, the IOI Group Responsible Sourcing Policy ("IOIRSP") was launched, translating the commitments set out in the IOISP into clear supply chain expectations anchored in our NDPE commitments, with detailed implementation set out in IOI Responsible Sourcing Guideline ("IOIRSG"). This policy covers all direct and indirect suppliers across four areas:

- **Environmental Management**
- High Conservation Value ("HCV")/ High Carbon Stock ("HCS") area protection, Zero Burning Policy enforcement, and Environmental Impact Assessment based on impact and mitigation, etc.
- **Human Rights and Workplace**
- Adherence to International Labour Organizations ("ILO") Forced labour indicators example, zero recruitment fees, no passport retention, and safe, harassment-free workplaces, etc.
- **Climate Change and GHG Emissions**
- Net Zero by 2040 via the Climate Transition Plan, etc.
- **Community Development and Social Impact**
- Free, Prior and Informed Consent ("FPIC"), guided land tenure rights and smallholder inclusion, etc.

The new IOIRSP applies a two-level risk framework which is reinforced through a multi-stakeholder approach involving suppliers, customers, NGOs, governments and independent verification bodies - assessing policy non-compliance both at the supplying mill level and at the wider corporate group level (including sister companies of the supplying mill).

For more information, refer to IOI's Sustainability Policy: <https://www.ioigroup.com/Files/sustainability/pdf/IOI%20Group%20Sustainability%20Policy.pdf>.

Regulatory and Third-Party Compliance

IOI is committed to complying with applicable local and international legal requirements, laws and regulations. In FY2026, Regulatory and Third-Party compliance has been reaffirmed to be one of the ten material risks identified based on our materiality assessment (see page 33). Apart from this assessment, IOI conducts its business in alignment with the key principles and commitments set out in the IOISP.

Furthermore, compliance risk is a key risk area identified by the Group's Enterprise Risk Management ("ERM") framework, under the governance of the Board of Directors ("the Board") and Audit and Risk Management ("ARMC"). The Group Legal Counsel provides legal and regulatory advisory support, while the Company Secretary assists the Board and Senior Management in meeting applicable corporate governance and regulatory requirements.

Refer to AR2026, Statement on Risk Management and Internal Control, page 134, for further information.

SUSTAINABILITY RISK AND IMPACT

Ensuring compliance with applicable laws and regulations is essential to maintain the Group's licence to operate, market access and business resilience. Non-compliance may result in financial penalties, operational disruptions, reputational impacts, and market access constraints, while proactive compliance strengthens stakeholder confidence and supports access to key markets, customers, investors, and sustainable finance opportunities.

For further information, refer to AR2026, Product Regulatory Requirements, page 43.

To ensure compliance with applicable laws and regulations, IOI monitors and reviews regulatory developments, such as the Corporate Sustainability Due Diligence Directive, European Union Deforestation Regulation ("EUDR"), Occupational Safety and Health Act, Employment Act, Environmental Quality Act, and many others. IOI also continues to ensure that we are constantly compliant with the requirements under sustainability certification standards to which we subscribe, like RSPO, MSPO, ISPO, and ISCC that are subject to annual external verification as well as periodic reviews.

Refer to EUDR and Emerging Sustainability Regulations, AR2026, page 44, for further details.

In addition, IOI periodically reviews its policies, guidelines and internal procedures to ensure compliance with evolving legal and regulatory requirements. Relevant departments such as Human Resource, Sustainability, Safety, Health and Environment, Administration, and Operations, monitor

changes in legislation and standards within their respective functions. Operating units are also responsible for ensuring that their business licences and premise licences remain valid through timely renewal, supporting operational continuity.

IOI defines ESG-related monetary fines and penalties as fines and penalties imposed by authorised bodies for significant instances of legal non-compliance, where violations of applicable laws and regulations result in court-ordered penalties and fines. In FY2026, IOI recorded an ESG-related monetary fine of RM15,000 imposed on an IOI plantation estate by the Energy Commission of Sabah in relation to a non-work-related fatal incident that occurred in FY2025. This case was not considered to be systemic in nature, but rather an unfortunate negligence on the part of the worker.

The incident involved a worker who failed to follow Safe Operating Procedures ("SaOPs") and proceeded to modify the electrical wiring at his own residence, without the approval of the estate management. After the incident, the Health and Safety Department strengthened electrical safety controls by ensuring that competent chargemen are appointed to oversee electrical works at the estates, and to routinely conduct electrical inspections onsite as well as holding electrical safety awareness training for workers to prevent the recurrence of similar incidents.

Sustainability Highlight – Outcomes from Five Sustainability Consultation Forum

SUMMARY TOPICS
AND MATTERS OF
THE PAST

5 SCFs

- Established in 2021.
- Provides open and structured platform for engagement and consultation with IOI’s internal and external stakeholders, facilitated by an external party under Chatham House Rule.
- Topics are selected based on IOI’s sustainability priorities, emerging ESG trends, key stakeholder concerns, and other relevant sustainability matters.

The first SCF was on strengthening IOI’s fair labour practices by enhancing responsible recruitment practices across the Group and promoting ethical recruitment.

Reinforced IOI’s Pathway to Net Zero by 2040 by establishing clear emissions reduction targets through the second SCF, while enhancing the credibility and transparency of its climate commitments through SBTi validation of its near-term GHG emissions reduction targets. The third SCF further explored the Group’s supply chain decarbonisation journey. The fifth SCF was on enhancing climate resilience by addressing key challenges related to climate adaptation and mitigation, together with the development of initiatives that support fair and inclusive climate action for employees and affected communities (Just Transition).

During the fourth SCF, discussions on biodiversity-related initiatives through conservation, rehabilitation, reforestation and other nature-based initiatives, were conducted to further support both biodiversity ecosystems, and the Group’s decarbonisation journey.

Date:	Topic:	Main Recommendations	Outcomes/Impacts
First SCF, July 2021	• Responsible Recruitment Practices, particularly in Peninsular Malaysia • Legalisation, particularly in Sabah	1 Develop and implement an industry Code of Conduct, applied at the industry body level by organisations such as the MPOC or MPOA. 2 Enhance due diligence throughout the recruitment process, including stronger engagement with stakeholders at the source countries, and greater awareness of worker’s rights. 3 Collaborate with industry stakeholders to address legalisation challenges in Sabah.	• Establish IOI’s Code of Conduct for Ethical Recruitment and Responsible Employment, translated in all languages of our employees. • Strengthen IOI’s internal governance and accountability for ethical recruitment and forced labour by conducting third party assurance and audit in 2023. • Collaborate with industry peers to develop the MPOA’s Responsible Recruitment Guideline in 2023. • Establish a Toolkit for Conducting Due Diligence (“DD”) Audits on Recruitment Agents, supported by ILO. • Reduce risk of unethical recruitment by conducting third-party audits on recruitment agencies in India, Nepal, and Indonesia. • Enhance awareness of workers’ rights through Pre-Employment Orientation (“PEO”) training programmes for IOI employees in the source countries, with the training module developed by IOM. • Participated in working groups and multi-stakeholder engagements for the development and implementation of ethical recruitment guidelines in Sabah.
Second SCF, May 2022	• IOI Climate Strategy and Net Zero Target • Land Use Emission and Regenerative Agriculture	1 Strengthening GHG accounting methodologies, enhancing the tracking of carbon emissions and sequestration, establishing emissions reduction targets, and improving emissions disclosure and verification. 2 Assess appropriate data collection approaches for Scope 3 emissions, including activity-based and spend-based methods, credible public databases, supplier data, and lifecycle assessments. 3 Further invest in advancing regenerative agriculture practices through collaboration with academia, experts, agronomists and the RSPO.	• Launched IOI’s pathway to Net Zero Roadmap in 2022. • Disclosed IOI’s GHG emissions calculation methodology, baseline, and targets to achieve carbon neutrality by 2030 (Scope 1 and 2) and Net Zero by 2040. • IOI’s near-term GHG emissions reduction targets validated by the SBTi in 2025. • IOI uses methods to calculate and report Scope 3 emissions in accordance with GHG Protocol, depending on data availability and relevant categories to its business. • Advanced regenerative agriculture practices through continuous biotechnology research; 3,641.13 Ha of IOI’s organic palm oil plantations are certified under RSPO and organic certification standards.
Third SCF, July 2023	• Supply Chain Decarbonisation • Responsible Sourcing Practices across IOI’s Supply Chain	1 Incorporate the GHG calculation methodology and emissions reduction initiatives into supplier engagement. 2 Implement supplier tiering to enable targeted engagement and support suppliers in meeting sustainability requirements. 3 Have a IOI Group Responsible Sourcing Policy (“IOIRSP”) to strengthen responsible sourcing governance and accountability across IOI’s supply chain.	• GHG calculation methodologies together with IOI’s decarbonisation initiatives are incorporated into mill-level supplier engagement and capacity-building programmes. • IOI prioritises high-risk suppliers and provides support to meet IOI’s NDPE requirements and Net Zero commitments. • Formalised IOIRSP in December 2025. • RSP will provide clarity on commitments and support the implementation of Responsible Sourcing Guidelines already in place.
Fourth SCF August 2024	• Understanding the Threats, Impacts, and Challenges for Biodiversity and Ecosystems • Solutions for Biodiversity and Ecosystem Management	1 Enhance and scale up the implementation of the IOI Biodiversity and Ecosystem Enhancement Guideline by allocating additional resources and strengthening capacity building. 2 Identify and protect High Conservation Value Areas (“HCVAs”) and wildlife corridors, while mitigating human-wildlife conflicts risks through stakeholder collaboration. 3 Promote regenerative agriculture practices to enhance soil biodiversity and fertility while reducing the risk of pests and diseases. 4 Enhance the rehabilitation of buffer zones, peatlands, steep lands, and catchments to support wildlife habitats and strengthen climate resilience.	• RBTF established to ensure implementation and monitoring within plantation operations. • Initiated rehabilitation and reforestation pilot projects across selected IOI estates in Malaysia and Indonesia. • Strengthened internal capacity to implement biodiversity conservation initiatives. • Continued implementation and annual enhancement of HCVA management and mitigation strategies. • Strengthen engagements with Management and Ecology of Malaysian Elephants (“MEME”) to reduce human-elephant conflicts. • Monitor soil and plant samples to identify nutrient deficiencies through IOI Research Centre. • Enhanced soil health and soil microbial diversity through Soil Health Monitoring Project. • Conducted carbon sequestration baseline and monitoring to assess carbon performance across selected IOI managed lands.
Fifth SCF August 2025	• Strengthening Climate Resilience at IOI • Developing a Sustainable and Holistic Workforce Strategy for IOI	1 Alignment is needed between RSPO PalmGHG values and national and global standards, through peer-reviewed research and integration into Malaysia’s reporting frameworks. 2 Formalise responses to climate-related risks through policy, guidelines or safety handbooks. 3 Support a responsible transition for employees through upskilling and reskilling programmes for mechanised roles.	• Engaged with RSPO GHG TF to align GHG calculations with developments in national and global standards. • Established standard operating procedures (“SOPs”) in our operations to support employee safety and operational preparedness to climate-related risks. • Conduct mechanisation roadshows, training and other programmes at our estates to transition smoothly with new job requirements.

Sustainability Governance

Sustainability governance continues to be the core operational backbone, underpinned by a robust, multi-tiered accountability framework that embeds the economic, environmental and social considerations into IOI's strategic decision-making process and day-to-day operations. Building on previous years' progress, IOI maintains clear lines of roles and responsibilities with oversight across all levels of the organisation, ensuring that sustainability commitments are effectively translated into measurable actions and outcomes.

In FY2026, IOI continued to strengthen governance over sustainability and climate-related disclosures through closer integration with financial reporting processes and risk management systems.

SUSTAINABILITY GOVERNANCE STRUCTURE



Sustainability Governance

Executive Remuneration

IOI has integrated remuneration as part of the GMD's and the Group's Senior Executives' sustainability key performance indicators to emphasise the importance of sustainability matters to IOI. IOI has defined two key measurable performance targets as means to evaluate as shown:

- Annual GHG emissions reduction target to meet the 2030 target of carbon neutral for Scope 1 and 2. The interconnection between GHG emissions and climate change is a critical component of IOI's Net Zero pathway by 2040.
- Specific ESG ratings and assessments are frequently reviewed by stakeholders such as investors, financial institutions, and customers, as the ratings baseline for IOI's sustainability disclosure and performance.

BOARD SUSTAINABILITY COMMITTEE REPORTS

In an industry scrutinised for deforestation, biodiversity, and human rights, the BSC strengthens IOI's stand on these critical issues. Key FY2026 priorities reviewed by the BSC are outlined below.

Risk Management

The Board has delegated oversight of sustainability-related risk management and internal controls to the BSC, with support from the Group Sustainability Department, which is responsible for risk assessment, management, and implementation.

The key sustainability risks are reviewed by the BSC, with input from the Group Sustainability Department, to assess the potential level of impact, likelihood of occurrence, effectiveness of control activities and management of key risks. Sustainability risks across IOI's business divisions are recorded in the Group Key Risk Registers, which are:



Based on these reviews, the BSC then evaluates the key risks, and the effectiveness of mitigation measures to be implemented. The Audit and Risk Management Committee ("ARMC") further supports this process by conducting biannual reviews of IOI's risk management and internal control systems, with the conclusions reported to the BSC. In FY2026, the BSC concluded that the Group's sustainability-related risk management process remains effective in identifying, assessing, monitoring, and addressing risks.

For further information, refer to AR2026, ARMC Report, pages 128-131.

Review and Approval of Sustainability Material Matters

The BSC reviewed and approved the Group's materiality assessments and sustainability matters disclosed in this report. Out of the 28 matters assessed, 12 remained as priority material matters, with Safety and Health continuing to be ranked as the Group's most material topic.

For further information of the Sustainability Material Matters, refer to SR2026, pages 31-36.

The assessment includes reporting in alignment with the NSRF and the requirements of IFRS S1 and IFRS S2 standards, ensuring that identified sustainability risks and opportunities are evaluated in the context of financial impact, risk management, and strategy.

Refer to Sustainability Statement on IFRS S1, pages 40-45 and Sustainability Statement on IFRS S2, page 50.

Policy Endorsement

This year, the BSC has endorsed a key sustainability policy, IOI Group Responsible Sourcing Policy ("IOIRSP").

Climate Change Action Initiative

The BSC provides oversight of the Group's Climate Change Action initiative and the Group's progress towards achieving the mid-term target of carbon neutral for Scopes 1 and 2 GHG emissions by 2030. In FY2026, IOI achieved a 50% reduction in GHG emissions intensity, compared to base year of 2015.

For further information, refer to Metrics and Targets, pages 63-65.

Climate-related Financial Disclosure Committee

The BSC has directed the CFDC to enhance IOI's financial models to better identify and quantify transition and physical climate risks. This ensures that assessed climate risks are translated into measurable financial impacts and integrated into the Group's financial planning, risk management and reporting processes.

For further information, refer to AR2026, pages 176-177 and this report, pages 58-59.

Sustainability Initiatives

The BSC reviewed the progress of sustainability initiatives across the Group implemented by the GSSC. BSC provides strategic guidance for the sustainability initiatives, and where necessary, consideration of resource allocation for the implementation of new and ongoing initiatives. Some examples of the key sustainability initiatives in FY2026 are IOI ESG Platform, Reforestation and Biodiversity Task Force, Nestlé RELeaf Project, and Pre-Employment Orientation Programme.

Further details of the initiatives are presented in relevant sections of this report.

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. The Group maintains 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 ("BCAP"). The BCAP 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, IOI actively encourages the adoption of policies aligned with its principles. The Group Integrity Committee chaired by Deputy Group Chief Executive Officer oversees the implementation of the BCAP. The Group reports on all incidents substantiated under the BCAP, whether the conduct concerned was directed at an external party or was committed by an individual employee against the Group itself.

In FY2026, the Group Integrity Committee reported two confirmed bribery incidents among plantation employees. Both were isolated cases of internal misconduct committed by individual plantation employees colluding with each other to defraud the Group for their own personal gain: One incident involved the falsification of workers' attendance records, while the other related to the manipulation of work arrangements. In each case, the Group was the party harmed by the conduct and not a

party that committed the corruption, or a beneficiary of it. Each incident was detected through the Group's own whistleblowing and/or grievance channels, investigated under the Group's disciplinary procedures, and resulted in the employees concerned ceasing employment with the Group.

Neither incident involved any public official or government authority, and neither arose from any payment, gift or other advantage offered, promised or conferred by IOI, or by any person acting for or on behalf of IOI, in order to obtain or retain business or to secure any permit, licence, approval or other regulatory outcome.

IOI takes incidents of corruption seriously and continues to strengthen its integrity and anti-corruption practices across all levels of the organisation. In addition to managing potential cases through established reporting and grievance channels, the Corporate Risk Management Department conducts an annual corruption risk assessment to identify and evaluate potential bribery and corruption risks across the Group. In FY2026, 100% of IOI's operations were assessed for corruption-related risks. The confirmation of these two incidents reflects the effectiveness of the Group's detection, reporting and enforcement framework in identifying and acting upon misconduct by individual employees.

Stakeholders' Engagement

Stakeholder engagement is an integral component of IOI's sustainability approach, enabling the Group to understand stakeholder's perspectives, identify sustainability-related risks and opportunities, and respond to evolving expectations. The insights gathered through internal and external stakeholder engagements contribute towards the Group's materiality assessment, decision-making process, and strategic planning.

In FY2026, IOI continued to engage with key stakeholders, and communicate the values created transparently, demonstrating IOI's sustainability commitment. The following table highlights some of the engagement activities conducted in FY2026.

 EMPLOYEES Engagement Channels/ Frequency • IOI Mesra App. • Employee feedback channels. • Annual performance review. • Training Programmes. Annually, and ongoing.			
Key Matters	Engagement Activities in FY2026	Outputs and Values Created	Reference Page
• Workplace safety. • Employee well-being. • Career growth opportunities.	Safety and health training and campaigns, as well as occupational health monitoring programmes for employees at Plantation division and Resource-Based Manufacturing division.	Promotes a safe work culture at IOI's operations.	80-82
	Employee well-being programmes for employees at all operations.	Promotes health and well-being awareness at the workplace.	82
	Celebration of International Women's Day by respective Women Empowerment Committee ("WEC") across IOI.	Promotes gender awareness, women empowerment, and recognition of women's contribution towards the business.	89
 CUSTOMERS Engagement Channels/ Frequency • Collaborative initiatives. • Customer engagements. Ongoing, and as needed.			
Key Matters	Engagement Activities in FY2026	Outputs and Values Created	Reference Page
• Product quality. • Compliance to sustainability standards.	Collaboration with one of our customers on the Pre-Employment Orientation Programme for newly recruited workers in the country of origin.	Provide our customer with assurance of responsible and ethical recruitment practices as well as upholding workers' rights within IOI.	83
	Completion of RELeaf Project, a collaborative initiative with Nestlé.	About 66 Ha of native plant seedlings were planted, contributing towards greening and enriching biodiversity of the riparian zones along the Kinabatangan River.	76
	Collaboration with L'Oréal on soil health monitoring project.	Maintaining stakeholder engagement between IOI and customer.	68
 LOCAL COMMUNITIES Engagement Channels/ Frequency • Community engagement meetings. • Grievance mechanism. • Smallholder engagement. Annually, and ongoing as needed.			
Key Matters	Engagement Activities in FY2026	Outputs and Values Created	Reference Page
• Well-being of nearby communities. • Protecting local ecosystems.	Peatland landscape conservation efforts with the indigenous communities through the Bukit Leelau mini landscape initiative.	Zero reported peat fires over the past six years. Collaborative efforts have resulted in multiple landscape conservation awareness workshops and sharing opportunities for sustainable livelihoods.	77
	Uplifting communities through the South Ketapang landscape initiative.	Promotes community livelihood through paddy cultivation and sustainable agriculture programmes.	77
	CSR programmes by IOI Oleochemical division and PT SNA.	Support local community development through financial assistance and educational aid.	91-92
	Capacity building for plasma smallholders and independent smallholders in Indonesia.	Strengthens community relations with local communities and demonstrates IOI's commitment beyond compliance.	91
	Social Impact Assessments ("SIA") conducted by both Plantation division and Resource-Based Manufacturing division's operating units annually include local communities.	Management action plans are designed to monitor and mitigate the impact of our operations on local communities.	84



 SUPPLIERS Engagement Channels/ Frequency • Capacity building workshops. • Annual supplier assessment on sustainability compliance. • Grievance mechanism and monitoring. Annually, and ongoing as needed.			
Key Matters	Engagement Activities in FY2026	Outputs and Values Created	Reference Page
• Ethical sourcing. • Supply chain transparency and traceability.	Traceability for Plantation: Supplier capacity building on NDPE, EUDR, and ESG requirements.	Strengthened supply chain transparency and traceability. Assist suppliers in improving compliance with IOI's NDPE commitments, EUDR requirements, and IOI's ESG requirements.	38-39, 62
	Conduct annual supplier assessments using IOI's own internally developed supplier assessment framework.	Empower suppliers to conduct self-assessment and evaluate their practices and environmental performance in alignment with NDPE requirements.	38-39
	Active engagement to address suppliers' GHG emissions reduction efforts and improve their prospects as preferred suppliers to IOI.	Support IOI's Pathway to Net Zero through reduction of suppliers' GHG emissions and management of IOI's Scope 3 emissions.	62
 REGULATORS/ GOVERNMENT AGENCIES Engagement Channels/ Frequency • Awareness programmes. • Collaborative Initiatives. • Participation in working groups. Ongoing, and as required.			
Key Matters	Engagement Activities in FY2026	Outputs and Values Created	Reference Page
• Regulatory compliance. • Biodiversity conservation efforts. • Global health issues.	Health awareness and monitoring programmes in collaboration with local health authorities.	Increased awareness of workers towards general health and global health issues.	82
	Engaged with Sabah Wildlife Department, HUTAN-KOCP, Seratu Aatai and OrangJuga.	Promote biodiversity conservation and minimise human-wildlife conflicts.	77
	Anti-corruption training conducted for all levels of employees for compliance with the Malaysian Anti-Corruption Commission Act 2009.	29% of IOI employees participated in the anti-corruption training in this financial year, equipping them to identify corruption risks and to prevent corruption in their everyday roles.	88
	IOI is part of the Advisory Committee on Sustainability Reporting's Implementation Working Group ("IWG").	IOI supports IWG in gathering technical views and feedback on the interpretation, application and adoption of sustainability reporting standards in Malaysia.	-
	IOI is part of the Malaysian Institute of Accountants Sustainability Working Group ("SWG").	IOI contributes towards SWG by providing technical opinions from multidisciplinary perspectives on sustainability reporting and requirements.	-

Stakeholders' Engagement

 SHAREHOLDERS AND INVESTORS Engagement Channels/ Frequency - Annual General Meetings. - Analyst briefings. - ESG ratings assessments. - Individual enquiries. Annually, quarterly, and as required.			
Key Matters	Engagement Activities in FY2026	Outputs and Values Created	Reference Page
- Financial performance. - Sustainability and climate-related risks and opportunities.	Response to sustainability-related enquiries and questionnaires from investors or financial institutions.	Addressing investors' points of interest and providing better clarity of IOI's EESG practices.	-
	Analyst briefings conducted twice a year.	Improve shareholders' and investors' confidence towards IOI.	-
	Participation in ESG ratings assessments such as CDP, FTSE4Good, S&P Global CSA, Sustainalytics, MSCI and more.	Transparent disclosure of IOI's sustainability governance and performance.	14
	Annual General Meeting with company shareholders.	Participation of shareholders in IOI's governance.	-
 INDUSTRY ASSOCIATION AND COLLABORATIONS Engagement Channels/ Frequency - Involvement in working groups. - Conferences, webinars, and technical workshops. - Collaborative research. Ongoing, and as needed.			
Key Matters	Engagement Activities in FY2026	Outputs and Values Created	Reference Page
- Industry standards. - Sustainable industry practices. - Research and development of oil palm.	Engagements with industry associations such as MOMG, MSPO Impact Alliance, and Malaysian Palm Oil Association MPOA.	IOI actively participates as a member of several working groups under the industry associations, contributing to the discussion and development of best practices.	15
	Joint collaborations with Malaysian Palm Oil Board ("MPOB") and SureSawit on oil palm research.	Research and development of oil palm biotechnology.	69
	IOI's Chief Sustainability Officer actively partook in conferences, webinars, and technical workshops as a panellist or speaker.	Provide knowledge and insights into key sustainability reporting requirements, oil developments and emerging climate risks.	-
	IOI Refinery hosted two study tours for Universiti Malaysia Sabah students, at IOI Edible Oils.	Provided students with practical industry knowledge and insights into sustainable palm oil production through firsthand exposure.	92
 NON-GOVERNMENTAL ORGANISATIONS Engagement Channels/ Frequency - Collaborative projects. - Engagement discussion. Ongoing, and as needed.			
Key Matters	Engagement Activities in FY2026	Outputs and Values Created	Reference Page
- Ethical recruitment. - Education for children.	Collaboration with IOM and four non-governmental organisations ("NGOs") for Pre-Employment Orientation Programme.	Strengthening responsible and ethical recruitment practices and improving the protection of workers' rights for IOI employees.	83
	Free education platforms for workers' children in plantation operations in Sabah through Humana School Programmes.	The enrolment number of workers' children in Sabah is consistently maintained to ensure that the children receive proper education.	90

Strategic Priorities, Sustainability Targets and Contributions to the UN SDGs

In FY2018, IOI first adopted four of the 17 UN SDGs, followed by another two UN SDGs in FY2019. These six adopted UN SDGs serve as a guiding framework for aligning our business practices with global sustainability priorities, and we have reported our performance against the established targets annually since FY2019. Eight years after the initial adoption of the UN SDGs, and in response to evolving business priorities, IOI reviewed and revised its sustainability targets in FY2026 to align with the Strategic Priorities ("SP") introduced under the Group's Five-Year Strategic Roadmap (2025–2029) that was unveiled in January 2025. We maintained the targets which are still relevant, and revised accordingly for outdated or irrelevant ones. This alignment strengthens our ability to measure progress, support strategic decisions through our Strategic Priorities targets, and demonstrate our contribution towards achieving the adopted UN SDGs by 2030.

The tables below represent our performance against the targets established for FY2018 to FY2025, together with the updated and revised targets aligned with the new SP together with their contribution to the adopted UN SDGs, and a summary of our performance for the current year.

For more information on the Group's Five-Year Strategic Roadmap, please refer to the AR2026, pages 28–29.

2 ZERO HUNGER	Alignment and Contribution to UN SDG	Updated and Revised IOI's Targets	Performance Updates	Reference Page
Target 2.4 Sustainable Food Production and Resilient Agricultural Practices	- Adopt circular economy model to ensure sustainable food production and food security. - Conduct R&D to produce high-yielding oil and drought resistance crop. - Practicing regenerative agriculture practice including less.	To expand seed production to 10 million by FY2029. To produce 400,000 seeds annually by FY2029 from mother palms with Ganoderma-tolerant traits.	Produced 8.2 million seeds in FY2026. The screening trial for the 10 mother palm progenies initiated in January 2026 using Ganoderma strain from Malaysian Palm Oil Board ("MPOB") are currently undergoing validation using the MPOB reference strain, with the final results due by the end of 2026.	AR2026, 54 AR2026, 54
		Targeted 100% certified RSPO, MSPO and ISPO by 2028.	100% of mills certified RSPO, 100% of relevant estates certified with ISPO and MSPO.	AR2026, 21
	Strategic Priorities: SP1 SP4			

8 DECENT WORK AND ECONOMIC GROWTH  Target 8.2 Diversify, Innovate and Upgrade for Economic Productivity	Alignment and Contribution to UN SDG	Updated and Revised IOI's Targets	Performance Updates	Reference Page
	- Diversify operation/product i.e., non-palm oil products. - Mechanisation, automation and digitalisation of operations. - Capacity building and upskilling for employees.	To plant around 2,000 additional Ha to achieve 5,175 Ha and develop an integrated coconut oil business by FY2028.	Planted a total of 4,423 Ha as of June 2026.	AR2026, 54
		To achieve 30% of planted Ha in Malaysia planted with clonal palms by FY2029.	24% of our Malaysian planted Ha have been planted with elite clonal as of June 2026.	AR2026, 58
		To enhance esterification plant ("AEP") and expand ester capacity by 12,000 MT per annum by FY2028.	AEP3 plant construction is progressing according to schedule and remains on track for completion in 2027.	AR2026, 55

Strategic Priorities, Sustainability Targets and Contributions to the UN SDGs

8 DECENT WORK AND ECONOMIC GROWTH	Alignment and Contribution to UN SDG	Updated and Revised IOI's Targets	Performance Updates	Reference Page
Target 8.7 End Modern Slavery, Trafficking and Child Labour	- Uphold human rights and eradicate forced labour. - Enable workers and stakeholders to raise concerns safely and supports the identification and remediation of labour rights issues. - Support access to basic education for and improve the well-being of migrant worker communities.	Maintain substantiated human rights complaints at not more than five cases annually.	Four human rights cases were identified this year through IOI's grievance channels and all addressed accordingly.	86
		Time-Bound Action Plan must be developed within two months from the grievance report being reviewed.	The timeline was updated in line with the revised Grievance Procedure issued in August 2026. Performance will be monitored and reported next year.	39

Strategic Priorities: SP4

Target 8.8 Protect Labour Rights and Promote Safe Working Environments	- Providing safe and secure workplace. - Practicing ethical recruitment and responsible employment.	Zero occupational fatality annually.	The target was not achieved, as two fatal workplace incidents were recorded in FY2026.	81
		Reduce LTIFR of employees by 10% at the business segment level against the preceding financial year.	FY2026 LTIFR IOI Plantation: 22.48 IOI Refinery: 5.94 IOI Oleochemical: 2.43 IOI Palm Wood: 17.54	81
		Maintain substantiated human rights complaints at not more than five cases annually.	Four human rights cases were identified this year through IOI's grievance channels and addressed accordingly.	86

Strategic Priorities: SP4

12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Alignment and Contribution to UN SDG	Updated and Revised IOI's Targets	Performance Updates	Reference Page
Target 12.4 Responsible Management of Chemicals and Waste	- Circular economy practices. - Green initiatives on water and waste. - Environmentally sound management of waste, including hazardous waste.	Reduce non-hazardous waste by maximising the utilisation of biomass by-products through circularity.	3.7 million MT of by-products were utilised for energy generation and fertilising soil in plantations.	70
		Zero non-compliance related to waste.	No reported incident related to waste.	17
		To convert an additional 2,495 Ha of organic oil palm to achieve a total of 3,614 Ha by March 2027.	In progress towards organic in conversion for the additional 2,495 Ha due for certification audit in March 2027.	AR2026, 29

Strategic Priorities: SP4

Target 12.6 Encourage Companies to Adopt Sustainable Practices and Sustainability Reporting	- Promote responsible production, environmental protection, biodiversity conservation, forest protection, and continuous improvement in sustainability practices. - Encourages the adoption of sustainable practices and enhances transparency through public disclosure.	To publish annual sustainability report according to the latest requirements, such as NSRF, IFRS S1 and S2, GRI Standards.	Published SR with reference to the IFRS Sustainability Disclosure Standards last year and enhanced alignment with the standards in the current reporting year.	40
		To achieve the set KPI on selected ratings and assessments. More details in remuneration policy.	Achieved the KPI set on most of ESG ratings and assessment.	14, 22

Strategic Priorities: SP4

12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Alignment and Contribution to UN SDG	Updated and Revised IOI's Targets	Performance Updates	Reference Page
Target 12.A Support Developing Countries' Scientific and Technological Capacity for Sustainable Consumption and Production	- Share sustainable practices with industry players. - Promotes adoption of internationally recognised technologies and management systems that improve sustainable production and product quality.	Certify processing facilities with food safety related certification.	100% of our processing facilities are certified under Hazard Analysis and Critical Control Points ("HACCP")/ Food Safety System Certification 22000 ("FSSC 22000").	83

Strategic Priorities: SP4

13 CLIMATE ACTION	Alignment and Contribution to UN SDG	Updated and Revised IOI's Targets	Performance Updates	Reference Page
Target 13.2 Integrate Climate Change Measures into Policies and Planning	- Mitigation of climate change from reduction of GHG emissions. - Commitment in sustainability-related policies such as zero burning and IOISP.	To achieve carbon neutral by 2030 for GHG Scopes 1 and 2.	Reduction of 50% GHG Scopes 1 and 2 emissions against baseline year (2015).	63
		To install biogas power plants in 80% of mills by 2029 and solar panel systems in 21 remote estates by FY2029.	Completed biogas power plant installation in 73% of mills and installation of solar panels at 5 operating units as of June 2026.	AR2026, 60

Strategic Priorities: SP4

15 LIFE ON LAND	Alignment and Contribution to UN SDG	Updated and Revised IOI's Targets	Performance Updates	Reference Page
Target 15.1 Conserve and Restore Terrestrial and Freshwater Ecosystems	- Protection of HCV, HCS and conservation areas. - Responsible use of natural resources such as water.	Implement a pilot conservation planting project covering approximately 123 Ha in Malaysia and Indonesia.	Tree planting at 30 Ha of designated area under Reforestation and Biodiversity Taskforce ("RBTF").	60

Strategic Priorities: SP4

Target 15.2 End Deforestation and Restore Degraded Forests	- Protection of forest and peat area. - Compliance by third-party suppliers on No Deforestation.	Moratorium on no deforestation since 2016 for IOI's own operations.	Zero reported case on deforestation within IOI operations.	74
		To ensure rehabilitation is done for impacted areas (if any).	393 Ha were identified as a degraded area at Indonesia and the rehabilitation was undertaken.	60

Strategic Priorities: SP4

Strategic Priorities, Sustainability Targets and Contributions to the UN SDGs




	Alignment and Contribution to UN SDG	Updated and Revised IOI's Targets	Performance Updates	Reference Page
 Target 15.5 Protect Biodiversity and Natural Habitats	- Biodiversity protection through best agricultural practices. - Protection of RTE species.	To establish a biodiversity monitoring project across IOI's plantation operations.	Started the pilot biodiversity monitoring project at lower Kinabatangan area (Lahad Datu region).	76
		To actively engage with relevant local authorities such as SFD, SWD, etc.	Annual engagement with SFD and SWD during the stakeholder meeting, including the appointment of 33 Honorary Forest Rangers.	74

Strategic Priorities: SP4

	Alignment and Contribution to UN SDG	Updated and Revised IOI's Targets	Performance Updates	Reference Page
 Target 17.16 Enhance the Global Partnership for Sustainable Development	Knowledge exchange with government agencies, NGOs, academia, etc. on sustainable practices.	Continue to engage with industry associations, NGOs, such as RSPO, MSPO, MPOA, etc.	Membership of at least 22 associations and working groups.	15

Strategic Priorities: SP4

Target 17.17 Encourage Effective Partnerships	- Drive socio-economic impact for smallholders and local communities. - Support suppliers on their transformation towards NDPE commitments.	To make a contribution to local community or external stakeholder through respective business units and IOI Foundation.	In FY2026, IOI Foundation contributed RM2,428,328.	91, 93
		To annually engage at least 20% of all suppliers including high, medium and low-priority mills.	PT SNA Corporate Social Responsibility ("CSR") and Partnership Department actively supported local communities through their initiatives.	
		Target achieved, with 36.61% of suppliers engaged this year.		38

Strategic Priorities: SP4

Sustainability Material Matters

MATERIALITY ASSESSMENT

We conduct a comprehensive materiality assessment every alternate year on our businesses and operations to identify the sustainability-related impacts, risks, and opportunities that are most relevant to us. If the nature of our businesses and operations remains largely unchanged, we will only conduct an annual assessment of our existing material matters in the intervening years.

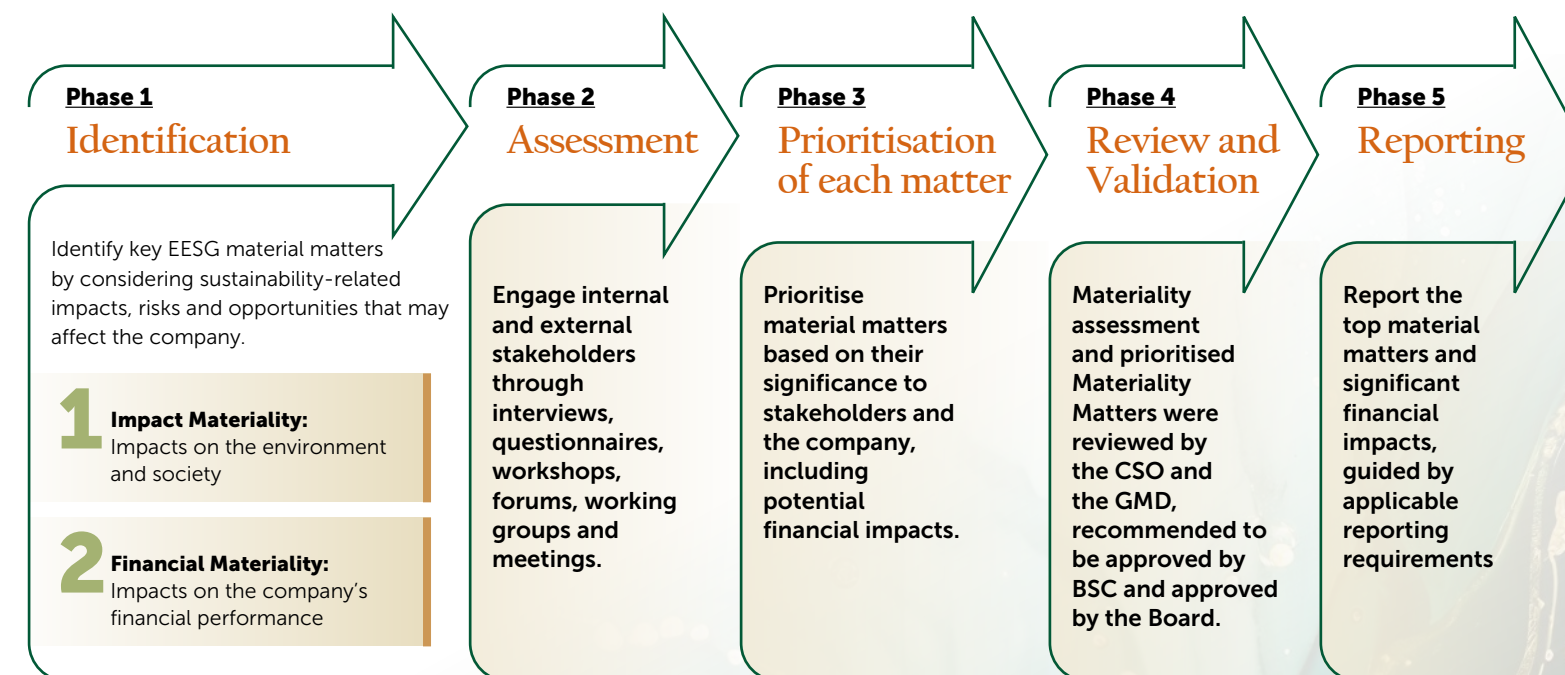
Having conducted a comprehensive assessment last financial year, our assessment this financial year consists of a review against our internal risk registers, under our Enterprise Risk Management framework, as well as any changes in ESG requirements, sustainability trends, stakeholder expectations, regulatory developments, and emerging global sustainability issues.

The assessment was guided by:

- Bursa Malaysia's Sustainability Reporting Guide (3rd Edition);
- Bursa Malaysia's Materiality Toolkit, GRI 3: Material Topics 2021;
- IFRS Sustainability Disclosure Standards.

Any significant changes that may warrant updates to our materiality assessment were then identified, and the updated prioritised material matters were reviewed by the CSO and GMD, recommended to be approved by the BSC, and approved by the IOI's Board of Directors in line with our governance framework.

The process for determining these material matters is outlined below:



IOI's List of Material Matters

After determining our material sustainability matters, IOI monitors and assesses these matters on an ongoing basis to address any impacts (both actual and potential) to our business and stakeholders. Through regular review and reporting, we track our progress, performance, and response to emerging developments to ensure that our sustainability efforts remain aligned with stakeholder expectations and business priorities. This enables us to transparently communicate our progress towards achieving our Strategic Priorities, particularly **Strategic Priority #4 – Sustainability and Climate Initiatives**, and our sustainability journey in general.

E

Economic

- Data Integrity and Auditability via Digitalisation
- Sustainability Certifications
- Supply Chain Management
- Data Privacy and Cybersecurity
- Energy Management and Operational Eco-Efficiency
- Palm Biotechnology and Product Innovation
- Productivity and Product Quality
- Traceability and Responsible Sourcing

E

Environmental

- Climate Change, GHG Emissions Management, including Low Carbon Technology
- Sustainable Land Use and No Deforestation
- Biodiversity and Ecosystems
- Water Management
- Agrochemical Management
- Regenerative and Precision Agriculture
- Circular Economy and Waste Management
- Fire Management



The list below provides an overview of the sustainability matters considered by IOI and monitored as part of our ongoing sustainability management and reporting process.

S

Social

- Safety and Health
- Human Rights and Fair Labour Practices
- Ethical Recruitment and Responsible Employment
- Diversity, Inclusivity and Equal Opportunity
- Community Engagement and Social Responsibility
- Children's Rights and No Child Labour
- Gender Equality and Women Empowerment
- Talent Management

G

Governance

- Grievance Mechanism and Transparent Communication
- Regulatory and Third-Party Compliance
- Anti-Bribery and Anti-Corruption
- Business Ethics and Code of Conduct

Identified Sustainability Material Matters and Our Responses

Top 12 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 and Responsible Sourcing
- M8** Water Management
- M9** Sustainability Certifications
- M10** Productivity and Product Quality
- M11** Biodiversity and Ecosystems
- M12** Data Integrity and Auditability via Digitalisation

DOUBLE MATERIALITY

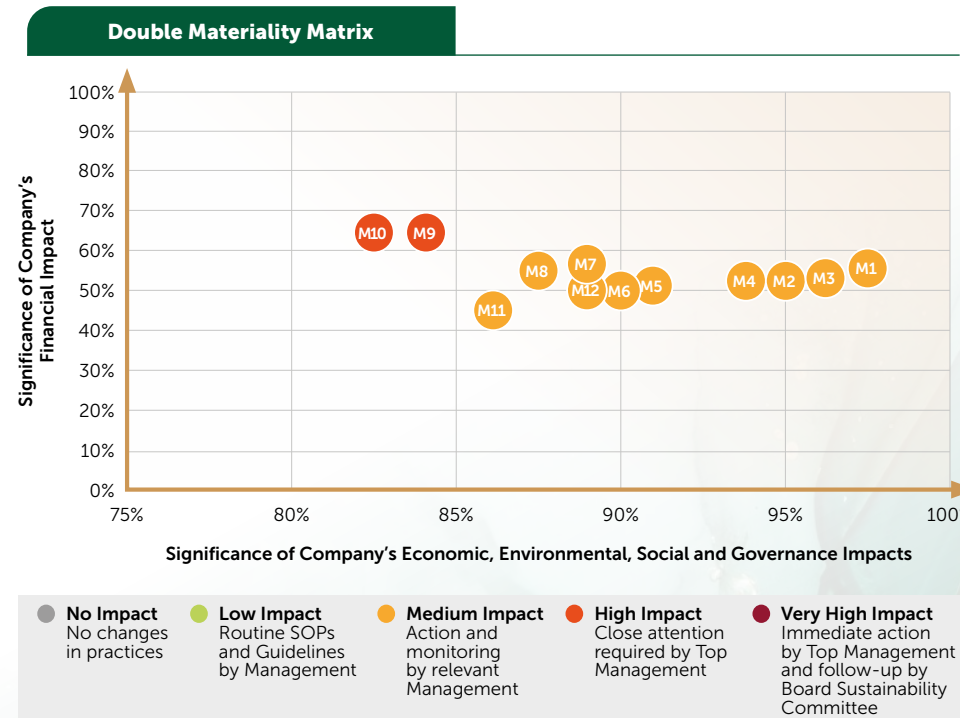
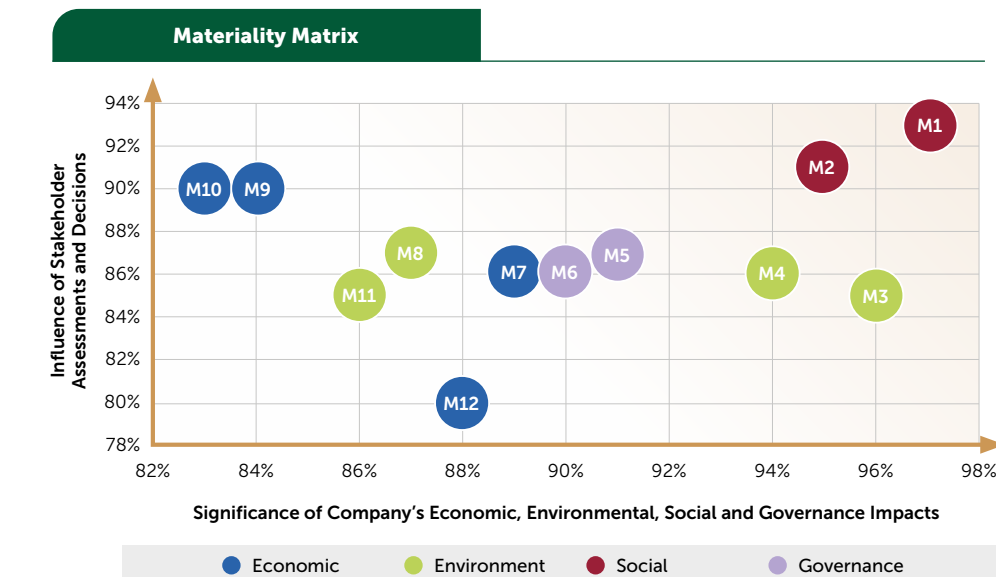
As part of IOI's double materiality approach, the Group considers both its impacts on people and the environment, and the sustainability-related risks and opportunities that could reasonably be expected to affect its prospects. In assessing financial materiality, IOI considers whether sustainability matters may influence the Group's cash flows, financial position and financial performance such as risks to profitability and the ability to create economic value, access to finance, or cost of capital over the short and medium term, in alignment with IFRS S1 and S2.

A comprehensive financial materiality assessment was conducted in the prior reporting cycle. For the current reporting year, no comprehensive financial materiality assessment was undertaken. Instead, consistent with the Materiality Assessment Process described above, the Group conducted a targeted reassessment to validate the continued relevance of the previously identified financially material sustainability matters and to identify any significant changes in the Group's risk and operating environment.

Based on this targeted reassessment, two financially material matters remained relevant and were assessed as having high financial impact: Sustainability Certification and Productivity and Product Quality. As a matter of clarification, the assessments of financial impacts are not reflected in the financial statements, as these impacts may not be due to higher operating expenditure, loss of revenue or increase in material costs.

PRIORITISATION OF MATERIAL MATTERS

Our prioritised sustainability material matters are presented in the Materiality Matrix, which illustrates their relative significance to our stakeholders and the Company. The matrix presents the top 12 of the 28 ESG matters identified (see page 32). Further details on their relevance to IOI and our responses are provided on page 34-36.



Further details on these matters, including the related risks and opportunities as well as general summary of responses are provided in page 34 -36

Identified Sustainability Material Matters and Our Responses

Following the materiality assessment, the Group has confirmed that the 12 prioritised material sustainability matters disclosed in the preceding section remained relevant, with no changes identified during the reporting period. The following section outlines the key sustainability-related risks and opportunities associated with each material matter, together with the Group’s management approach and activities. Performance against relevant targets is disclosed under the respective topics throughout this report. These measures aim to mitigate risks, realise opportunities, and strengthen long-term resilience and value creation while addressing the challenges of sustainable business growth.

M1 SAFETY AND HEALTH

M2 HUMAN RIGHTS AND FAIR LABOUR PRACTICES

M3 CLIMATE CHANGE, GHG EMISSIONS MANAGEMENT, INCLUDING LOW CARBON TECHNOLOGY

M4 CIRCULAR ECONOMY AND WASTE MANAGEMENT

RISK			
Workplace injuries, fatalities, safety incidents, and regulatory non-compliance may result in operational disruptions, legal liabilities, reduced productivity, and reputational damage.	Human rights and labour issues may result in legal liabilities, reputational damage, workforce instability, and market access restrictions.	Climate-related events, carbon regulations, and transition risks may increase costs, disrupt operations, and affect long-term profitability.	Resource inefficiency and poor waste management may increase costs, environmental impacts, and regulatory risks.
OPPORTUNITY			
A safe and healthy workplace enhances workforce resilience including employee well-being and productivity, as well as increases operational performance.	Responsible labour practices strengthen employee well-being, stakeholder trust, workforce retention, and access to global markets.	Low-carbon technologies, renewable energy, and climate mitigation and adaptation measures improve the company’s resilience, reduce emissions, and support long-term value creation and brand value.	Circular economy initiatives can improve efficient use of natural resources like water, create value from plantation biomass, and support sustainable growth.

GENERAL SUMMARY OF RESPONSE			
- Conduct continuous safety training and campaigns to raise workers’ safety awareness. - Implement safety and health management system based on the ISO 45001 Occupational Health and Safety Management Systems standard. - Manage risks using the Hazard Identification, Risk Assessment and Risk Control (“HIRARC”) approach. - Established safety and health committees at respective operating units.	- Continue to promote and monitor implementation and adherence to policies, guidelines, and good labour practices. - Protect workers’ and children’s rights by providing a clean and healthy living environment, basic education, medical aid, and other essential support, etc. - Conduct employee engagement activities to raise awareness of human rights and available grievance channels. - Conduct regular internal audits of operations against the ILO’s forced labour indicators.	- SBTi validated our GHG reduction-related targets. - Biogas from our methane capture facilities used to run our operations. - Implementing mechanisation powered by electricity to reduce reliance on fossil fuels and support low-carbon operations.	- Continue to implement 7Rs of circularity in our operations that helped to reduce our GHG footprint, manage water and energy usage, and minimise environmental impacts. - Waste is disposed of in accordance with applicable laws and regulations. - Biomass such as solid POME and EFB were utilised as organic fertilisers in our plantations. - Achieved GHG reduction through methane capture facilities at 11 palm oil mills. - IOI Palm Wood converted oil palm trunks into commercial products.



M5 REGULATORY AND THIRD-PARTY COMPLIANCE

M6 GRIEVANCE MECHANISM AND TRANSPARENT COMMUNICATION

M7 TRACEABILITY AND RESPONSIBLE SOURCING

M8 WATER MANAGEMENT

RISK			
Non-compliance with laws, regulations, and market requirements may result in penalties, fines, operational disruptions, and loss of market access.	Unresolved grievances may weaken employees and external stakeholder trust, create reputational risks, and disrupt operations.	Lack of traceability and responsible sourcing may expose IOI to reputational damage, regulatory non-compliance, market access restrictions, and supply chain risks associated with deforestation, environmental impacts, and labour issues.	Water scarcity, pollution incidents, and poor wastewater management may result in environmental fines and reputational damage.
OPPORTUNITY			
Strong compliance practices enhance business continuity, investor and customer confidence, as well as enable access to key markets.	Effective grievance management and transparent communication strengthen stakeholder relationships, accountability, and corporate credibility.	Responsible sourcing and traceability enhance customer confidence, supply chain resilience, and access to premium markets.	Effective water stewardship improves resource security, operational efficiency, and environmental performance. By implementing water recovery and recycling, we minimise withdrawal from natural resources and reduce dependency on external sources.

GENERAL SUMMARY OF RESPONSE			
- Policies, guidelines and SOPs were in place and updated appropriately. - To ensure compliance and adherence to all applicable local and national regulations, monitoring is conducted by both internal and external parties.	- Established multiple grievance channels to facilitate reporting of complaints at employees’ convenience (e.g., Whistleblowing, IOI Mesra Application, etc.) - Communicated the relevant policy, guidelines, and procedure on the grievance mechanism to employees at all levels. - Revised the Grievance Procedure to have more clarity and effectiveness.	- Traceability information is updated regularly and published in our dashboard. - Continued supplier engagements such as site visits and training for NDPE compliance and monitoring. - Established a new third-party supplier assessment. - Strengthened labour rights practices among our suppliers through collaborating with NGOs, technical service providers, customers, etc.	- Established and communicated the IOI Group Water Policy. - Maintained and rehabilitated buffer zones, where necessary, in water source areas (e.g., river, pond, water catchment, etc.). - Practised water recycling and installed water harvesting systems. - Optimised the treatment of Palm Oil Mill Effluent (“POME”) and Palm Oil Refinery Effluent (“PORE”) to prevent any potential environmental pollution.

Identified Sustainability Material Matters and Our Responses

M9 SUSTAINABILITY CERTIFICATIONS

M10 PRODUCTIVITY AND PRODUCT QUALITY

M11 BIODIVERSITY AND ECOSYSTEMS

M12 DATA INTEGRITY AND AUDITABILITY VIA DIGITALISATION

RISK

Failure to meet certification requirements may result in suspension, loss of market access, customer confidence, and certification premium.	Low yield productivity, inefficient labour deployment, underutilised production facilities, and product quality issues may reduce operational performance and profitability.	Biodiversity loss and ecosystem degradation may result in regulatory, certification, and reputational risks.	Inaccurate or unreliable data may affect reporting quality, decision-making, compliance, and stakeholder confidence.
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OPPORTUNITY

Sustainability certification supports access to international markets, strengthens customer trust, and enhances competitiveness as well as meet the expectations of buyers and investors.	Higher yields, improved labour efficiency, optimised plant utilisation, and enhanced product quality strengthen operational performance, profitability, and long-term value creation.	Biodiversity conservation supports ecosystem services, sustainable production, and long-term business resilience.	Automated systems and integrated data reduce human error, streamline compliance, and improve decision-making efficiency.
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GENERAL SUMMARY OF RESPONSE

- Maintained 100% MSPO certified for Malaysian operations.
 - 50% IOI's Indonesian mills are ISPO certified.
 - 100% of IOI's mills are RSPO certified.
 - Contributed to the continuous improvement of certification schemes (RSPO and MSPO) through participation in task forces, working and standing committees.
 - Conducted ongoing training on sustainability certification updates.
- Continue progressing towards the FY2029 strategic priorities targets through increased plant utilisation, mechanisation initiatives, and improved crop recovery.
- Established the Reforestation and Biodiversity Task Force to implement and monitor conservation efforts.
 - Continue collaborating with stakeholders on conservation efforts.
 - Implement and regularly communicate biodiversity and conservation guidelines across our operations.
 - Continuously monitor the identified HCV and conservation areas, including enforcing the 'No Hunting' practice for RTE species.
 - Monitored NDPE compliance among third-party suppliers.
- Implemented the IOI ESG Platform to facilitate the collection of sustainability data for reporting.
 - Verified data submitted through the platform by the head of operating unit.
 - Integrated operational-level data from the SAP system into the IOI ESG Platform minimised human error and enhanced our data accuracy.
 - Utilised other supporting platforms, such as ESDE and SAP system, for sustainability data collection.

Refer to pages 41-42.

Refer to page 43.

Refer to pages 76-77.

Refer to page 37.

Economic Pillar

Economic sustainability is central to maintaining business resilience and to creating long-term value for IOI and its stakeholders. As outlined in the Value Creation Model in AR2026, page 32, IOI transforms a diverse range of capitals and resources, including a workforce of 28,672 employees, 210,306 Ha of landbank, and RM19.1 billion in total assets into research and development capabilities, agronomic expertise, and technology-driven solutions, into sustainable outcomes for stakeholders.

This Economic Pillar is closely linked with IOI's ESG consideration and is part of IOI's broader corporate sustainability framework. Four of IOI's top material sustainability matters - **Data Integrity and Auditability via Digitalisation; Traceability and Responsible Sourcing; Sustainability Certification; Productivity and Product**

Quality - fall more appropriately under the economic pillar. These matters are integral to strengthening governance especially in AI, enhancing supply chain resilience, maintaining recognised sustainability standards, and improving operational performance. Through these material matters, IOI seeks to enhance business resilience via risks reduction, cost savings and operational efficiencies, support market competitiveness, and create long-term sustainable value for stakeholders.

Under the Group's Double Materiality Assessment, **"Sustainability Certification"** and **"Productivity and Product Quality"** have been identified as sustainability-related financial matters, and are disclosed in greater detail under the "Sustainability Statement on IFRS S1" on pages 41-42 and 43-45, respectively.

Data Integrity and Auditability via Digitalisation

IOI is committed to safeguarding its data and the privacy of customers' sensitive information by protecting the systems that store and process such information. IOI's Cybersecurity Governance Framework strengthens accountability and oversight of cybersecurity and data protection. Our strong governance that is in place supports data privacy, regulatory compliance, business continuity and operational resilience, as well as mitigating risks associated with data breaches, unauthorised access, data loss and system disruptions. In addition, all related policies, guidelines and processes are aligned with the Malaysian Personal Data Protection Act 2010 ("PDPA 2010").

More information on the Group's cybersecurity governance and information security management is provided in the AR2026, page 111.

SUSTAINABILITY RISK AND IMPACT

IOI continuously implements digitalisation systems to support data collection, management, verification, and reporting across the Group. Digitalisation and systems integration enhance data integrity, accuracy, and auditability while reducing manual intervention and human error and improving decision-making efficiency.

To support auditability, data reported through the digitalisation platform undergoes multi-level review and verification at source, including assessments by the Internal Audit team, supported by relevant documentation maintained within the platform. This has strengthened data reliability, auditability, and transparency. In FY2026, IOI has conducted internal and independent external audits of its Information Security Management System ("ISMS") in accordance with ISO/IEC 27001 requirements.

During this reporting period, IOI recorded zero substantiated complaints concerning customer privacy and data protection breaches.

In addition to the data management platforms, IOI has implemented various digitalisation initiatives which have supported employees' well-being and productivity, both within and beyond the workplace. These initiatives demonstrate the Group's commitment to making sure that employees are well supported professionally and personally.

Key digitalisation initiatives related to sustainability activities implemented across IOI include:

- IOI ESG PLATFORM**

A Group-wide sustainability data management platform that consolidates sustainability information and supports reporting against sustainability frameworks, regulatory requirements and stakeholder expectations.
- IOI ENVIRONMENTAL SUSTAINABILITY DATA ENTRY ("ESDE")**

A centralised database for IOI Oleochemical operations that captures and monitors environmental and sustainability data, supporting consistent data management, performance monitoring and reporting.
- IOI GROW**

Since 2020, IOI's digital learning platform has empowered IOI employees with various learning programs, supporting their professional development and enhancing role-specific knowledge and skills.

Details can be found on page 89.
- IOI MESRA APPLICATION**

Implemented a digital grievance platform in 2022, enabling plantation employees to anonymously report complaints and concerns anytime, supporting transparent communication without fear of repercussions.

Details can be found on pages 85-86.
- IOI CARES**

IOI's digital health and well-being platform, established in 2024, has benefited IOI employees through personalised support and comprehensive wellness tools, healthcare-related resources, etc.

Details can be found on page 89.

Traceability and Responsible Sourcing

Management Approach

IOI's supply chain transparency not only ensures legal compliance and protects us from operational risks; it also builds consumer trust and helps to substantiate its responsible sourcing claims with verifiable evidence. New suppliers are screened before onboarding, and existing suppliers are assessed annually against EESG criteria, including NDPE, human rights, water, etc. Suppliers are also expected to align with IOISP, with identified gaps addressed through engagement and training. Any complaints or concerns against suppliers can be rectified under IOI's grievance procedure. These requirements are set out in the IOIRSP and IOIRSG.

ACTIVITY-DRIVEN PERFORMANCE AND IMPACT

Traceability Performance

IOI's Group-level Traceability to Mill ("TTM") and Traceability to Plantation ("TTP") performance for FY2026 is as follows:

Subsidiary	Palm TTM	Palm TTP	Lauric TTM	Lauric TTP
IOI Edible Oils	100%	99.50%	100%	95.40%
IOI Pan-Century Edible Oils	100%	93.51%	–	–
IOI Pan-Century Oleochemicals	99.89%	93.19%	97.27%	87.40%
IOI Acidchem	100%	96.88%	100%	96.50%
Overall	99.99%	96.79%	99.92%	95.88%

Supplier Engagement and Assessment

IOI requires suppliers to comply and align with the Supplier Code of Conduct. They are assessed through the IOI Annual Supplier Assessment which is an internally developed framework evaluating supplier performance.

Under the framework, suppliers are to comply with the Company's responsible sourcing commitments, sustainability requirements, and applicable standards. This framework also covers human rights due diligence ("HRDD") on third-party suppliers and is conducted through remote assessments while queries on peat areas, and review of suppliers' MSPO reports are supplemented by supplier visits.

Suppliers are prioritised as high, medium or low, with engagement efforts concentrated on higher-priority suppliers. IOI exceeded its annual supplier engagement target by 16.61%, reflecting continued progress in supplier engagement activities.

Business Unit

IOI Pan-Century Edible Oils

Sessions

8

sessions

Mills Covered

10

mills

Participants/Session

5 - 10

Business Unit

IOI Edible Oils

Sessions

17

sessions (including one workshop)

Mills Covered

31

mills

Participants/Session

5 - 10

Beyond compliance, these sessions strengthened IOI's relationships with our suppliers and improved suppliers' response rates to Responsible Sourcing data collection and participation in our trainings. Between July 2025 and June 2026, engagement sessions covered key topics including NDPE, GHG emissions, EUDR, biodiversity and water management, with participation from supplier representatives across the mills. These engagements also increased supplier understanding of IOI's sustainability expectations and improved responsiveness to Responsible Sourcing initiatives.

Deforestation Assessment

Suppliers Assessed

100%

Human Rights Assessment

Suppliers Assessed

86.61%

GHG Accounting Assessment

Suppliers Assessed

52.68%

Assessment coverage by category

Deforestation Monitoring

Deforestation risk across IOI's supply chain is monitored through satellite-based platforms, PalmOil.io and Global Forest Watch ("GFW") Pro, covering peat areas. This is supplemented by reports from environmental Non-Governmental Organisations ("NGOs"), reports from IOI's buyers, and regular supplier assessments. Through this approach, IOI verifies deforestation-free compliance across its in-house plantation operations. Deforestation risk linked to third-party sourced volumes continues to be closely monitored.

On a monthly basis, these platforms generate deforestation alert reports for review. Where third-party suppliers are flagged, the alerts are assessed by the Responsible Sourcing team. The team then cross-checks the alerts against IOI's traceability data to confirm whether the supplier falls within IOI's supply chain.

When a linkage to IOI's supply chain is confirmed, the respective Tier 1 supplier is engaged to conduct a verification exercise. Supporting evidence such as GPS-tagged photographs, is then provided. Additional documentation including estate boundary maps, concession polygons, and HCV/HCS assessments may also be requested where necessary.

Confirmed non-compliance with IOI's NDPE commitments is escalated through IOI's grievance procedure. The case is then recorded in the public grievance log. Follow-up actions including supplier engagement, corrective action planning, and monitoring are undertaken accordingly.

The same assessment and verification process applies to deforestation alerts raised by buyers, NGOs, or other stakeholders. This includes alerts received through regular reporting channels or on an ad hoc basis. Findings may be shared with relevant stakeholders when appropriate. Supplier-provided evidence may also be disclosed with the supplier's consent, to support transparency around the assessment outcome and any follow-up actions.

Grievance Management

When a non-compliance is identified, IOI's grievance procedure sets out a structured process for engagement and corrective action, including the development of a Time-Bound Action Plan ("TBAP"). The TBAP is issued within two months of being identified, with further actions taken as appropriate, based on the severity of the case and the supplier's progress towards remediation.

This year, only one deforestation-related complaint was received and it remained under monitoring. Meanwhile, sourcing from the associated mill has been suspended pending resolution, with updates published in IOI's public grievance log.

Sustainability Statement on IFRS S1

BASIS OF PREPARATION

Reporting Frameworks and Standards

This Sustainability Statement has been prepared in alignment with the NSRF requirements, with reference to IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information, issued by the ISSB. In identifying and assessing sustainability-related risks and opportunities (“SROs”), we have also referred to and considered the applicability of industry-based disclosure topics and metrics contained in the SASB Agricultural Products Standard. The Sustainability Statement also considers the sustainability reporting requirements set out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, as well as other relevant reporting frameworks adopted by the Group.

Reporting Period, Reporting Boundary, Scope and Connectivity with Financial Statement

This Sustainability Statement covers the same reporting period, reporting boundary and scope as reported in the “About This Report” section, page 4. Under IFRS S1, SROs are considered alongside financial information, and may affect the Group’s strategy, risk management, operational performance, cash flows and long-term financial resilience.

Time Horizons

The Group applies the following time horizons in assessing sustainability-related risks and opportunities:

Time Horizon	Definition
Short-term	One financial year
Medium-term	From FY2027 to FY2030
Long-term	More than four years

Materiality Assessment

Further details on the materiality assessment and process are provided on pages 31-33. Based on the FY2026 double materiality assessment, “Sustainability Certification” and “Productivity and Product Quality” were identified as SROs that could reasonably be expected to affect the Group’s prospects, and are therefore reported under IFRS S1. Climate-related risks and opportunities are disclosed separately under IFRS S2 on pages 50-56.

Comparative Information

As FY2026 is the Group’s first year of reporting in alignment with IFRS S1, comparative information may not be available for all disclosures. Where comparative information is unavailable, the absence of such information is disclosed accordingly.

Sources of Estimation and Outcome Uncertainty

The preparation of this Statement involves the use of estimates, assumptions and professional judgement in relation to certain sustainability-related disclosures, including forward-looking information, targets and projections. These are based on all reasonable and supportable information available at the reporting date but remain subject to uncertainty.

Where information is unavailable or insufficiently reliable, the relevant limitations have been disclosed. The Group will continue to enhance its data collection and reporting processes to improve the robustness, quality and reliability of sustainability-related information.

These estimates and assumptions may apply to the identification and assessment of sustainability-related risks and opportunities and anticipated financial effects.

Changes in Reporting and Restatements

Where methodologies, organisational boundaries or data collection approaches have changed, comparative information may be restated, where appropriate, to improve consistency and comparability.

Any material restatements are disclosed and explained in the relevant sections of this Sustainability Report, including the nature and, where practicable, the reason for the restatement.

Events After the Reporting Period

The Group has considered sustainability-related events and circumstances occurring between 30 June 2026 and the date of approval of this Sustainability Statement. No material events or circumstances have been identified that require additional disclosure or that could reasonably be expected to affect the Group’s prospects.

Assurance and Forward-Looking Statement

Both the assurance and forward-looking statements can be found in the “About This Report” section, pages 4-5.

INTRODUCTION

Sustainability Certification and Productivity and Product Quality have been identified as financial SROs for IOI Group through the FY2025 and FY2026 materiality assessment. The Group disclosed their sustainability statement in alignment with IFRS S1 based on the four core pillars of Governance, Strategy, Risk Management, and Metrics & Targets.

The Group’s climate-related disclosures (IFRS S2) are further elaborated in the section “Transforming Climate Action into Resilient Value” on pages 46-65.

GOVERNANCE

The Board has overall responsibility for sustainability governance, including the oversight of financial SROs which could reasonably be expected to affect the Group’s prospects.

Further details of the Group’s sustainability governance structure and responsibilities are provided on pages 20-21.

Progress on these SROs is regularly reviewed through the Group’s established governance, including the Five-Year Strategic Roadmap, with relevant matters reported to the Board.

The CFDC, led by the Group CFO, supports the assessment and disclosure of sustainability-related financial information. The CFDC is responsible for establishing the methodologies and approaches used to assess and quantify the actual and anticipated financial effects of identified SROs, ensuring consistency in their application and alignment with the Group’s sustainability reporting requirements.

SRO 1: SUSTAINABILITY CERTIFICATION

STRATEGY

Sustainability certifications form a key component of IOI Group’s sustainability strategy. While MSPO and ISPO certifications are mandatory compliance with applicable local regulatory requirements, RSPO and ISCC certifications, although voluntary, facilitate access to certain international markets, and strengthen customer relationships. This demonstrates the Group’s commitments to responsible sourcing and sustainable production with consistent compliance with EESG requirements.

Maintaining sustainability certifications is essential to safeguarding market access, ensuring business continuity and sustaining the Group’s long-term licence to operate, including meeting applicable compliance

with EUDR. To maintain its certification status, the Group invests in annual certification audits, employee training, traceability systems, compliance with environmental and social requirements, employee-well-being and continuous operational improvements. These investments support customer retention, protect revenue from potential loss of market access, preserve access to premium markets and support continued participation in strategic markets.

Scope of Certification Activities Across IOI

Business Unit / Segment	Certification Standard(s) Pursued
Plantation — Malaysia	RSPO P&C, MSPO, ISCC
Plantation — Indonesia	RSPO P&C, ISPO
Resource-Based Manufacturing (Oleochemicals and Refineries)- Malaysia and Germany	ISCC, RSPO SCCS and MSPO SCCS

RISK MANAGEMENT

The following risks have been identified in relation to the Sustainability Certification:

Key Risks

Market Access/ Revenue

Reputational/Licence to Operate

Regulatory/ Compliance

Operational/ Supply Chain

Potential Financial Impact including Effect on Business Model and Value Chain

Loss of certified product premiums, reduced sales volumes, contract losses, and reduced revenue from customers requiring certified products, including where certified products or volumes are downgraded to conventional pricing.

Reputational damage may result in loss of customer confidence, increased scrutiny from investors, and NGOs, reduce ESG ratings and potential loss of business opportunities, which could adversely affect the Group’s financial performance, revenue and long-term business prospects.

Costs associated with corrective actions, additional audits, remediation programmes, operational improvements and legal compliance measures, as well as potential penalties arising from non-compliance with applicable regulatory requirements.

Increased monitoring and audit costs, supply chain disruptions, additional resources required for corrective actions and supplier engagement, and potential interruption to the supply of certified products.

Sustainability Statement on IFRS S1

Opportunities Created

Initiative	Key Opportunities	Expected Financial Benefit
RSPO/ISCC	- Market access to International markets like the EU - Premium price for certified product	- Revenue protection through continued market access - Potential price premiums for certified products
MSPO/ISPO	- Demonstrate compliance with regulatory requirements - Strengthen customer confidence and responsible sourcing credentials	- Reduced local legal and regulatory compliance risks as well as enable licence to operate - Protection of revenue by maintaining access to customers requiring sustainability certification

Risk Mitigations

The Group maintains a comprehensive certification compliance programme to support continued adherence to sustainability certification requirements. Compliance is monitored through regular internal audit assessments, annual external audits conducted by the certification bodies together with corrective action tracking, to ensure timely resolution of any non-conformities.

To remain informed of evolving certification requirements and industry expectations, the Group actively participates in certification-related industry platforms, such as the MSPO Impact Alliance, MPOA, including various RSPO Standing Committees and working groups.

The Group also ensures that its operations and relevant stakeholders comply with the IOISP, and the Group's NDPE commitments. Close collaboration between regional sustainability teams and operating units supports consistent implementation of certification requirements, strengthens oversight and facilitates continuous improvement. These measures are critical to maintaining existing certification status. For the uncertified operating units, we progressively undertake to certify in accordance with the time-bound plans approved by the certifying schemes such as RSPO and MSPO.

Current Financial Effects

In 2026, the Group spent **RM2.2 million** on Sustainability Certification costs for RSPO, MSPO, ISPO and ISCC. Other indirect costs may arise from compliance-related actions undertaken to meet the certification requirements, including monitoring, training and implementation of corrective actions. These expenditures support continued maintenance of certification coverage, market access, customer requirements and business continuity across the Group's operations.

Anticipated Financial Effects

With well-established internal controls and compliance measures in place, the anticipated financial effects associated with sustainability certification requirements are expected to remain stable over the short, medium, and long-term. However, failure to maintain sustainability certifications could affect financial performance through a **potential premium loss of around 30% of the Resource-Based Manufacturing division's sales volume**.

METRICS AND TARGETS

In alignment with the Group's commitment to sustainable and responsible sourcing, FY2026 marks the first year of reporting Sustainability Certification metrics, targets and performance in line with IFRS Sustainability Disclosure requirements. The table below presents the relevant metrics, targets and FY2026 performance.

Metrics and Target	Metric	Performance
Maintained Malaysia operations with 100% MSPO certified	% of MSPO certified	100% for mills and estates
Certified 100% of Indonesia operations with ISPO	% of ISPO certified	50% for mills 100% for estates
Certified all plantation operations with RSPO	% of RSPO certified	100% for mills 97% for estates
Certified all refineries and oleochemicals with RSPO SCCS and MSPO SCCS	% of RSPO SCCS and MSPO SCCS certified	100%

Targets were set based on the assumption:

- Existing certified operations will maintain compliance with applicable certification requirements.
- Certification renewal programmes will be successfully completed.
- Newly acquired estates, mills or operations, where applicable, will achieve certification within the Group's planned certification timeline.

SRO 2: PRODUCTIVITY AND PRODUCT QUALITY

STRATEGY

The three initiatives highlighted under the third Strategic Priority "Productivity and Product Quality" are **Increase Yield, Reduce Workforce through Mechanisation**, and **Improve Fatty Acid Plants Utilisation**. To support these initiatives, the Group invests in agronomic improvement programmes, replanting activities, mechanisation initiatives and production optimisation projects. These investments are intended to improve operational performance, strengthen cost competitiveness and support long-term value creation.

Initiatives

Increase Yield

- Optimise agronomic practices
- Improve crop recovery
- Replant with high-yielding planting materials

Reduce Workforce

- Expand mechanisation across plantation operations

Improve Fatty Acid Plants Utilisation

- Increase production throughput
- Strengthen customer engagement to understand customer needs
- Develop innovative products and expand into growth markets

Impacts

1 Enhance FFB yields and OER, supporting higher production.

2 Better land-use efficiency and long-term productivity.

1 Improve operational efficiency.

2 Better land-use efficiency and long-term productivity.

3 Improve labour-to-land ratio.

1 Improve fixed-cost absorption, enhance margins and generate better returns from existing products.

2 Increase product mix to meet customer requirements and increase sales.

RISK MANAGEMENT

Details of risk and mitigation measures are as follows:

Category	Specific Risk	Risk Mitigation
Yield	Yield declines due to ageing palms, pests and disease, extreme weather, rising operational costs; land scarcity and declining soil health.	- Improve crop recovery through effective weeding, pruning and harvesting schedules, improved loose fruit recovery - Ensure adequate palm nutrition and timely completion of organic and inorganic fertiliser application - Replanting with high-yielding materials
Workforce	Escalating wages and labour-related operating costs; occupational health and safety risks associated with physically demanding plantation work.	- Expand infield and upkeep mechanisation in Malaysia, - Expand mainline and infield mechanisation in Indonesia
Fatty Acid Plants Utilisation	Demand volatility, competitive market pricing and raw material margin compression; and low plant utilisation adversely affecting operating leverage.	- Strengthen customer engagement - Develop new and innovative products - Expand sales into emerging markets with growing fatty acids demand

Sustainability Statement on IFRS S1

Opportunities Created

Initiative

INCREASE YIELD

Key Opportunities

- Higher CPO, PK and PKO output per Ha
- Lower unit cost
- More resilient production from improved agronomy and data-led estate management

Initiative

REDUCE WORKFORCE

Key Opportunities

- Improved operational efficiency
- Reduced reliance on manual labour
- Improved job quality through reskilling

Initiative

IMPROVE FATTY ACID PLANTS UTILISATION

Key Opportunities

- Higher sales volume and capacity utilisation
- Optimised product mix toward differentiated and higher-margin fatty acids
- Potential energy and process efficiencies

Current and Anticipated Financial Effects

FY2026 represents the Group's first year of reporting with reference to IFRS S1. The Group will continue to enhance its methodologies, assumptions and data inputs for assessing and quantifying these effects in the next reporting cycle. Accordingly, quantitative information on the current and anticipated financial effects is not currently available. Based on its current assessment, the Group has identified the following anticipated financial effects:

- Revenue and cash flow growth from successful yield improvement and workforce optimisation through mechanisation are expected to enhance productivity and support improved operating margins within the Plantation segment.
- Higher fatty acid plant utilisation and sales are expected to improve fixed-cost absorption, increase operational efficiency and contribute to improved profitability within the Oleochemical segment.
- Failure to address risks such as yield stagnation, rising labour costs and prolonged plant underutilisation could affect the Group's earnings, cash flows and returns on assets.

METRICS AND TARGETS

In alignment with the Group's Strategic Priority on Productivity and Quality, FY2026 marks the first year for reporting metrics, targets, and performance against these targets, in line with IFRS Sustainability Disclosure requirements. Refer to the table below for the relevant metrics, targets and FY2026 performance.

Category	Scope	Target	Metric	Performance 2026
Increase Yield	Plantation (estates) in Malaysia and Indonesia	To maximise crop recovery without compromising crop quality, targeting oil yield of: 5.63 MT/Ha for Malaysia 4.51 MT/Ha for Indonesia by FY2029.	Oil yield (MT/Ha) for Malaysia and Indonesia	We achieved an oil yield of 5.05 MT/Ha for Malaysian plantations and 3.63 MT/Ha for Indonesian plantations as of June 2026.
Reduce Workforce	Plantation (estates) in Malaysia and Indonesia	Labour reduction and improve productivity by targeting the Group Labour Ratio of 1:9.26 by FY2029	Labour ratio	We achieved a labour-to-land ratio of 1:8.28 for FY2026.
Improve Fatty Acid Plants Utilisation	IOI Acidchem and IOI Pan-Century Oleochemicals, Malaysia	To increase the plant utilisation by 25% by FY2029	% Plant utilisation	The plant utilisation was slightly below the planned level due to geopolitical tension impacting fatty acids demand but the business remained focused on strengthening customer engagement to position for demand recovery

 Details can be found on AR2026, pages 58-59.

FY2029 targets are based on assumptions of progressive improvement across the Group's key productivity initiatives. The key assumptions are:

- Increase yield attributed to gradual improvement in FFB yield/Ha, and OER improvement, supported by the age profile and replanting progress;
- Reduce workforce through mechanisation due to gradual reduction of workers supported by continued mechanisation, and land preparations to enable machine accessibility to planted areas;
- Increase fatty acid plant utilisation as a result of a gradual increase in production volume relative to existing total plant capacity.

TRANSFORMING CLIMATE ACTION INTO RESILIENT VALUE

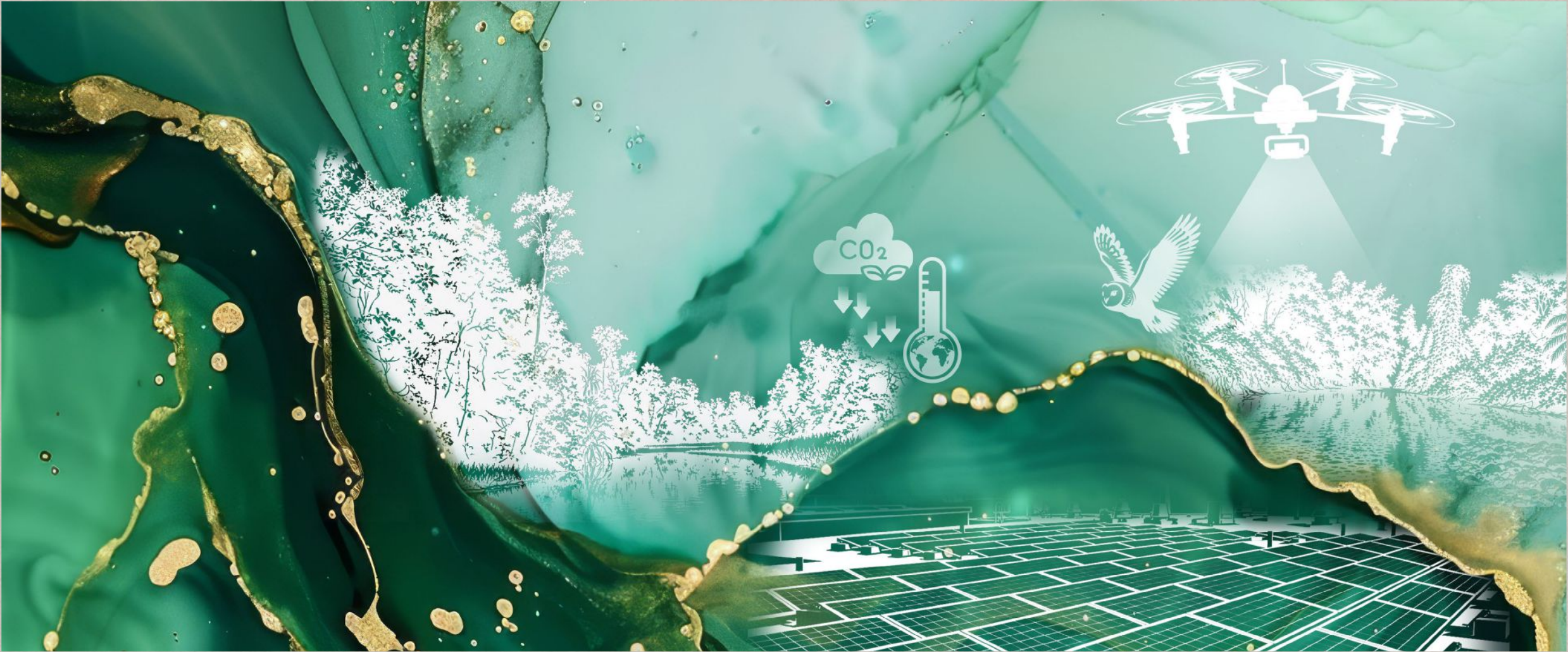
UN SGDs



GENERAL MANAGEMENT APPROACH

To address the Climate Change agenda, IOI has established a Climate Transition Plan* ("CTP") to support its Net Zero journey, based on a decarbonisation pathway and CCAi framework, to drive our climate strategies. Our next major milestone is **Carbon Neutrality by 2030**. With strong governance and an established Climate-related Financial Disclosure Committee ("CFDC") to integrate our climate considerations into financial planning, we look to implement our climate commitments and initiatives across our operations and supply chains. Risks are deemed material to ensure our businesses and stakeholders are protected from higher operational costs, while opportunities may arise from investments in low-carbon technologies and climate transition initiatives. All progress is monitored and reported against climate targets transparently so that IOI is not associated with a landscape of deceptive or hidden messaging.

For further information of the Climate Transition Plan, refer to pages 48-49.

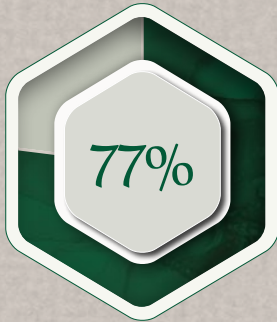


Accelerating Sustainable Solutions

Every strategic step taken by IOI today is about shaping a lower carbon tomorrow. Guided by innovation and technology, a sense of responsibility, and Net Zero commitment, IOI Corporation Berhad continues to accelerate its Sustainability and Climate initiatives while generating lasting benefits for our stakeholders and the environment.



For FY2026,
reduction in Group-wide GHG emission intensity against 2015 baseline.



Absolute emissions
reduction of 2,368,874 MT CO₂e achieved from 2015 baseline year.

Details of the baseline emissions can be found in page 74, SR2020.

CLIMATE TRANSITION PLAN

2015

GHG emissions baseline

2019

Formed CCAi

2022

Set Net Zero by 2040

2025

Short-term target achieved: 46% GHG intensity reduction

2030

Carbon Neutral: Scope 1 and 2

2040

Net Zero: Scope 1, 2 and 3

1 Measure current emissions

- Baseline in 2015
- Group GHG emission intensity (2.246 MTCO₂e/ MT)

2 Set Climate Change Action initiative ("CCAi")

- Launched in 2019
- Reduce 40% GHG emissions by 2025
- Promote climate change initiatives to increase business resilience
- Develop climate change action-related policies and initiatives

3 Governance structure to drive implementation

- Adopt TCFD in 2021
 - ✓ Identify Climate Transition, Market, Technology and Physical risks
 - ✓ Develop climate scenario analysis
- **Board Sustainability Committee** to oversee sustainability matters formed in 2023
- **Group Sustainability Steering Committee** manages Climate, EESG risks and opportunities
- CCAi pledge (2023)

4 Define pathways to achieve targets

- Published **Pathway to Net Zero by 2040** in 2022
- **Reaching Net Zero** through:
 - >Nature-based solutions
 - >Engineered solutions
 - >Supply Chain Management
- Submit commitment to SBTi target in 2023

5 Integrate financial planning

- **CFDC** formed in 2023
- Budget/Funding for climate initiatives
- Identify climate-related financial risks and opportunities
- Monitor climate-related financial investments

6 Anchor climate strategy in operations

- **Strategic Priority #4 (2025)**
 - ✓ 7Rs of Circularity
 - ✓ Methane capture
 - ✓ Solar panels
 - ✓ Repurpose biomass (OPT, EFB, PKS, etc.)
- **Just Transition**
- **Supply Chain Decarbonisation**
 - ✓ Mapping
 - ✓ GHG Assessment
 - ✓ Engagement

7 Monitoring, Reporting and Adapting

- Aligning report with IFRS S1 and S2 and latest legislations
- Bursa Malaysia Listing Requirements
- SBTi validated near-term GHG targets (2025)
- Updating strategies based on new climate data and business developments

Climate Change Action ("CCA") Pledge

BEING SUSTAINABLE:

Taking actions on any of the issues raised, making it known that the issues are being addressed sustainably

Photo by Maslaini, PT Sukses Karya Sawit 02, Indonesia

NO GREENWASHING:

Being transparent about key decisions and reasons behind them to show that the issue is not being swept to one side

SUSTAINABILITY CLAIMS POLICY FRAMEWORK 30-30-30 GUIDANCE

30 CORE PRINCIPLES, 30 DAY IMPLEMENTATION, 30 RECOMMENDED TARGETS

A Policy Framework for Malaysian Businesses & Leaders to Help Demonstrate Greater Accountability in Communicating their Sustainability Principles, Plans and Performance

ENGAGEMENT:

Listening to our stakeholders and having an awareness of their arguments and demands when making key decisions

Sustainability Statement on IFRS S2

BASIS OF PREPARATION

Reporting Frameworks and Standards, Reporting Boundary, Scope and Connectivity with Financial Statements

The Group’s climate-related disclosures have been prepared in alignment with the NSRF and in accordance with IFRS S2 Climate-related Disclosures issued by the ISSB. IFRS S2 is applied in conjunction with the general requirements set out in IFRS S1. The reporting boundary and operational control approach can be found in “About This Report” section, pages 4-5. For the GHG details on scope and specific methodology, please refer to pages 127-128.

Time Horizons

These time horizons support the Group’s climate commitments and targets, including Carbon Neutrality by 2030 and Net Zero emissions by 2040.

IOI Group evaluates sustainability- and climate-related risks and opportunities across short-, medium- and long-term time horizons to inform its operational strategies and strengthen climate resilience.

Historical	Short-term	Medium-term	Long-term
2015 to 2025 is the baseline year for GHG target	FY2026 (up to one year)	2027 to 2030 (four years)	2031 onwards (more than four years)
40% reduction in Scope 1 and 2 of GHG emission intensity against the baseline year	Annual GHG emissions reduction of 5%	To achieve Carbon Neutrality in Scope 1 and 2	Net Zero targets for Scope 1, 2, and 3

Materiality Assessment

The Group applies the materiality assessment approach described in pages 31-33.

Comparative Information

Comparative information is disclosed, where available and relevant, to facilitate an understanding of the Group’s GHG emissions performance, including trends and progress over time.

Sources of Estimation and Outcome Uncertainty

Estimation and outcome uncertainty may arise in climate-related scenario analysis, the assessment of anticipated financial effects, and the measurement of greenhouse gas emissions, including Scope 3 emissions. Where climate-related information is unavailable or insufficiently reliable, the relevant limitations have been disclosed. The Group will continue to enhance its data collection and reporting processes to improve the quality, robustness and reliability of climate-related information.

Changes in Reporting and Restatements

Where methodologies, organisational boundaries or data collection approaches have changed, prior-year information may be restated to improve consistency and comparability.

Any material restatements are disclosed and explained in the relevant sections of this report.

Events After the Reporting Period

The Group has considered sustainability-related events and circumstances occurring between 30 June 2026 and the date of approval of this Sustainability Statement. No material events or circumstances have been identified that require additional disclosure or that would reasonably be expected to affect the Group’s prospects.

Assurance and Forward-looking Statement

Control Union conducted an independent limited assurance verification over the following GHG emissions parameters:

- Gross Scope 1 emissions (MT CO₂e)
- Gross Scope 2 emissions (location-based) (MT CO₂e)

The Independent Limited Assurance Report is provided in “Supplementary Information” section, pages 102-104.

This Sustainability Statement contains forward-looking information, including targets, commitments and anticipated outcomes. Further details on the expectations, assumptions and uncertainties relating to forward-looking statements are provided in “About This Report” section, page 5.

GOVERNANCE

IOI has a robust sustainability governance structure to oversee climate-related risks and opportunities and their integration into the Group’s strategy. At Board level, the BSC, under its Board-approved mandate, provides oversight and strategic guidance on climate-related matters while the GSSC oversees the effective implementation of these matters. The CFDC tracks financial investments related to the implementation of the Group’s Climate Transition Plan, supporting the integration of climate considerations into both business and financial decision-making and planning process.

Further details are provided on pages 58-59.

STRATEGY

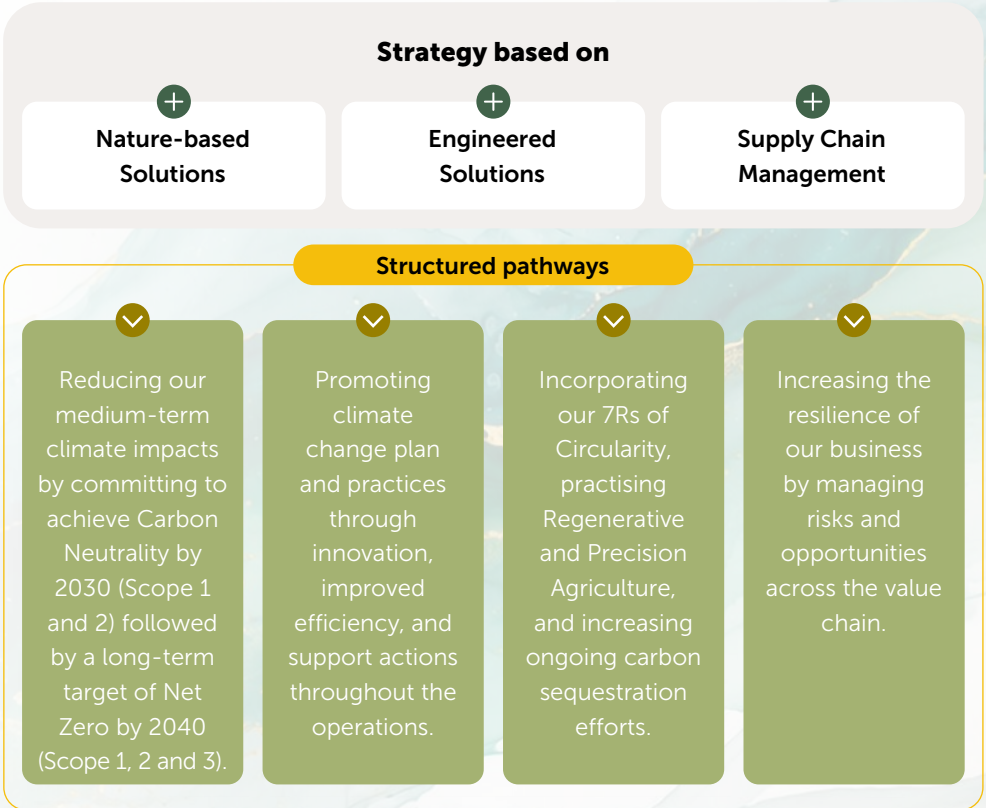
IOI Five-Year Strategic Roadmap (2025–2029) supports IOI’s value chain strategy and ambition to achieve Net Zero by 2040. Under this Roadmap, climate-related considerations are integrated into IOI’s Strategic Priority #4 Sustainability and Climate Initiatives, which focuses on renewable energy, energy efficiency, emissions reduction and carbon sequestration across the Group.

To ensure the success of this strategy, the Climate Transition Plan (“CTP”) provides the implementation path that covers the climate initiatives, the associated risks and opportunities due to climate change, and the financial planning related to climate considerations.

Further details are set out on pages 53-59.

Strengthening Climate Strategy through Business Alignment and Resilience

As laid out in the CTP, IOI is advancing its climate change agenda through the implementation of its CCAi, and by undertaking a structured pathway to achieve Net Zero by 2040.



Sustainability Statement on IFRS S2

The following outlines some of the specific key initiatives and future actions under each Strategic Approach:

Nature-based Solutions

Committed to NDPE across the Group and to maintaining our 2016 moratorium on no new land development as outlined in the IOISP. As part of this strategy, there is reduced impact on land use change.

Enhance carbon sequestration through reforestation and rehabilitation within designated conservation areas, while protecting HCV and HCS areas across its estates.

Integrate nature-based solutions for both biodiversity conservation and long-term carbon sequestration.

Implement regenerative agriculture that promotes amongst others, soil regeneration and nutrient recovery as well as precision agriculture such as precision nutrient application, and digital field monitoring.

 Further details are set out on page 60.

Engineered Solutions

Complementing our nature-based solutions, IOI advances its decarbonisation pathway through technology and innovation across its plantation and resource-based manufacturing operations.

As part of its 7Rs circularity framework, IOI deploys engineered solutions to transform operational biomass and organic residues into renewable energy and value-added products, supporting resource efficiency and emissions reduction.

Strategic capital investments in renewable energy and low-carbon technologies such as biogas capture and reuse, solar panels and cogenerations, across its operations to support climate mitigation efforts.

IOI continues to evaluate longer-term engineered solutions and new technologies to mitigate hard-to-abate residual emissions, complementing existing decarbonisation initiatives and supporting its transition towards Net Zero.

 Further details are set out on page 61.

Supply Chain Management

IOI recognises that a substantial share of climate-related impacts occurs beyond our direct operations. To address these Scope 3 emissions, IOI collaborates with suppliers and business partners to strengthen sustainability practices and support decarbonisation activities along its supply chain.

Our three-step approach for managing supply chain emissions (Scope 3) are:

- 1) **Supply Chain Mapping** - Traceability serves as the foundation for Scope 3 accounting, enabling IOI to identify key suppliers for targeted engagement, assessments on their decarbonisation status.
- 2) **GHG Assessment** - IOI works with suppliers to identify key sources and drivers of their GHG emissions as well as assess opportunities to help reduce their emissions by knowledge sharing and awareness.
- 3) **Stakeholder Engagement** - IOI integrates capacity building programmes into supplier engagement processes. Through these initiatives, the IOI RS team shares the Group's decarbonisation pathways and engages with partners to align with its climate goals.

 Further details are set out on page 62.

RISK MANAGEMENT

Since 2020, IOI has progressively integrated the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"), including climate-related scenario analysis. This work has supported the Group's ongoing alignment with the IFRS Sustainability Disclosure Standards, including IFRS S2 Climate-related Disclosures, and the integration of climate-related considerations into its Climate Transition Plan.

 Further details of IOI's Climate Transition Plan are provided on pages 48-49.

Climate-related Risk and Opportunities

Considering the current development on the climate change events, the Group's climate resilience assessment has incorporated a range of assumptions and forward-looking scenarios that may inherently be subject to uncertainty related to future climate conditions, including changes in temperature, water availability, frequency and severity of extreme weather events.

The assessment also incorporates scenario-based carbon pricing assumptions to evaluate potential financial risk exposures under different transition pathways. The Group will continue to review our climate resilience assessment as new data, insights and regulatory developments become available.

Scenario Analysis

The Group's physical risk assessments applied Representative Concentration Pathways ("RCPs") developed by the Intergovernmental Panel on Climate Change ("IPCC") to evaluate the potential implications of different climate scenarios, in line with the requirements of IFRS S2. The transition risk assessment considers the Group's exposure to key transition risk drivers, including changes in policies and regulations, market dynamics, evolving sustainability expectations and reputational considerations.

Physical risk

Scenario 1:
Low Climate Change
Scenario (RCP 2.6)

Physical risk

Scenario 2:
Moderate Climate Change
Scenario (RCP 4.5)

Physical risk

Scenario 3:
High Climate Change
Scenario (RCP 8.5)

The Group conducted climate-related scenario analysis across 123 assets to assess potential physical and transition risks that could affect its operations and business resilience across Malaysia, Indonesia and Germany. The assessment considered risk under the moderate scenario (RCP 4.5) 2050-time horizon. Based on the assessment, exposure to heatwave and water stress risk is projected to increase between 2020 to 2050 for the Group's plantations in Malaysia and Indonesia. This assessment enables the Group to evaluate the long-term resilience of its operations to projected climate-related physical risks. The identified assets were assessed as having a significant (high) risk level, with the breakdown presented below:

Type of Physical Risk/ Countries	Heatwave	Water Stress	Sea Level Rise
Malaysia	3 assets	1 asset	2 assets
Indonesia	3 assets	0 asset	3 assets
Germany	0 asset	0 asset	0 asset
% of assets exposed	5%	1%	4%

The table indicates that climate-related physical risk could potentially affect approximately 5% of the Group's total assets due to heatwave, while approximately 1% and 4% of total assets could potentially be exposed to water stress and sea level rise, respectively. The Group continues to implement mitigation and adaptation measures to enhance the resilience of its operations to these identified climate-related physical risks. The majority of the exposed assets are located in Malaysia and Indonesia. No exposure has been identified in Germany.

Sustainability Statement on IFRS S2

Climate-related Physical Risk

The Group’s plantation and resource-based manufacturing operations across Malaysia, Indonesia and Germany may be exposed to physical climate risks, including heatwaves, water stress and sea level rise. While these risks may not currently be acute in nature, their severity and frequency are expected to increase over time and may result in both acute and chronic physical risks that require consideration in the Group’s risk management and resilience planning.

The main physical climate risks identified by IOI are heatwaves and, to a lesser extent, water stress. Sea level rise is also considered a significant physical risk, although its potential impact is currently limited to a small number of operating units. The Group assesses key physical climate hazards across its operations using location-specific climate risk indicators and projected climate data. The analysis is based on established datasets and methodologies. The potential impacts of these physical risks are as follows.

PHYSICAL RISKS	TIME HORIZON			RISK TREND	IMPACTED REGIONS	RISK DESCRIPTION
	SHORT TERM	MEDIUM TERM	LONG TERM			
Heatwave ¹	✓	✓	✓	Increasing	Malaysia, Indonesia	Impact on Workforce: Rising temperatures and an increased incidence of heat-related illnesses may adversely affect employee health and productivity, potentially resulting in reduced workforce availability and manpower shortages, particularly in estates where workers are directly exposed to heat and sunlight. Impact on Crops and Biodiversity (soil, pollinating agents, etc.): Higher temperatures may adversely affect crop health, resulting in stunted growth and reduced FFB yields. Poor pollination can adversely affect fruit production and oil yields. Slower crop growth may extend harvesting intervals, potentially reducing overall production and affecting operational performance.
Water stress ²	✓	✓	✓	Increasing	Peninsular Malaysia	Impact on Yield: Oil palms primarily rely on rainfall for water supply. Water stress resulting from droughts may adversely affect fruit production and increase the risk of inflorescence abortion, ultimately reducing FFB yields. However, the potential impact is expected to be low, as IOI’s estates are predominantly located in areas with low levels of water stress. Impact on Manufacturing: Water stress may also increase the risk of disruption to municipal water supplies. Such disruptions could affect IOI’s resource-based manufacturing facilities identified to be at risk by lowering production capabilities, and/or increasing operating costs due to the need to purchase additional water.
Sea level rise ³		✓	✓	Stable	West Malaysia, Indonesia	Impact on Facilities: Sea level rise may increase the frequency of coastal flooding, potentially causing damage to our manufacturing facilities. Impact on Soil and Crops: More frequent and prolonged coastal flooding may increase soil salinity, reduce nutrient availability and increase crop mortality. These impacts may cumulatively reduce FFB yields.

¹**Heatwave** : Assessed based on the number of Heat Wave Days identified using the Excess Heat Factor, which captures periods of unusually high temperatures relative to local climatic conditions.

²**Water Stress** : Assessed using the Water Stress Index, which measures the level of competition for available renewable freshwater resources.

³**Sea Level Rise** : Assessed based on projected inundation depth, representing the potential depth of coastal flooding at a specific location and future year.

Strategic Approach (Mitigation and Adaptation Plan)

IOI Group combines structural decarbonisation and operational resilience to address climate-related risks across its operations. Details of the Group’s climate mitigation and adaptation measures are provided in the table below.

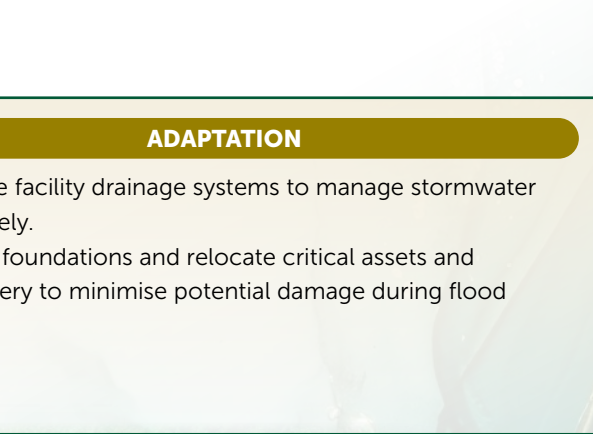
Physical risk		
HEATWAVE	MITIGATION - Investing in energy-efficient equipment to reduce energy consumption and GHG emissions. - Providing adequate heat shelters and access to safe drinking water to reduce employees’ exposure to heat stress. - Strengthening the management of peatlands and planted areas to enhance climate resilience. - Increasing the use of automation and mechanisation to minimise heat exposure, particularly for field workers.	ADAPTATION - Conducting regular awareness and communication programmes on heat stress prevention measures for workers. - Providing suitable PPE to enhance workers’ protection against heat exposure. - Reorganising field workers’ work schedules to minimise their exposure to temperature fluctuations.
Physical risk		
WATER STRESS	MITIGATION - Increase water recycling to be reused in our manufacturing operations. - Implement smart water management systems to optimise and monitor water consumption. - Establish a Group-wide water target to strengthen water efficiency and resilience to water stress.	ADAPTATION - Increase water storage capacity to reduce the risk of water supply disruptions. - Implement rainwater harvesting systems and utilise harvested water for less critical applications.
Physical risk		
SEA LEVEL RISE	MITIGATION - Install water gates and bunds in flood-prone estates to reduce flood risks. - Ensure proper installation and maintenance of drainage systems and canals to manage water flows and support irrigation. - Install seawalls and storm surge barriers to protect key facilities from coastal flooding.	ADAPTATION - Improve facility drainage systems to manage stormwater effectively. - Elevate foundations and relocate critical assets and machinery to minimise potential damage during flood events.



Photo by Bina Candra, Berkat Nabati Sejahtera, Kalimantan, Indonesia



Photo by Mohamad Zulhaidi, Pamol Barat Estate, Kluang, Johor

Sustainability Statement on IFRS S2

Transition Risk and Opportunities

IOI Group continues to advance its transition towards Carbon Neutrality by 2030 and Net Zero by 2040, while managing climate-related transition risks arising from increasingly stringent policy and legal requirements, shifting market preferences, rapid technological advancements and evolving stakeholder expectations. In addition to managing these risks, the Group seeks to capture opportunities arising from the transition to support long-term business resilience and sustainable growth.

Transition Risk				
RISK	TIME HORIZON			TRANSITION RISK DESCRIPTION
	SHORT TERM	MEDIUM TERM	LONG TERM	
Policy and Legal (Local and International)	✓	✓	✓	Our Focus: Vulnerability to Carbon Pricing in Our Operation Exposure to increasingly stringent sustainability and climate-related regulations across the Group's operations and export markets may increase compliance costs, including those arising from carbon pricing, the EUDR, the CSRD and NDPE requirements. The Group has identified potential exposure to carbon pricing risks, with estimated long-term financial impacts ranging from USD 144 million to USD 591 million under low-to high-carbon price scenarios. While Malaysia's carbon pricing regime remains limited at present, the Group's exposure may increase over the longer term as carbon pricing mechanisms and related regulations evolve.
Market and Sustainability		✓	✓	Our Focus: Sustainable Product Development and Innovation Increasing demand for low-carbon and sustainable products may place less innovative market participants at a competitive disadvantage, potentially affecting the Group's market positioning and long-term business growth.
Reputation		✓	✓	Our Focus: Failure to Meet Climate-related Target Inadequate climate action may increase negative stakeholder perceptions, potentially affecting shareholder and consumer confidence, brand reputation and the Group's market position.

Climate Opportunities				
OPPORTUNITIES	TIME HORIZON			TRANSITION RISK DESCRIPTION
	SHORT TERM	MEDIUM TERM	LONG TERM	
Market and Sustainability		✓	✓	Our Focus: Sustainable Product Development and Innovation The global transition towards a low-carbon economy has increased market demand for certified sustainable and low-emissions products, creating opportunities to expand the Group's sustainable product portfolio across its agricultural and manufacturing supply chains.
Technology		✓	✓	Our Focus: Low Carbon Technologies Substituting existing products with lower-emissions alternatives may reduce the carbon footprint and improve operational efficiency, while creating opportunities to strengthen its low-carbon product portfolio. The Group continues to expand the deployment of renewable energy including methane capture plants, solar PV, cogeneration across its operations as one of company's strategies to decarbonise its value chain and achieve Net Zero by 2040.

Strategic Approach and Effects on the Business Model and Value Chain

Transition Risk and Opportunities	Effects on Business Model and Value Chain	Opportunities we have created in our Value Chain
Policy and Legal (Local and International)	- Reduced operating profit due to the pass-through of increased costs from suppliers, including fertiliser and energy providers. - Increased exposure to potential sustainability and climate-related penalties and heightened compliance requirements. - Exposure to potential Carbon Border Adjustment Mechanism ("CBAM") requirements for products exported to the EU and other carbon tax mechanisms in other countries.	- Optimise current operations through best practices to improve efficiency, reduce and remove GHG emissions and minimise resource consumption. - Expand the utilisation of renewable energy across upstream and downstream operations, including biogas, solar and solid biomass, to reduce GHG emissions. - Continue adopting low-carbon technologies to reduce the likelihood of incurring climate and sustainability-related fines and penalties. - Enhance supply chain engagement and collaboration to support Scope 3 value chain emission reductions. - Implement internal carbon pricing at RM60/MT CO₂e for the Plantation Division and RM80/MT CO₂e for the Resource-Based Manufacturing Division in Malaysia and EUR 30/MT CO₂e for Germany operations to support low-carbon investments and inform operational decision-making.
Market and Sustainability	- Potential loss of market competitiveness due to evolving demand and shifting customer preferences towards more sustainable products. - Higher compliance and administrative costs associated with meeting regulations or tax regimes.	- Strengthen the Group's responsible sourcing policies and guidelines by embedding and extending sustainability requirements, such as NDPE, traceability, etc., across the value chain. - Expanding the range of low-carbon products offered may generate additional revenue streams and strengthen competitive advantage.
Technology	Higher capital expenditure associated with adopting low-carbon technologies, upgrading existing equipment and transitioning away from less climate-friendly operations.	- Continue expanding mechanisation and digitalisation to reduce energy consumption and, consequently, reduce operating expenditure. - Expand internally generated renewable energy from solar and biomass to reduce dependence on grid electricity and exposure to fossil-fuel (e.g., diesel) price fluctuations. - Further expand circular economy practices to reduce waste and improve operational efficiency. - Generate revenue opportunities through electricity sales to the grid. - Install and expand biogas capture facilities to capture methane from POME and reduce dependence on fossil fuel-based energy.
Reputation	Delays in adopting low-emission practices or achieving the Group's Net Zero targets may weaken stakeholder trust, investor confidence and the Group's climate credibility.	- Transparent strategy, risk identification and management reduce the risk of climate-related litigation and enhance shareholder and consumer confidence, particularly among investors. - Strengthen brand recognition as a producer with a low-carbon footprint.

Sustainability Statement on IFRS S2

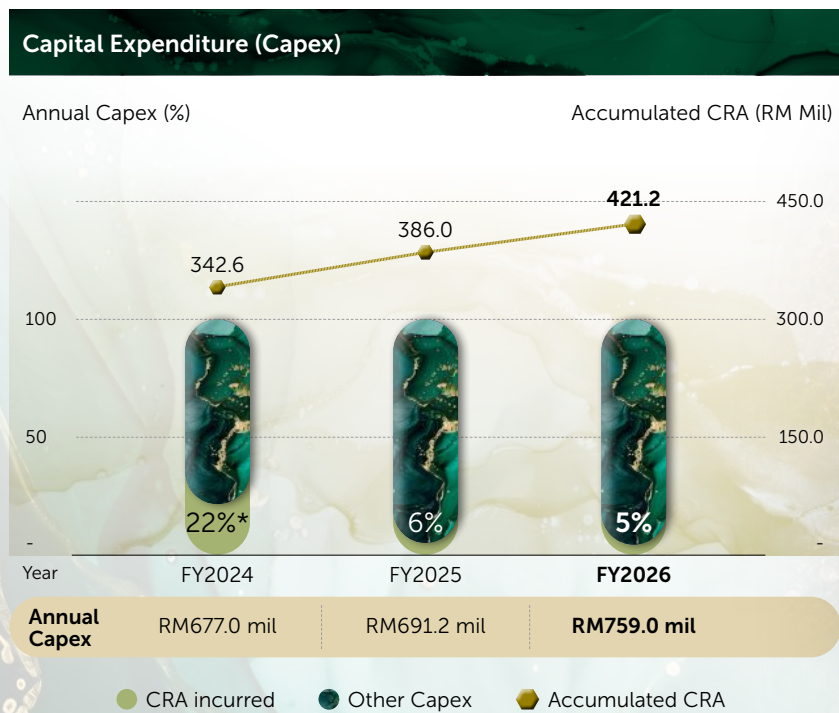
Climate-related Financial Disclosure

Financial Effects

The Group continued to invest in climate-related assets (“CRA”) throughout the reporting period. CRA represented 22% of annual capex in FY2024 primarily due to the completion of palm wood factory, and subsequently remained relatively stable at approximately 5% to 6% of annual capex in FY2025 and FY2026. As a result, accumulated CRA investment increased steadily from RM342.6 million in FY2024 to RM421.2 million as at FY2026, driven mainly by investments in GHG reduction initiatives. The Group’s three-year CRA trend is summarised in the table and graph.

CRA Purposes	FY2024 RM mil	FY2025 RM mil	FY2026 RM mil
GHG Reduction			
Renewable Energy	133.7	166.1	183.3
Energy Efficiency	81.8	89.4	103.4
Repurpose By-Product/ Biomass	116.5	116.9	117.0
Total CRA for GHG Reduction Initiatives	332.0	372.4	403.7
Physical risks	6.2	8.7	9.2
Fire management	2.8	2.9	4.2
Water management	1.6	2.0	4.1
Total CRA	342.6	386.0	421.2

Notes:
Renewable Energy: Asset that derives energy from natural sources e.g. sunlight.
Energy Efficiency: Asset that increases energy efficiency and reduces energy wastage for production of finished goods.
By-Product/Biomass Generation: Asset that uses by-products and/or biomass as raw materials for production of finished goods.
Physical risks: Investment for physical risks mitigation and adaptation.
Fire Management: Investment for fire prevention and monitoring.
Water Management: Investment for reducing water consumption and improving water quality.



* Higher CRA incurred for FY24 is due mainly to the completion of palm wood factory

As part of its renewable energy initiatives, the Group has invested in CRA such as biogas and biomass plants, solar energy investments and thermal oil energy plants and increase the use of renewable energy.

Solar energy investments implemented across the Group contributed to lower energy costs in FY2026. In the Plantation segment, solar panel installations reduced the use of diesel-powered generator sets supplying electricity to labour quarters, while at IOI Palm Wood, solar energy reduced reliance on grid electricity. These initiatives resulted in electricity cost savings of approximately 40% to 43%, demonstrating the financial benefits of seizing climate-related opportunities arising from the Group’s CRA investments while supporting the transition to lower-carbon operations. CRA investments in solar energy have also been undertaken in the Refinery and Oleochemical sub-segments to support the Group’s decarbonisation efforts, although the related financial effects are currently not significant in its operations.

Opportunities associated with biogas and biomass plant investments are also being evaluated and are expected to deliver more significant environmental and economic benefits. The Group is continuing to enhance its assessment of the associated financial effects to better capture the broader value generated through renewable energy generation, resource efficiency and energy cost optimisation. The quantified financial effects of these opportunities may be incorporated into future reporting cycles as the assessment further matures.

Climate-related internal risk assessments and scenario modelling are conducted annually to evaluate the key physical risks identified. The assessments are based on the Group’s business financial projections and incorporate management assumptions, judgements and estimates regarding the potential financial effects of climate-related risks over the medium term. The financial effects due to “heatwave” are not disclosed as of now. This is due to the lack of clear, definable, and reliable financial data on the impact of heat to the plantation, and are, therefore, still under further study.

In FY2026, the Group assessed sea level rise risks at selected estates in Kalimantan, Indonesia, and water stress risks, including prolonged dry weather and water supply disruptions, at manufacturing plants in Penang and Johor, Malaysia.

These risks may adversely affect operations through reduced FFB yield due to impacts on palm health and operational disruptions during flooding events, as well as production interruptions that could result in delays in fulfilling customer orders. While prolonged heatwaves may contribute to drought, the effect of drought on FFB yield has not been evaluated, as historical observations indicate that increase in CPO price due to lower supply has generally more than offset the adverse impact of reduced FFB yield.

The Group also continued to invest in CRA supporting physical risk mitigation measures, fire and water management to strengthen climate resilience across its operations. The Group progressively invests in water management infrastructure at its Plantation operations, as well as Reverse Osmosis (“RO”) systems and additional water storage capacity at selected resource-based manufacturing facilities. With these planned mitigation measures, the anticipated adverse effects on financial performance over the medium term are estimated to be less than 1% of the Group’s reported profit before interest and tax (“PBIT”) for the reporting period over the medium-term, while strengthening the operational resilience of the affected businesses.

The Group remains committed to strengthening the quality and robustness of its climate-related disclosures in line with evolving regulatory requirements and emerging practices. This includes further developing its assessment of climate-related risks and opportunities and enhancing its understanding of the related financial effects across short-term, medium-term and long-term time horizons, where applicable. These ongoing efforts support informed decision-making, enhance climate resilience and enable the Group to adapt its strategy and operations in response to changing climate.

 Further details are provided on page 176-177 of the Annual Report.

Photo by Jonathan James,
Leepang Palm Oil Mill,
Lahad Datu, Sabah

Sustainability Statement on IFRS S2

Nature-based Solutions

No deforestation and no new planting on peat

Since 2016, the Group has a no-deforestation moratorium in place and additional sustainability commitments that go beyond applicable legal requirements, such as no development of HCV, HCS forests and other designated conservation areas.

As part of effective carbon sequestration, we protect existing forests and peatlands that serve as important carbon sinks through active monitoring, mitigation, and adaptive management. An estimated 32,673 MT CO₂e is sequestered within forested conservation areas under IOI's management. Meanwhile, peatland emissions are minimised through adherence to IOI's Peatland Protection and Management Guidelines and RSPO Best Management Practices for existing cultivation on peat (refer to Section Safeguarding and Managing Natural Resources, page 75).

Moving forward, IOI expects additional carbon sequestration from non-forested conservation areas and oil palm crops aged over 25 years, estimated at 18,030 MT CO₂e and 207,929 MT CO₂e respectively.

Reforestation and Rehabilitation

In 2026, IOI formed the Reforestation and Biodiversity Task Force ("RBTF") to undertake the Group's rehabilitation and reforestation initiatives together with wildlife conservation and biodiversity enhancement initiatives. It is also the responsibility of the RBTF to ensure effective monitoring and coordination of both existing and future projects.

As of now, after a mapping exercise was done, we have identified that across IOI's concession areas, approximately 10,166 Ha are managed as HCV and other set-aside conservation areas. Based on a carbon sequestration baseline assessment conducted in 2025 by an external expert, these areas are estimated to sequester approximately 162K MT CO₂e annually, with potential for carbon sequestration enhancement through targeted reforestation and rehabilitation efforts. As a start, the RBTF has identified pilot reforestation sites in Sandakan, Lahad Datu and Kalimantan, encompassing approximately 1,062 Ha of conservation areas for potential reforestation and rehabilitation activities.

- Reforestation with indigenous plant/tree species in Kalimantan and Sandakan as of June 2026 covers approximately 30 Ha.
- Across IOI's estates in Indonesia, approximately 393 Ha have been identified and managed for rehabilitation.
- Continued collaboration with one of our customers, Nestlé, through the Nestlé RELeaf Project, where approximately 66 Ha forest trees have been planted across Mayvin 2 Estate, Mayvin 5 Estate and Unico 4 Estate.

These initiatives contributed to a cumulative reforestation and rehabilitation area of approximately 489 Ha in FY2026.

Engineered Solutions

IOI's engineered solutions support the Group's transition towards lower GHG emissions through solutions that include energy and operational efficiency measures, and the adoption of innovative low-carbon technologies across its Plantation, Refinery and Oleochemical divisions.

GHG Emissions Management and Low-Carbon Technologies

Currently, GHG emissions are calculated using division- and source-specific emission factors.

- For upstream operations up to the farm gate, IOI applies the RSPO PalmGHG Calculator Version 4, with reference to relevant emission factors published by the Intergovernmental Panel on Climate Change ("IPCC"), Department for Environment, Food and Rural Affairs ("Defra"), while the Suruhanjaya Tenaga Malaysia's Grid Emission Factors ("GEF") are used for purchased electricity.
- IOI resource-based manufacturing applies the ISO 14064 standards for GHG emission accounting. Further details on the calculation methodology and GHG emissions performance are provided in Section Metrics and Targets.
- Through comprehensive GHG emissions accounting, IOI has identified significant sources of emissions across its operations and value chain. Key emission sources include methane emissions from upstream operations and energy consumption associated with its resource-based manufacturing operations.
- To address this key source of emissions, IOI Plantations has installed methane capture and biogas engine facilities at 11 of its 15 mills, with 4 more in progress to be completed by 2029. These facilities have contributed to an estimated 54% reduction in methane emissions from POME since FY2015.
- Reduction of energy consumption is also a key focus of IOI's decarbonisation efforts across its resource-based manufacturing operations. IOIBE has implemented renewable energy generation at its Sandakan Refinery to reduce reliance on conventional energy sources and support the facility's operational energy requirements. Meanwhile, IOI Oleo has established a co-gen system at its oleochemical plant to improve energy efficiency and support the generation of renewable energy.

Energy Management and Operational Eco-Efficiency

- IOI Group achieved an approximately 43% reduction in Scope 2 emissions, from 48,658 MT CO₂e in FY2025 to 27,739 MT CO₂e in FY2026. Refer to page 64 for further details.
- IOI Plantations continue to expand solar adoption, with a solar farm project underway in the Lahad Datu region to supply electricity to operations located away from the main grid.
- PT SNA has installed solar panels to power operational street lighting, and uses fibre and shell as boiler fuel in place of diesel, supported by steam turbines as an internal power source.
- IOI Plantations have adopted several operational efficiency measures such as steam turbines for internal power generation, steriliser and boiler process optimisation, LED lighting, and daily digital monitoring of energy-consumption.
- Transport efficiency has also improved through optimised Hino truck load capacity and route planning for FFB delivery, supported by regular vehicle maintenance to reduce fuel consumption.

At our IOI Edible Oils, several initiatives have been implemented to optimise energy use and reduce GHG emissions, including:

- Increased utilisation of cleaner-burning liquefied natural gas ("LNG") in refinery boilers which emits about 25% less CO₂.
- Installation of a high-efficiency 240 RT chiller with a variable speed drive ("VSD"), reducing electricity consumption by approximately 698,400 kWh annually.
- Use of a PFAD heat recovery system, reducing electricity consumption by approximately 133,200 kWh and steam consumption by 191 tonnes annually.
- Installation of inverters for high-kW pumps at the refinery, reducing electricity consumption by approximately 18,700 kWh annually.

At IOI Oleochemical, the following initiatives have been implemented to optimise energy use and reduce GHG emissions:

- Installation of co-gen units, comprising a heat recovery steam generator and gas turbine, at IOI Oleochemical, reducing dependence on purchased electricity by 48% in FY2026 compared with the previous year.
- A solar PV system with a capacity of 1,329 kWp was recently installed at IOI Acidchem Penang. The system contributes approximately 3.8% of the company's electricity consumption through renewable energy.
- IOI Pan-Century Oleochemicals has installed solar PV and solar thermal systems. The solar PV system generates 179,257 kWh annually, reducing reliance on grid electricity and avoiding approximately 138,964 kgCO₂ of emissions annually, while generating annual cost savings of approximately RM123,883.
- Utilisation of solar thermal energy reduces reliance on conventional fuel sources, avoiding approximately 2,112,078 kgCO₂ of emissions per month and generating cumulative monetary savings of RM1,323,091 up to May 2026.

Other Technology and Innovation

IOI Palm Biotech and IOI Tissue Culture, in collaboration with MPOB and international research partners, have developed higher-performing planting materials with improved oil quality and productivity that would help to increase yield per hectare. Further updates on planting material can be referred in section Regenerative and Precision Agriculture.

7Rs Circularity

- Detailed circularity initiatives and performance, including the use of palm biomass and Oil Palm Trunk ("OPT") utilisation, and Group-wide 7Rs activities, that contribute towards GHG reduction and removal are covered in Section Circular Economy and Operational Efficiency.

Sustainability Statement on IFRS S2

Supply Chain Management

Scope 3 emissions particularly those tied to purchased goods and services, account for the majority of IOI's supply chain emissions, making supply chain management a critical lever in the Group's journey towards Net Zero by 2040. IOI works with suppliers across its operations to improve emissions data quality, encourage low-carbon practices, and progressively close the gap between industry-average and supplier-specific emission factors.

IOI's Group-wide Scope 3 emissions for FY2026 stood at approximately 5.4 million MT CO₂e.

Supply Chain Decarbonisation

1 Supply Chain Mapping:

IOI applies a phased approach to supplier mapping, initially focusing on Tier 1 suppliers before extending visibility across the wider supply base based on supplier readiness, emissions significance and traceability priorities.

2 GHG Assessment:

Building on earlier supplier capacity-building efforts, IOI is using both the MSPO GHG calculator for non-RSPO suppliers and RSPO ACOP submissions for RSPO suppliers as well as annual reports to progressively transition from default emission factors to supplier-specific data.

3 Stakeholder Engagement:

Between July 2025 and June 2026, IOI conducted supplier engagement sessions covering NDPE, GHG emissions, EUDR, biodiversity and water management.

Climate-related Procurement and Green Supplier Selection

IOI incorporates climate-related considerations into supplier selection by prioritising suppliers with lower carbon footprints and active decarbonisation efforts. Existing direct suppliers are encouraged to calculate and report their GHG emissions to enable IOI to integrate their emissions data into our annual supplier assessments.

Supplier assessments also cover broader environmental and social sustainability criteria. Of the 84 direct suppliers assessed, approximately 70% have a standalone Group-level NDPE policy, while the remainder incorporate NDPE commitments into broader sustainability policies. All assessed suppliers demonstrated labour-related commitments, including safeguards against forced and child labour, proper employment contracts and grievance mechanisms. Nearly half of the suppliers assessed operate methane gas capture facilities, while the assessments also cover HCV and other conservation-related considerations.

Scope 3 Management Across Our Business Divisions

- IOI Edible Oils / IOI Bio-Energy:** Engages suppliers to obtain emissions data using the MSPO GHG Calculator and prioritises procurement from lower-GHG, RSPO-certified producers, particularly those adopting methane capture technologies.
- IOI Oleo GmbH:** Engages suppliers to obtain product carbon footprint data and, where available, sources raw material alternatives with lower carbon footprints.
- IOI Oleochemical (Prai):** Engages key raw material suppliers to obtain supplier-specific, verified cradle-to-gate emissions data, replacing industry-average emission factors for the materials that contribute most significantly to its Scope 3 footprint.
- IOI Pan-Century Oleochemicals:** Monitors relevant Scope 3 emission categories in accordance with ISO 14064 and continuously identifies opportunities to improve the data quality obtained from their suppliers.



METRICS AND TARGETS

IOI measures the GHG emissions of its Plantation division using the RSPO PalmGHG Calculator Version 4, which is aligned with the GHG Protocol. For the Resource-based Manufacturing division, GHG emissions are calculated in accordance with ISO 14064 and are independently verified and certified under the applicable verification scheme.

Further information on the methodology used and Scope 3 emissions categories for the Plantation and Resource-based Manufacturing divisions is provided in the Appendix.

ACTIVITY-DRIVEN PERFORMANCE AND IMPACT

IOI Group's FY2026 Performance Towards Achieving Carbon Neutrality for Scope 1 and 2 by 2030

GHG Intensity Reduction FY2026



The Plantation division remained the largest contributor to the Group's net emissions, while continuing to present the greatest opportunity for emission reduction and removal, as its net emissions intensity continued to decline year on year. A slight increase in absolute emissions was recorded, mainly due to the inclusion of additional mill grouping and higher production volumes. Refinery division also recorded a slight increase in absolute emissions due to higher production volumes during the reporting period.

Table 1 presents the Group's emissions intensity and net absolute emissions across its business divisions over the past three financial years.

	FY2024		FY2025		FY2026	
	Intensity (MT CO ₂ e/MT Product)	Absolute (MT CO ₂ e)	Intensity (MT CO ₂ e/MT Product)	Absolute (MT CO ₂ e)	Intensity (MT CO ₂ e/MT Product)	Absolute (MT CO ₂ e)
IOI Group	1.30 (-42%)	777,373	1.22 (-46%)	703,848	1.13(-50%)	695,923
IOI's business divisions						
Plantation	0.87 (-52%)	509,520	0.74 (-60%)	429,585	0.69 (-62%)	438,890
Oleochemical	0.40 (10%)	230,628	0.44 (23%)	234,715	0.41 (13%)	217,365
Refinery	0.03 (-43%)	37,226	0.03 (-41%)	39,547	0.03 (-43%)	39,668

This year, the Group achieved an additional four-percentage-point reduction in GHG emissions intensity compared to the previous year, which is below the targeted annual reduction of 5% for FY2026, primarily due to the following factors:

a) Biogas engine breakdown:

A biogas engine at one of the Group's largest mills, which receives supply from more than ten supply bases, was under repair for approximately six months, from July to December 2025. This resulted in greater reliance on grid electricity and reduced biogas utilisation for renewable power generation, which also contributed to higher POME emissions at the mill.

b) Increase in production volume:

The Plantation and Refinery Divisions recorded a slight increase in production volumes, resulting in higher absolute GHG emissions this year, although overall emissions intensity decreased.

c) Expansion of the reporting boundary:

The Plantation Division expanded its GHG emissions reporting boundary this year to include an additional newly operating mill.

Sustainability Statement on IFRS S2

Net absolute emissions reduced to

695,923 MT CO₂e

after accounting for total carbon sequestration from oil palm crops, forested conservation areas and removal. This demonstrates the contribution of carbon sinks from oil palm and forested conservation to reducing the Group's overall carbon footprint.

GROSS SCOPE 1 AND 2 EMISSIONS

- Total gross emissions of Scope 1 and Scope 2 is **2,384,713 MT CO₂e**.
- **Scope 1** remains the largest source of IOI Group's combined Scope 1 and 2 emissions.
- Plantation operations account for approximately 89% of total emissions, primarily driven by emissions from land conversion, including legacy land-use change, POME and fertiliser use. (Chart 1 and 3).

CARBON SEQUESTRATION AND REMOVAL

- IOI Group recorded a total sequestration and removal of **1,688,790 MT CO₂e**, with **1,627,324 MT CO₂e** obtained from the sequestration of oil palm crops and forested conservation areas.
- Oil palm crop sequestration accounted for approximately 98% of the Group's total carbon sequestration as illustrated in Chart 2.

Carbon sequestration associated with its oil palm operations and forested conservation areas is quantified using the RSPO PalmGHG Version 4 methodology. Further information on IOI's nature-based solutions including carbon sequestration that contributes to IOI's efforts towards carbon neutrality is provided in the Section Nature-based Solution of this report.

FUTURE ROADMAP - CARBON NEUTRALITY (SCOPE 1 AND 2) BY 2030

- **50%** remaining emissions intensity reduction required by 2030. To be addressed through nature-based and engineered solutions. Further information is provided in Sections Nature-based solutions and Engineered Solution.

The above analysis enables targeted mitigation efforts for our key emission sources.

IOI's Business Division Performance (Scope 1 and 2)

Business Division	Activity	Performance	Impact
Plantation IOI Plantation accounts for 89% of Group-wide Scope 1 and 2 emissions (Chart 3)	• 11 methane capture facilities equipped with biogas engines and boiler burners were installed at our mills. • Expansion of Solar Energy Projects.	• 45 million m³ of biogas was captured through the methane capture facilities. • Approximately 32 million kWh of electricity was generated from biogas engines installed at our mills, helping to reduce reliance on grid electricity. • As of May 2026, the solar project has expanded, with five installations completed and a further six installations in progress, expected to be completed by the end of 2026.	• By capturing and utilising biogas, our mills reduced reliance on fossil fuels, displacing approximately 3.3 million litres of diesel. • RM13.1 million in savings from fossil fuel (diesel) use at our mills. • This year, methane capture facilities contributed to an estimated 54% reduction in POME-related emissions compared with FY2015. • 83% reduction in Scope 2 emissions against FY2020 baseline. • Plantation emissions to continue declining, supported by ongoing maintenance and expansion of methane capture facilities and development of more solar farms for its remote estates.
Oleochemical IOI's Oleochemical accounts for 9% of the Group's emissions. Scope 1 remained the largest contributor (Chart 4)	• Cogeneration and solar PV systems.	• Two cogeneration units were installed, contributing to an approximately 48% reduction in Scope 2 compared to FY2025.	• Improved energy efficiency and reduced reliance on grid electricity.
Refinery IOI's Refinery accounts for 2% of the Group's emissions. Scope 1 emissions remain the largest contributor to the division's operational emissions (Chart 5)	• Process optimisation and liquefied natural gas ("LNG") transition. • Green power source generated from biomass boiler in IOI Bio-Energy.	• Continued reduction in emissions intensity.	• Lower carbon footprint through improved operational efficiency.

Further information on our engineered solutions is provided in page 61 of this report.

IOI Group Performance Chart

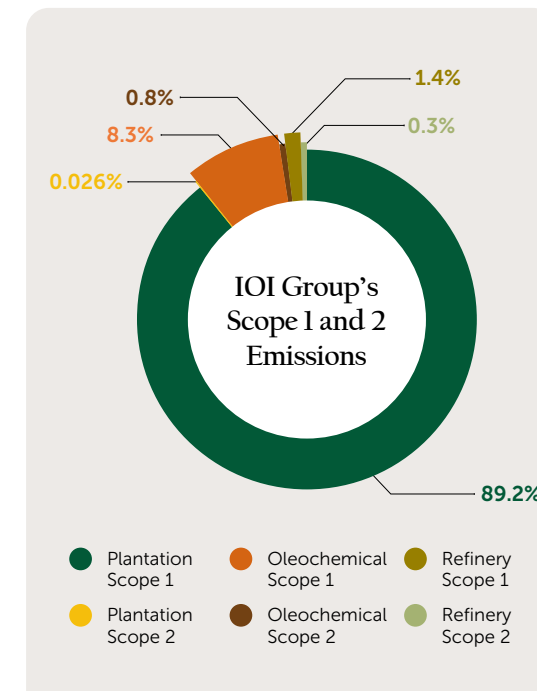


Chart 1. IOI Group's Scope 1 and Scope 2 Emissions

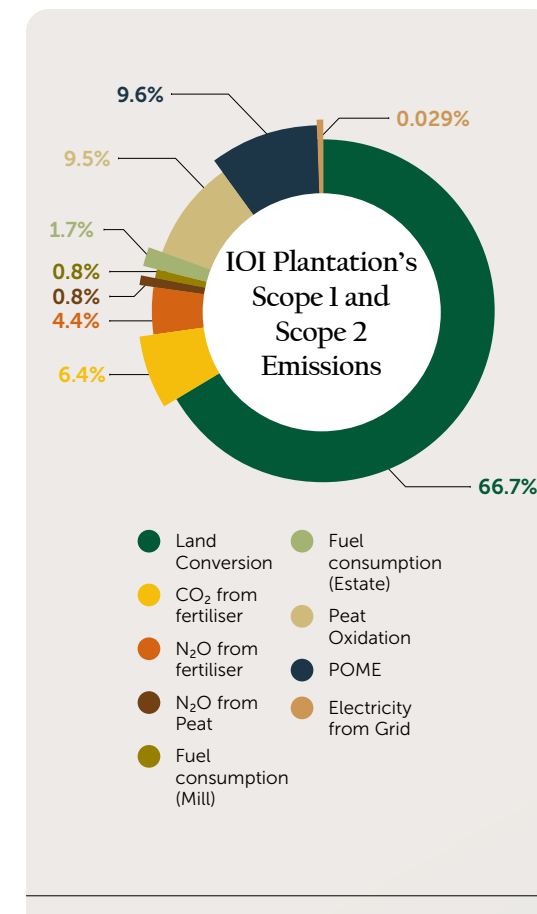


Chart 3. Breakdown of IOI Plantation's Scope 1 and Scope 2 emissions

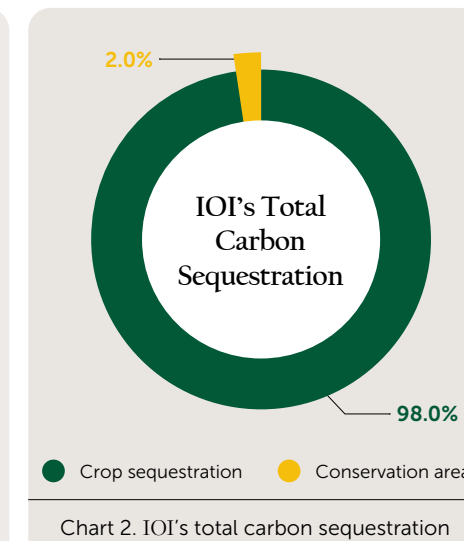


Chart 2. IOI's total carbon sequestration

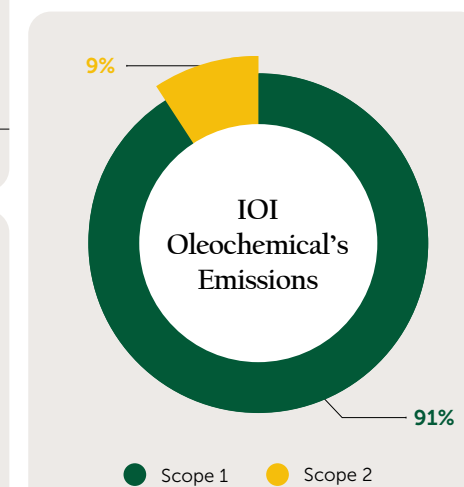


Chart 4. GHG emissions composition for the Oleochemical division

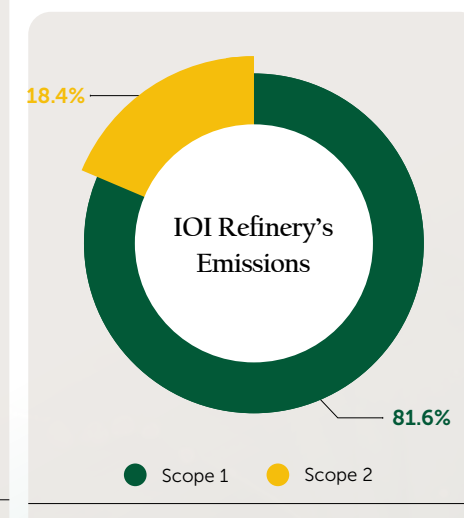


Chart 5. GHG emissions composition for the Refinery division

IOI's Scope 3 Emissions

IOI's Group-wide Scope 3 emissions currently stand at 5,367,522 MT CO₂e.

IOI's downstream segments, comprising the Refinery and Oleochemicals divisions, contribute 72% and 26%, respectively, to the Group's total Scope 3 emissions (Chart 6). From these total emissions, 97% arise from purchased goods and services (Category 1), highlighting the importance of supply chain management and engagement with suppliers.

IOI will continue to monitor its Scope 3 emissions and strengthen collaboration with suppliers to enhance understanding of Scope 3 emissions across the value chain and work collectively towards emissions reduction.

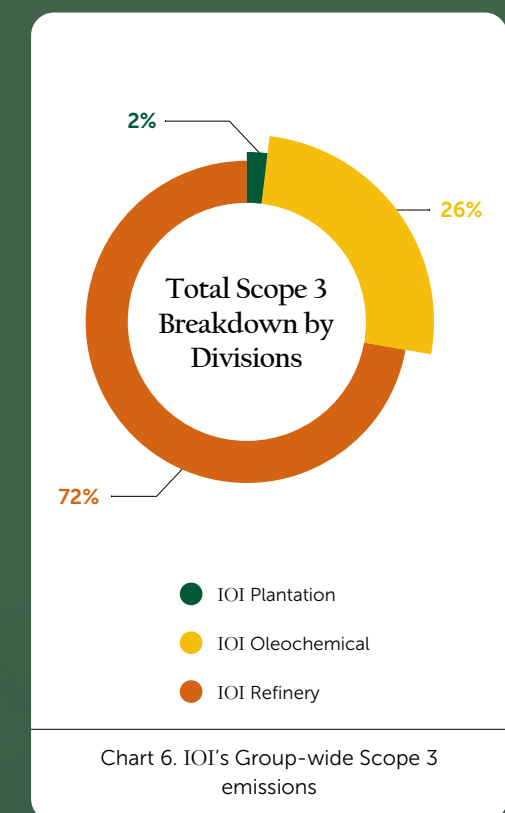


Chart 6. IOI's Group-wide Scope 3 emissions

TRANSFORMING NATURAL CAPITAL INTO RESOURCE VALUE

UN SDGs



GENERAL MANAGEMENT APPROACH

Sustainability is embedded within our business strategy (as aligned with IOI's Strategic Priority #4), and operations. Taking an ecological stewardship approach, we focus on responsible land management, resource efficiency, circular economy practices, and biodiversity conservation.

Guided by the IOI Sustainability Policy, Agrochemical Guidelines, and Environmental Management Guidelines, the Group implements regenerative and precision agriculture and circular economy practices to improve resource efficiency, reduce waste, and minimise environmental impacts.

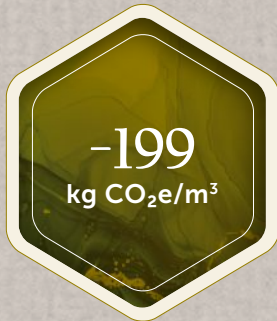
IOI also implements responsible management of natural resources and biodiversity through water stewardship and fire risk management, habitat conservation and rehabilitation, and wildlife protection. These efforts are supported by the IOI Group Water Policy, Zero Burning Policy, and Biodiversity and Ecosystem Guidelines, as well as collaborations with stakeholders.

Together, these efforts support IOI's long-term commitment to sustainable growth and responsible environmental management.

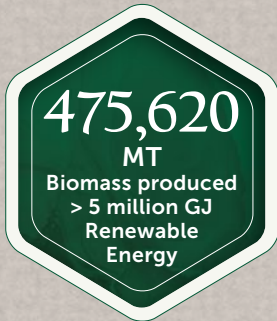


The Journey Begins With Nature

Protecting biodiversity and ecosystems are essential to sustaining a healthier and more resilient future. Through ecological stewardship, responsible water and fire management, conservation initiatives, and regenerative agronomy, IOI Corporation Berhad remains committed to preserving natural ecosystems while creating long-term value for communities, wildlife, and our future generation.



Net-negative carbon footprint of *OnCore*® PalmCore, one of four *OnCore*® value added product lines produced from OPT.



Biomass, including Palm Kernel Shells ("PKS") and Mesocarp Fibre ("MF"), used for renewable energy generation in IOI mills.

Regenerative and Precision Agriculture

IOI Plantations approaches sustainable oil palm cultivation by implementing a combination of regenerative agriculture and precision agriculture practices together with best management practices ("BMP") to enhance soil health, optimise nutrient management, promote biodiversity, and reduce reliance on chemical inputs. These practices support both agricultural productivity and long-term environmental sustainability. A notable example is the implementation of organic oil palm cultivation at IOI Pamol Barat and Pamol Timur Estates. Other initiatives include the use of cover crops, biomass recycling, integrated pest management, improved nutrient-use efficiency, crop diversification and biotechnology-driven innovations. The following section highlights the implementation and impacts of these practices across IOI's plantation operations.

ACTIVITY-DRIVEN PERFORMANCE AND IMPACT

Enriching and optimising the soil

As part of its efforts to enhance soil health naturally, IOI adopts circular agricultural practices by reusing biomass as mulching and fertiliser, complemented by the cultivation of cover crops to enhance soil fertility and nutrient cycling.

IOI Research Centre regularly conducts soil and leaf sampling to monitor nutrient levels and detect pests and diseases. Fertilisers are applied based on recommendations from the analysis results to optimise nutrient application and minimise unnecessary inputs.

Initiatives Implemented	Impacts Achieved
- Reused approximately 505,162 MT of biomass such as EFB and treated POME as organic fertiliser and soil amendments across IOI estates in FY2026. - Applied treated and diluted POME to agricultural land after treatment in compliance with local regulatory requirements. - Cultivated leguminous cover crops ("LCC") particularly in new planting areas and replanting sites such as <i>Mucuna bracteata</i>. - Implemented soil conservation practices through weed management, including the maintenance of soft grasses and ferns to provide ground cover and minimise soil erosion.	- Returned essential nutrients including nitrogen, phosphorus and potassium to the soil. - Improved soil organic matter, moisture retention and nutrient cycling. - Reduced waste generation through beneficial reuse of biomass and treated effluent. - Lowered dependence on inorganic fertilisers and reduced chemical runoff. - Reduced soil erosion and surface runoff particularly during the monsoon season in the estate.

In FY2026, IOI collaborated with its customer, L'Oréal, on a soil health monitoring project across selected IOI estates. The project aims to establish baseline soil health indicators, enabling IOI to better manage existing soil conditions, identify areas for improvement and support long-term sustainable agricultural practices.

Integrated pest management

To reduce our reliance on chemical pesticides and rodenticides, IOI practices integrated pest management ("IPM") by promoting natural predators and beneficial plant species.

For pest and disease management, IOI Plantations prioritises early detection, population monitoring, field sanitation, and biological control methods. Chemical pesticides are applied only when pest populations exceed the established control thresholds, supporting the responsible use of chemical inputs while maintaining effective crop protection.

Initiatives Implemented	Impacts Achieved
- Planted beneficial plants such as <i>Cassia cobanensis</i> and <i>Antigonon leptopus</i> to support populations of natural pest predators. - Utilised barn owls and hunting dogs as biological control agents to manage rodent populations. - Introduced additional beneficial plants and natural predators where necessary to maintain ecological balance.	- Reduced reliance on chemical pesticides and rodenticides. - Minimised risks of environmental contamination associated with chemical pest control. - Strengthened resilience of pest management systems against climate-related shifts in beneficial species populations. - Maintained effective pest and disease control through nature-based solutions. - Supported natural pest control by providing nectar and habitats for natural enemies, such as parasitoids and insect predators.

Photo by Muhammad Iskandar,
Bukit Serampang Estate,
Tangkak, Johor

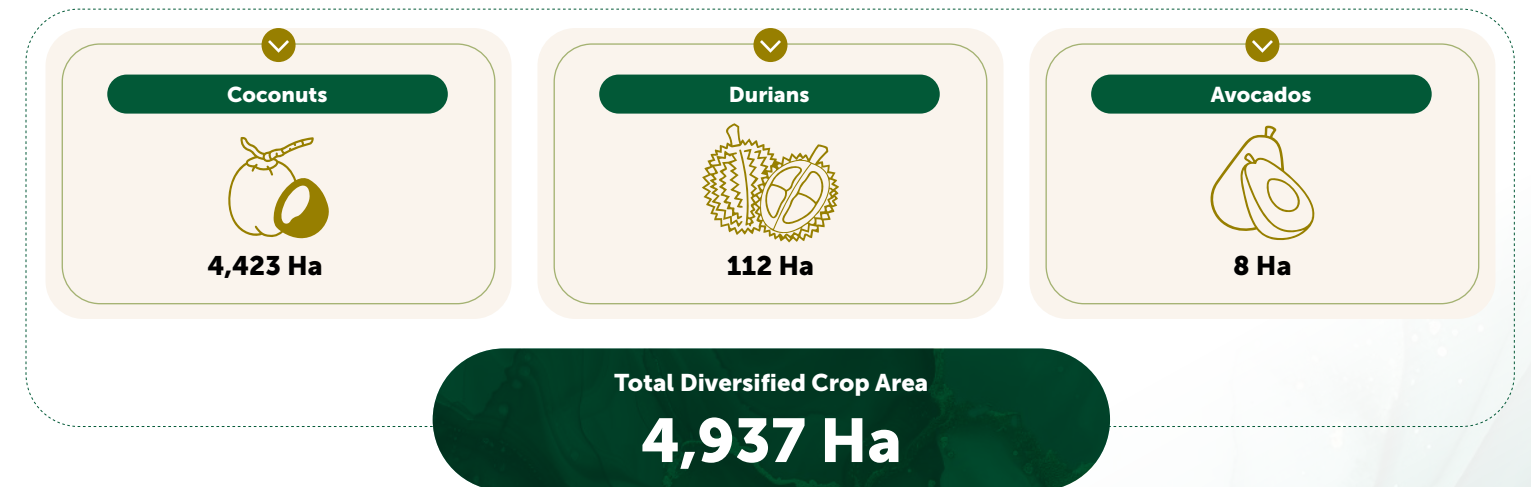
Organic oil palm production

IOI further advances regenerative agricultural practices through lessons learnt in the management of our organic oil palm plantations at Pamol Timur Estate and Pamol Barat Estate.

Initiatives Implemented	Impacts Achieved			
IOI Plantation managed: 1,128 Ha of certified organic oil palm area. 2,493 Ha under organic conversion. As part of its regenerative agriculture approach in organic oil palm, IOI practices: - Recycling EFB, pruned fronds and treating POME solids as mulch. - Integrating the use of buffaloes for natural weed control and nutrient recycling. - Applying biological pest management using beneficial insects such as <i>Sycanus dichotomus</i>. - Releasing about 563 beneficial insects during FY2026 to enhance biological control populations. - Zero usage of chemical herbicides and pesticides.	- Achieved organic FFB yields ranging from 23.87 to 27.15 MT/Ha. - Total certified organic palm oil sales have grown more than ten-fold from: <table><tr><td>FY2024: 467 MT</td><td>FY2025: 2,298 MT</td><td>FY2026: 4,665 MT</td></tr></table> - Compliance with internationally recognised standards including EU Organic, US Department of Agriculture ("USDA") Organic and China Organic certifications created access to premium markets that value product integrity together with maintaining the exceptionally stringent integrity of the organic supply chain. - Improved soil health and biodiversity as well as nutrient cycling and moisture retention. - Free from chemical herbicides and pesticides.	FY2024: 467 MT	FY2025: 2,298 MT	FY2026: 4,665 MT
FY2024: 467 MT	FY2025: 2,298 MT	FY2026: 4,665 MT		

Crop diversification

To maximise land-use efficiency and strengthen ecosystem resilience, selected IOI estates implement crop diversification through intercropping. In addition to providing supplementary income during periods of lower oil palm yields, cultivating a diversity of crops can support soil health and ecosystem diversity by reducing reliance on a single crop system. As of FY2026, IOI had planted fruit crops across 4,937 Ha within its estates. Examples of the main fruit crops planted are presented below.



Advancing biotechnology through research and development ("R&D")

IOI continues to focus on its research and innovation capabilities support sustainable palm oil production. In FY2026, IOI Palm Biotech advanced genetic and tissue culture research to develop higher-performing planting materials with improved disease tolerance, oil quality, and productivity. These efforts were undertaken in collaboration with the Malaysian Palm Oil Board ("MPOB") and international research partners, including participation in genomic research programmes and the SureSawit KARMA testing project to improve the quality of clonal planting materials. As of June 2026, approximately 36,833 Ha of IOI's

planted area were cultivated with clonal palms, representing 24.5% of the Group's total planted area, with 394,651 clonal planting materials supplied for field planting. These initiatives support higher yields, better resource efficiency, and more sustainable use of existing agricultural land.

IOI Palm Biotech researchers continually publish scientific papers and present research findings at industry conferences, thereby contributing towards knowledge sharing and innovation in the palm oil sector.

Circular Economy and Operational Efficiency

IOI continually advances operational efficiency across its operations by maximising resource utilisation and minimising waste generation. Through our 7Rs of circular economy approach, we further created value from our waste and have now re-categorised them into by-products and biomass residues. During this reporting year, details of these activities and initiatives are presented in the following sections.

ACTIVITY-DRIVEN PERFORMANCE AND IMPACT

Plantation Division

The biomass generated from IOI's estates and mill operations is recognised as a valuable resource rather than a waste stream, supporting the Group's circular economy and waste reduction efforts. The various types of biomass streams generated are OPT, PKS, Mesocarp Fibre ("MF"), EFB, and POME residues. Under our circularity approach, these biomasses are largely reused as mulch and organic fertiliser in the estates, as well as for renewable energy generation in the mills. For this financial year:

- Approximately 505,162 MT biomass of EFB was utilised for mulching in the IOI estates.
- 475,620 MT biomass of PKS and MF was used for renewable energy generation in IOI mills which generated over 5 million GJ of renewable energy.
- 54,997 MT of EFB fibre was used as feedstocks for biomass boiler in our refinery.
- About 2.7 million MT of POME generated from the mill for further use of biogas generation and land application in IOI estates.
- In total, about 3.7 million MT biomass was reused, thereby reducing the use of chemical-based fertiliser and fossil fuels which contributed to GHG emissions reductions.



Photo by Mohamad Zulhaidi,
Pamol Barat Estate, Kluang, Johor

Resource-based Manufacturing Division

For IOI's resource-based manufacturing divisions, waste reduction remains one of its key focus areas for operational efficiency. As part of its circular economy approach, IOI seeks to maximise resource value by recovering, reusing, and repurposing materials wherever feasible. During the reporting year, selected waste streams were reclassified as by-products based on their beneficial use and market value, supporting resource efficiency and creating additional value through internal reuse or external sales.

In our Refinery division, IOI Bio-Energy ("IOIBE") converts plantation biomass into renewable energy, reducing reliance on fossil fuels in its refining operations. By-products such as boiler ash, treatment sludge, and recovered wastewater are reused for applications such as soil improvement, organic fertilisation, and water conservation respectively. Spent Bleaching Earth ("SBE"), a key refinery by-product generated by IOI Edible Oils ("IOIEO") and Pan-Century Edible Oils ("PCEO"), is recovered for industrial oil extraction. The extracted oil is subsequently used in biodiesel production, while the remaining material is repurposed for bio-organic fertiliser and construction applications. These practices help extend material lifecycles, maximise resource utilisation, minimise waste and aid in GHG reduction.

In IOI Oleochemical, circularity was demonstrated through several initiatives. By-products such as methanol, glycerine and SBE were recovered and sold to third parties, thereby reducing their disposal as waste. A sludge dryer was installed to reduce the water content in sludge by more than 60%, thereby reducing the quantity of sludge requiring disposal.

During this financial year,

- About 19,384 MT SBE was sold by IOIEO and PCEO to third parties during this financial year.
- IOIBE purchased 65,501 MT of biomass such as EFB fibre, PKS and MF from external suppliers during this financial year as their feedstock for the biomass boiler instead of using fossil-based fuel.
- IOIBE generated approximately 5,084 MT of boiler ash from the energy generation process. The boiler ash was sold for reuse by IOI's estates as mulch and by cement manufacturers in their operations.
- In IOI Oleochemical, a total of 3,893 MT of by-products, diverting these materials from disposal at landfill.
- Overall, recycling rates of 54% and 51% were achieved by IOI Oleochemical and IOI Refinery, respectively.

IOI Palm Wood

High-performance palm wood boards and panels are produced through a structured, four-step process:

- Log Preparation: Oil palm trunks ("OPT") harvested from replanting estates are delivered for processing.
- Canter Chipper Operation: The trunks are processed into fresh lamella bundles.
- Thermal Modification Process: To enhance durability, dimensional stability and resistance to decay.
- Panel Manufacturing Area: The treated lamella is consolidated and engineered into finished *OnCore*® products.

The finished products are marketed under six *OnCore*® product lines: Lamella, PalmCore, Blockboard, Three-Layer Panel, Cross Laminated Panel, and Acoustic dB.

Research and development on OPT utilisation is undertaken through collaborative projects with various industries, research and academic partners, including:

- Malaysian Timber Industry Board ("MTIB")
- Forest Research Institute Malaysia ("FRIM")
- Malaysian Palm Oil Board ("MPOB")
- MSPO biomass division
- University researchers
- Machinery and facility providers

The resulting technology is transferred through internal technical knowledge sharing, with findings documented, standardised, and shared across departments to facilitate the integration of innovations into operations.

IOI Palm Wood contributes to the circularity within the palm oil value chain through a zero-waste production framework. The utilisation of OPT from replanting cycles provides an alternative source of wood-based materials, reducing reliance on conventional tropical forest resources helping us to avoid deforestation. Manufacturing offcuts and fibres are repurposed as biomass fuel for the on-site energy plant, generating heat required for the thermal modification process and reducing reliance on external fossil fuels. Ash generated by the energy plant is returned to plantations as fertiliser, completing the nutrient loop.

During the financial year:

- An independent life-cycle assessment conducted by Universiti Kebangsaan Malaysia in accordance with ISO 14040 and ISO 14044 confirmed a net-negative carbon footprint for four *OnCore*® product lines, with *OnCore*® PalmCore reaching $-199 \text{ kg CO}_2\text{e/m}^3$.
- Diverting OPT from field decomposition avoids an estimated 11.2 kg $\text{CO}_2\text{e/m}^3$ of methane emissions that would otherwise be released.
- IOI Palm Wood's transformation of oil palm trunks into *OnCore*® panels was featured in Sin Chew Daily on 11 May 2026.
- IOI Palm Wood sourced approximately 21,535 felled OPT which is equivalent to 8,242 MT, and converted them into approximately 1,796 m^3 of finished products, creating value from biomass that would otherwise be left on the field.
- About 11,650 m^3 of OPT fibre generated from OPT processing is reused as feedstocks for energy plant facility in IOI Palm Wood and 121 MT of OPT fibre and ash was sent back to IOI estates for mulching purpose.

IOI Paper and Pulp

Building on the Group's ongoing efforts to valorise oil palm biomass through circular economy initiatives, IOI continues with its paper and pulp initiative to convert EFB into a sustainable alternative to timber-based pulp. EFB that would otherwise decompose in the field and release methane and other greenhouse gases are instead utilised as a value-added raw material by Nextgreen IOI Pulp Sdn Bhd, a joint venture between IOI and Nextgreen Global Berhad. With an estimated investment value of approximately RM900 million, the venture is expected to commence commissioning in the third quarter of 2028 and will produce paper and pulp from oil palm biomass, supporting resource efficiency, waste reduction and the circular utilisation of palm biomass.



Circular Economy and Operational Efficiency

IOI's 7Rs of Circularity

IOI implemented circularity practices based on the 7Rs: Rethink, Repurpose, Recycle, Reuse, Reduce, Recover, and Repair:

01 Rethink

- Adopted cleaner production technologies, such as physical ultrafiltration as an alternative to chemical pre-treatment, to reduce chemical consumption and waste generation.

02 Repurpose

- Collaborate with third-party partners to convert side-stream products into value-added products, such as biogas, fertilisers and grease, thereby reducing the disposal of bio-waste.

03 Recycle

- Recycle treated effluent through reverse osmosis ("RO") systems for non-critical applications, thereby reducing freshwater withdrawals from municipal sources.

04 Reuse

- Reuse PKS and fibre as renewable biomass fuel for boiler operations.
- Cleaned fertiliser bags are reused for operational purposes, where appropriate.
- IOI collaborates with third-party partners to reuse waste materials in cement manufacturing and as feedstock for biogas production.

Summary of 7Rs Activities across the Group

05 Reduce

- Reduce chemical fertiliser use through the application of treated POME and EFB to enhance soil fertility and improve nutrient efficiency.
- Install sludge dryers to reduce sludge moisture content by over 60%, reducing the volume of sludge requiring disposal.
- Encourage employees to bring reusable food and beverage containers to minimise single-use plastics.
- Reduce freshwater consumption through wastewater recycling and reuse initiatives.

06 Recover

- Recover heat from Heat Recovery Steam Generator ("HRSG") continuous blowdown using heat exchangers to preheat Reverse Osmosis ("RO") water.
- Recover waste heat from thermal oil heater economisers through vapour absorption chillers to produce chilled water for plant operations.
- Recover wastewater through RO treatment of Effluent Treatment Plant (ETP) effluent and cogeneration streams.
- Generate renewable thermal energy using a 189 kWp solar thermal system integrated with Internet of Things ("IoT") technology to support boiler feedwater heating.
- Recover and reuse condensate water from production processes to reduce water consumption.
- Rainwater harvesting systems are installed to provide water for secondary uses.

07 Repair

- Extend equipment lifespan through regular maintenance and repairs, with disposal undertaken only when assets are beyond repair or replacement parts are no longer supported by manufacturer.

ENERGY MANAGEMENT AND OPERATIONAL ECO-EFFICIENCY

IOI is advancing engineered solutions across its business segments to accelerate emissions reductions, particularly through energy management and operational eco-efficiency initiatives.

In our plantations, we reduce biomass residues (PKS and mesocarp fibre) by utilising them as boiler fuel. Methane capture facilities have been commissioned at 11 of our 15 mills, contributing to an estimated 54% reduction in methane emissions from POME since FY2015. Moving forward, IOI will further expand solar capacity to reduce reliance on grid electricity across its operations.

IOI continues to strengthen energy efficiency and decarbonisation across its resource-based manufacturing operations through initiatives such as waste heat recovery, equipment retrofitting, low-carbon technologies and cleaner fuel sources. These measures improve operational efficiency and resilience while reducing Scope 1 and 2 GHG emissions. Moving forward, IOI will accelerate renewable energy deployment in support of its decarbonisation pathway towards 2030.

 Further details are set out on page 61.

 Further details are set out on page 61.

Safeguarding and Managing Natural Resources

Water Management

IOI Group's operations across plantations, refineries and oleochemical facilities depend on both green and blue water as resource for our operations. We have a Group Water Policy which is the foundation for water stewardship across the Group, while site-specific water management plans are implemented and reviewed annually at each operating unit and division. Water-related risks are assessed as part of the Group's climate risk assessment process. These assessments have identified water stress as potential physical climate risks that may affect operations in coming years. To address these risks, IOI implements a range of mitigation and adaptation measures focusing on water stewardship, water efficiency, responsible water use and peatland water management.

ACTIVITY-DRIVEN PERFORMANCE AND IMPACT

Water Stewardship

The Group manages water through regular consumption monitoring, preventive maintenance, water infrastructure inspections and periodic performance evaluations. Operational measures include regulating drainage and water-control structures, monitoring water tables and canal levels, protecting riparian buffer zones and natural watercourses, and conducting routine water quality monitoring. These efforts are guided by our internal environmental management systems, annual audits and compliance with applicable regulatory requirements. Selected operating units also maintain ISO-certified management systems, including ISO 14001:2015, to strengthen environmental performance, manage water-related risks and drive continual improvement.

At the plantation level, as part of its water stewardship approach, the IOI mills strive to maintain water consumption for FFB processing below 1.2 m³/MT FFB processed through the implementation of water conservation and efficiency measures. These measures have strengthened oversight of water consumption, enabled the identification of water-saving opportunities while enhanced the protection of watercourses, riparian zones and conserved water areas. Regular inspections, monitoring and audits have also helped reduce the risk of water loss, strengthen environmental compliance and support more resilient estate, mill and processing operations.

Water Efficiency and Conservation

IOI continues to improve water-use efficiency through water recycling, rainwater harvesting and process optimisation initiatives. Key measures include the reuse of treated effluent, reverse osmosis ("RO") reject water, cooling water and steriliser condensate, as well as the implementation of heat recovery systems to improve boiler efficiency. Digitalised rainwater harvesting systems are also being introduced to optimise water recovery and utilisation across facilities. These initiatives have contributed to measurable water savings and operational improvements:

- IOI Plantation mills recorded a water consumption intensity of 1.13 m³/MT FFB in FY2026.
- IOI PCOC reduced daily water consumption at one of their operations from 3,300 m³/day to 2,000 m³/day.
- IOI PCOC targeted rainwater recovery of up to 4,500 m³ per month across three digitalisation projects.
- IOI Edible Oils recycled 104,847 m³ of treated effluent water for use in the refinery vacuum system in FY2026.
- Improved boiler efficiency and reduced boiler make-up water requirements through condensate recovery and heat recovery.
- Increased reuse of alternative water sources, reducing dependency on freshwater.
- Enhanced water conservation through expanded rainwater harvesting and monitoring systems.

Responsible Water Use and Discharge

IOI implements responsible water use through effective water management, wastewater treatment and pollution prevention measures across its operations. In the Plantation division, treated POME is beneficially reused where suitable, through land application programmes, returning the nutrients and moisture to the soil and reducing reliance on inorganic fertilisers.

Across the Resources-Based Manufacturing division, waste water treatment systems are operated and maintained to ensure effluent quality meets applicable regulatory requirements, including biological oxygen demand ("BOD") and chemical oxygen demand ("COD") discharge limits, typically ranging from 50 to 200 mg/L, as prescribed by local authorities.

IOI conducts routine water quality testing and wastewater monitoring through internal assessments and independent third-party sampling and analysis by certified laboratories. These measures support greater water reuse and recycling, improve wastewater quality prior to reuse or discharge, reduce the risk of water pollution incidents and strengthen compliance with environmental and discharge requirements. They also support continued access to clean water, sanitation and hygiene facilities for employees and contractors.

Safeguarding and Managing Natural Resources

Responsible Land Use and No Deforestation

Responsible land use is fundamental to IOI's commitment to sustainable palm oil production. Guided by the IOISP and supporting environmental management guidelines, IOI adopts a comprehensive approach to preventing deforestation, protecting high-value ecosystems, maintaining soil health, and managing peatlands responsibly. These practices are integrated into day-to-day operations, regularly monitored by designated personnel and reviewed to ensure effective implementation across the value chain.

ACTIVITY-DRIVEN PERFORMANCE AND IMPACT

No deforestation

Since 2016, IOI has implemented its NDPE commitment through a no-deforestation moratorium. Compliance across the supply chain is monitored through regular estate assessments, supplier engagement programmes, responsible sourcing evaluations and investigations of potential non-compliance cases. Where gaps are identified, corrective action plans and support are provided to enable suppliers to meet IOI's sourcing requirements. These ongoing efforts have:

- Achieved zero deforestation-related grievance across all IOI operations in FY2026.
- Strengthened responsible sourcing practices and supply chain accountability.
- Enhanced supplier awareness and adoption of sustainable land-use requirements.

Protection of HCV and HCS areas

IOI identifies HCV and HCS areas through HCV and High Carbon Stock Approach ("HCSA") assessments and implements dedicated management plans to safeguard these areas. Conservation efforts include the protection of forests and river buffers, peatlands, and other set-aside areas such as water catchments and steep areas. To strengthen monitoring and enforcement, IOI utilises drone and satellite surveillance, warning signages, regular training on prohibited activities at HCV and conservation areas, particularly against hunting, engagement with SFD and SWD, and routine patrols to detect land-use changes and prevent encroachment.

As of FY2026, IOI has conserved and protected a total of 7,060 Ha as set aside conservation areas and 3,106 Ha as HCV areas.

Type of areas	Malaysia	Indonesia	Total Area
HCV Areas (Ha)	1,588	1,517	3,106
Other set-aside conservation areas (non-HCV) (Ha)	4,235	2,825	7,060

Soil management

IOI implements a range of soil conservation and fertility management practices to maintain long-term land productivity. These include maintaining vegetation covers, establishing terraces in hilly terrain, and protecting steep slopes of more than 25 degrees. Soil health is further enhanced through the application of organic materials such as EFB and treated POME, alongside balanced inorganic fertilisation to replenish essential nutrients and support crop growth. These measures have contributed to the following outcomes:

- Reduced soil erosion and surface runoff across plantation areas.
- Improved soil moisture retention and soil organic matter content.
- Enhanced soil fertility and nutrient cycling through the beneficial reuse of biomass by-products.



Peat management

IOI protects and conserves peatland areas by mapping and identifying all peatlands within its managed landscapes. In Indonesia, our concession at PT SNA manages 2,539 Ha of peatlands designated as conservation areas, alongside an additional 240 Ha of slightly degraded peatland for future rehabilitation initiatives.

These peatland areas are actively managed by monitoring ground water levels, to maintain and enhance the ecological values. They help to maintain stable peatland conditions, reduce the risks of peat fires, drought, flooding, peat subsidence and degradation, and ultimately, strengthen the long-term resilience of peatland ecosystems. Water-table management and rewetting measures are especially crucial during times of severe droughts like the current El Niño. These initiatives also contribute to protecting riparian areas and surrounding water resources as well as supporting crop productivity.

IOI has gone the extra mile by setting aside selected areas of peatlands for rehabilitation to restore important peatland ecosystems. An example of a successful peatland ecosystem rehabilitation is the Bukit Leelau Mini Landscape Project. This project demonstrates how landscape-scale rehabilitation can strengthen peatland resilience while delivering social benefits. Further information can be found in Section Enhancing Biodiversity and Ecosystem, page 76.

Meanwhile, within IOI's legacy planted peatland areas, water levels are also actively managed through drainage networks, dams, water gates, spillways, screw gates and flap gates. Piezometers, canal-level scales and subsidence poles are used to monitor water-table levels, canal conditions and peat subsidence, enabling timely adjustments to water flow based on seasonal conditions. Regular inspections and maintenance of water management infrastructure are conducted to maintain the water table within the required operational range.

IOI has only a relatively small area of legacy planted peatlands compared with the total plantation hectareage. These areas were established prior to IOI's commitment to no new planting on peat and are managed in accordance with the IOI Peatland Protection and Management Guideline and RSPO Best Management Practices. In FY2026, IOI managed the following areas of legacy planted peatlands across Malaysia and Indonesia:

Type of areas	Malaysia	Indonesia	Total Peatland Managed
Legacy planted peatland (Ha)	2,113	1,683	3,796

Fire management

Fires, especially wildfires, pose significant risks to crops, biodiversity, ecosystems and local communities. To mitigate these risks across its operations, IOI implements a comprehensive fire prevention and management programme guided by a strict No Open Burning Policy. Preventive measures include regular fire patrols, monitoring of fire-prone areas, maintenance of firebreaks and drainage infrastructure, provision of firefighting equipment and facilities, as well as routine inspections, fire drills, and emergency response simulations conducted by trained emergency response teams.

In Indonesia, where fire risks are comparatively higher, IOI has established estate-specific Fire Preparedness Plans and conducted fire awareness programmes for employees and neighbouring communities. At PT SNA, real-time hotspot monitoring applications are used to facilitate early detection and rapid response to potential fire incidents, while piezometers are installed to continuously monitor peatland water tables and support proactive water management. To further strengthen fire surveillance, 68 fire towers have been constructed, exceeding Indonesia's regulatory requirements. Implementation of these measures have contributed to the following outcomes:

- Strengthened wildfire prevention, preparedness and response capabilities across plantation operations.
- Enhanced early fire detection and improved response time through digital monitoring systems and dedicated firefighting resources have reduced likelihood of fires within our operations.
- Reduced fire risk in peatland areas through proactive water-table management and continuous monitoring.
- Improved awareness, capabilities, and fire-prevention practices among employees and local communities.
- Through regular training, drills and emergency response exercises, PT SNA have maintained a high level of operational readiness.
- Recorded only four fire incidents within IOI-managed estates in FY2026, representing a 43% reduction from seven incidents in FY2025.
- Fire incidents outside IOI estate boundaries also declined from 43 in FY2025 to 20 in FY2026, a 53% reduction, reflecting the broader effectiveness of ongoing fire prevention and monitoring measures.

Enhancing Biodiversity and Ecosystem

“Protecting biodiversity and maintaining healthy ecosystems” is one of IOI’s materiality matters. Guided by the IOISP, Environmental Management Guidelines, and Biodiversity and Ecosystem Guidelines, IOI implements measures to safeguard and enhance biodiversity within and around our operating areas.

Across its conservation areas, natural regeneration is encouraged, while rehabilitation and enrichment planting programmes using native species enhance habitats and support biodiversity recovery. Our efforts focus on four key areas; reforestation and habitat rehabilitation, biodiversity monitoring and species protection; human-wildlife coexistence; and landscape-level conservation partnerships. Further details on these initiatives are presented in the following sections.

ACTIVITY-DRIVEN PERFORMANCE AND IMPACT

1 Reforestation and Ecosystem Enhancement

In 2026, IOI strengthened its biodiversity conservation efforts by expanding the scope of its Reforestation Task Force (“RTF”) and renaming it the Reforestation and Biodiversity Task Force (“RBTF”). The enhanced task force is tasked to oversee the Group’s biodiversity enhancement, wildlife conservation, habitat rehabilitation and reforestation initiatives, supporting effective coordination, monitoring and implementation of existing and future projects across IOI’s operational landscapes.

The task force has identified approximately 1,062 Ha of conservation areas as pilot reforestation sites in Sandakan, Lahad Datu and Kalimantan. As of FY2026, approximately 423 Ha of conservation areas are undergoing reforestation and rehabilitation aimed at improving habitat quality and supporting long-term biodiversity conservation.

IOI continues to collaborate with Nestlé through the RELeaf project along the Kinabatangan River, rehabilitating riverine habitats, strengthening wildlife connectivity, and enhancing ecosystem resilience. As of FY2026, over 66 Ha have been planted with native seedlings across Mayvin 2 Estate, Mayvin 5 Estate and Unico 4 Estate, with maintenance and monitoring activities ongoing.

2 Biodiversity Conservation and Species Protection

IOI has a strict no-hunting policy, and regularly patrols and monitors conservation areas. Warning signage is installed at conservation area boundaries to deter illegal encroachment and poaching, helping to safeguard important habitats and species. To strengthen our support for wildlife protection and conservation efforts, IOI collaborates with the Sabah Wildlife Department (“SWD”) to train and appoint Honorary Wildlife Wardens (“HWWs”). Best practices from the Sabah programme have also been adopted across IOI’s operations in Indonesia and Peninsular Malaysia. As of FY2026, 33 IOI employees had been newly appointed as HWWs by the SWD under the Wildlife Conservation Enactment 1997.



Photo by Tommy, PT Bumi Sawit Sejahtera, Indonesia

3 Promoting Human-Wildlife Coexistence

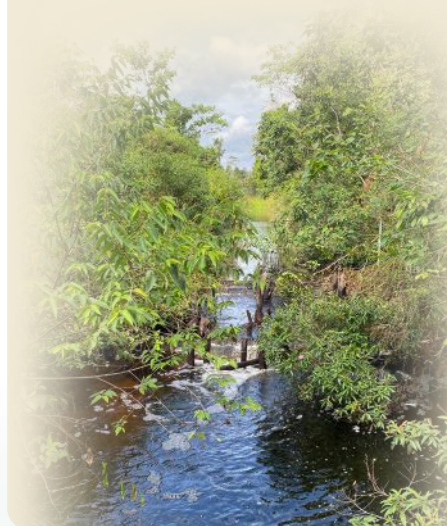
In Malaysia, our sustainability team in Sabah works closely with the SWD and conservation partners, including HUTAN-KOCP, Seratu Aatai and OrangJuga, to enhance biodiversity conservation and promote coexistence between wildlife and local communities. Regular engagement supports the exchange of conservation knowledge, management of wildlife encounters, and implementation of measures to protect Rare, Threatened and Endangered (“RTE”) species and their habitats, contributing to long-term resilience of biodiversity across the landscape.

In Indonesia, IOI works closely with Balai Konservasi Sumber Daya Alam (“BKSDA”) to strengthen biodiversity conservation and forest monitoring. During the year, Geographic Information System (“GIS”) and deforestation monitoring training was conducted in collaboration with BKSDA representatives and internal sustainability teams, covering remote sensing, deforestation analysis, forest rehabilitation and HCV/HCS management. The programme strengthened technical capabilities in conservation planning and monitoring, supporting the effective protection and management of biodiversity and forest ecosystems.

4 Landscape-Level Approach Initiatives

Bukit Leelau Mini Landscape Project

The Bukit Leelau Mini Landscape Initiative is a collaborative effort involving government agencies, local communities and civil society organisations to rehabilitate degraded peatland areas, reduce wildfire risks and improve ecosystem health in Southeast Pahang. Key activities include peatland rewetting through canal block installation, enrichment planting using native tree species, and continuous community engagement to support landscape conservation. The initiative, started since 2018, has contributed to positive biodiversity outcomes, including zero wildfire incidents recorded in the area over the past six years in the previously fire-prone Bukit Leelau. Peatland rewetting has also supported improvements in ecosystem conditions, including the return of native freshwater fish species such as Sepat, Keli and Haruan, which serve as indicators of recovering aquatic habitats.



South Ketapang Landscape Project

The South Ketapang Landscape Project is a collaboration between IOI’s PT SNA and IDH that integrates conservation, no-deforestation, community development and sustainable agriculture at the landscape level. The project engages neighbouring communities and independent smallholders to protect HCV/HCS landscape, reduce wildfire risks, strengthen sustainable land management practices, and improve land legality and traceability through GAP training and support for Surat Tanda Daftar Budidaya (“STDB”) registration.

During the year, the project covered 7,344 Ha within and around the concession, including 412 Ha of HCV areas, of which 199.6 Ha of rehabilitation and conservation areas were actively managed. Community-based livelihood initiatives were expanded through silvopasture and rice cultivation programmes, supporting alternative livelihoods and helping to reduce pressure on surrounding natural ecosystems. Capacity building on HCV management, GIS and fire prevention were also conducted. Meanwhile enhancements to the Online Hotspot Monitoring Platform strengthened landscape-level fire monitoring which has become crucial in handling the increased fire risks due to the drought brought about by the current severe El Niño. These efforts supported the protection of biodiversity habitats and ecological corridors, with no wildfire incidents recorded within conservation areas during the reporting period.



Photo by Mohamad Zulhaidi, Pamol Barat Estate, Kluang, Johor

TRANSFORMING HUMAN AND SOCIAL CAPITAL INTO SHARED PROSPERITY

UN SDGs



GENERAL MANAGEMENT APPROACH

IOI is committed to having a positive and lasting social impact by safeguarding the wellbeing, human rights and development of our employees, local communities and other stakeholders across our operations and value chain. Guided by the IOISP and internationally recognised frameworks, including the Universal Declaration of Human Rights (“UDHR”), the ILO Core Conventions and UN SDGs, we manage material social impacts through stakeholder engagement, Human Rights Due Diligence (“HRDD”), grievance mechanisms, capacity building and performance monitoring.

In addition, we ensure that health and safety, human rights and fair labour practices, ethical recruitment, diversity and inclusion, talent development and community wellbeing are being upheld through compliance, proactive measures, and establish active systems and procedures. Finally, through strategic partnerships and continuous improvement, we strengthen stakeholder trust, foster shared prosperity and contribute to UN SDG 8 and UN SDG 17.



Empowering Shared Value

Building a sustainable future begins with empowering people and embracing diverse perspectives. Through a culture rooted in respect, inclusivity and equal opportunity, IOI Corporation Berhad continues to foster meaningful connections and build a lasting legacy where individuals and communities can grow, contribute and thrive together for an even better tomorrow.



IOI Plantation, the largest private organisation in Sabah that provides access to education for our workers’ children through 43 Humana and Community Learning Centres (“CLCs”).



The Plantation segment achieved a labour-to-land ratio of 1:8.28 against its FY2029 target of 1:9.26, driven by increased mechanisation.

Protecting Our Workforce

Safety and Health

The IOI Group Safety and Health Policy ("IOISHP") applies across the Group, with specific indicators applicable to the Plantation and Resource-based Manufacturing divisions. Additionally, the IOISHP further expresses IOI's further commitment to addressing global health issues such as HIV/AIDS, tuberculosis, malaria, and other critical health concerns. The Group manages sustainability, safety, health, quality and sustainability-related standards in accordance with applicable local laws and regulations, international standards and relevant industry requirements. These include ISO 45001:2018 Occupational Safety and Health Management System, sustainability certification requirements under the RSPO P&C, MSPO and ISPO, Hazard Analysis and Critical Control Points ("HACCP"), Good Manufacturing Practice ("GMP"), and other relevant requirements.

ACTIVITY-DRIVEN PERFORMANCE AND IMPACT

Occupational Safety and Health Management System

IOI's Occupational Safety and Health ("OSH") management system is implemented across 100% of the Group's operations and covers all employees, external service providers and contractors. The management system is established with reference to the ISO 45001:2018 Occupational Safety and Health Management System standard and is regularly reviewed to ensure compliance with applicable legal, regulatory and industry requirements.

To support implementation, the Group has established guidelines covering work-related injury prevention, chemical handling, roles and responsibilities, emergency response, occupational incident reporting and investigation, and other key areas. Hazard Identification, Risk Assessment and Risk Control ("HIRARC") is used to identify, assess and manage operational safety and health risks. All operating units conduct annual risk assessments, with ad hoc reviews undertaken following process changes or occupational incidents, and prior to the commencement of new operations where relevant. Within the Plantation division, 31% of estates and mills are ISO 45001 certified. For Resource-based Manufacturing Division, 100% of Oleochemical, Refinery and Palm Wood operations are ISO 45001:2018 certified.

To ensure a safe workplace, all employees, workers and contractors are required to attend safety and health briefings before commencing work. Contractors must acknowledge and comply with IOI's Safety and Health Requirements for Service Providers, and obtain management approval before undertaking work on-site.

Emergency response plans are in place across all operations to address potential scenarios such as fires, chemical spills, severe occupational incidents, and extreme weather events. Routine emergency response drills are conducted to strengthen preparedness and response capabilities.

Participation in Safety Committee and Meetings with Management

Safety and Health Committees are established at the operating unit level, comprising representatives from employer, employees, and workers. The committee oversees the implementation of the OSH management system and shall meet at least once every three months to review OSH performance, risks and improvement measures.

Key responsibilities include:

- Investigate occupational incidents, near misses, dangerous occurrences and occupational diseases.
- Identify hazards, assess risks, and recommend appropriate control measures.
- Promote safety and health awareness among employees, workers and contractors.
- Review the effectiveness of safety and health training programmes.

Photo by Darren Alfio, Syarimo Palm Oil Mill, Lahad Datu, Sabah



Safety and Health Training

The Group conducts regular OSH training to strengthen workforce competence, support a strong safety culture and reduce workplace risks and incidents. Annual training needs assessments are conducted based on regulatory requirements, operational risks, and job-specific safety requirements to ensure relevant competencies are maintained across the workforce.

Training is tailored to the specific responsibilities and risk profiles of different operational roles, including safety wardens, genset operators, storekeepers, mechanics, wastewater treatment system operators, security personnel, etc.

In FY2026, a total of 28,343 employees and workers were provided safety and health training. Key training areas included:

- Personal Protective Equipment ("PPE").
- Forklift, overhead crane and lifting operations.
- Working at height.
- Chemical handling.
- Scheduled (Hazardous) waste management.
- Electrical and mechanical safety.
- Workplace ergonomics.

Occupational Incident Reporting

Occupational safety incidents are closely monitored across the Group's operations. All workplace injuries and incidents are recorded and reviewed by management to identify root causes and implement appropriate corrective and preventive measures. Severe incidents, including those resulting in permanent disability or fatality, are promptly reported to the relevant operating unit's safety and health lead and escalated to senior management. In FY2026, a total of 1,407 workplace injuries were recorded across the Group.

The Group maintains an annual target of zero occupational fatalities across its operations. Unfortunately, in FY2026, two occupational fatalities were recorded across the Group, and thoroughly investigated. Both occurred within the Plantation division; one case was due to road safety negligence and the other due to non-compliance with Safe Operating Procedure ("SaOPs") while operating a machinery. Following the incidents, additional control measures were implemented, and worker engagement was conducted to reinforce compliance with road safety and operational SaOPs.

IOI defines Lost Time Injury ("LTI") as an occupational incident resulting in one or more lost workdays. Lost time injury frequency rate ("LTIFR") performance is monitored to assess the effectiveness of occupational safety measures and identify areas requiring further improvement. In FY2026, the Group has established a new target to annually reduce the LTIFR of employees by 10% at the business segment level against the preceding financial year.

The following table presents the LTIFR by business segments for employees of IOI in FY2026 and FY2025.

Parameter (Covers employees only.)	IOI Plantation	IOI Refinery	IOI Oleochemical	IOI Palm Wood
FY2026 LTIFR Total number of LTI cases per 1,000,000 man-hours	22.48	5.94	2.43	17.54
FY2025 LTIFR Total number of LTI cases per 1,000,000 man-hours	24.54	3.70	2.63	13.92

Refer to page 106 for other safety indicators monitored by IOI.



Photo by Jonathan James, Leepang Palm Oil Mill, Lahad Datu, Sabah

Protecting Our Workforce

Occupational Health Monitoring

In our Malaysian operations, workers exposed to hazardous chemicals are monitored in compliance with the Use of Standards of Exposure of Chemical Hazardous to Health Regulations 2000. These workers must undergo monthly medical assessments, and their health conditions are monitored by medical practitioners or hospital assistants. Through the Chemical Health Risk Assessment, jobs with high exposure risk to hazardous chemical include pesticide sprayers, storekeepers, laboratory staff, boiler operators, wastewater treatment personnel, manure operators and so on.

In compliance with the Occupational Safety and Health (Noise Exposure) Regulations 2019, IOI conducts periodic Noise Risk Assessments to identify workers exposed to excessive noise, such as mill operators, machinery operators, and genset operators. Workers at risk receive appropriate training, supervision, and hearing protection, with annual audiometric testing to monitor hearing health and detect potential noise-induced hearing loss.

For our Indonesian operations, workers exposed to occupational health hazards undergo medical examinations every six months, conducted by qualified medical professionals in accordance with regulatory requirements. These examinations include audiometry, cholinesterase testing, and spirometry.

Promotion of Worker Health

The Plantation division operates 68 estate clinics staffed by 94 estate hospital assistants and assistant medical officers, providing primary medical care and first aid to employees, workers and dependants, as well as nearby communities. Visiting Medical Officers ("VMO") periodically review medical records and supplies at the estate clinics, and workers' quarters conditions. Any medical case requiring specialised treatment will be referred to a hospital.

For our Malaysian operations, foreign workers undergo pre-entry medical screening in their home countries and mandatory medical examinations in Malaysia arranged through the Foreign Worker's Medical Examination Monitoring Agency ("FOMEMA"). Annually, existing foreign workers also undergo medical examinations to monitor their health status.

Combatting Global Health Issues

The IOISHP addresses global health risks, including HIV/AIDS, tuberculosis and malaria, through awareness, collaboration with public health authorities and preventive measures. Several of the activities undertaken in FY2026 included:

- On 6 October 2025, IOI Oleo GmbH provided influenza vaccination to 16 employees.
- In February 2026, IOI Edible Oils Sdn Bhd worked with Ministry of Health Malaysia (Sandakan) to conduct tuberculosis screening for a total of 406 employees and workers.
- On 10 April 2026, Gomali Estate and Segamat District Health Office held a malaria awareness programme, providing malaria screenings for 194 workers.
- Throughout FY2026, IOI's Oleochemical business segment conducted worker engagement activities to raise awareness of health issues, including obesity, diabetes, mental health, breast cancer and cervical cancer.



Photo by Yung Yen Li, IOI Edible Oils, Sandakan, Sabah

Safety And Health Engagement Activities

In FY2026, IOI conducted safety, health and well-being engagement activities for employees and workers to promote a safe and healthy workplace under the IOISP. Key engagement activities included:

- Every Wednesday, Gomali Estate conducts a PPE awareness session with employees and workers to reinforce the importance of wearing proper PPE at work.
- On 24 September 2025, IOI Cares Carnival was held where over 180 employees participated in health screenings for blood sugar and cholesterol, wellness games, smoothies' demos, and mindfulness activities.
- From 7 to 18 May 2026, IOI Edible Oils Sdn Bhd held the Safety, Health and Environment Campaign Week, featuring chemical spill drill, emergency fire drill, and a blood donation drive.
- From 19 to 22 May 2026, Bukit Leelau Estate organised a Safety Campaign with a workplace health risk briefing by Pahang Department of Occupational Safety and Health, health screening for 70 employees and an emergency and fire safety demonstration.

Food Safety

Selected palm oil operations maintained internationally recognised food safety certifications, including HACCP certification and FSSC 22000: Certification Scheme for Food Safety Management System. These certifications provide a structured framework for identifying, preventing, and controlling food safety hazards, while supporting regulatory compliance, customer requirements, product quality, and consumer confidence across the supply chain.

The table below presents IOI's food safety certification coverage and performance for FY2026.

Parameter	IOI Plantation	IOI Oleochemical	IOI Refinery
Total number of facilities certified	13 palm oil mills located in Malaysia.	Total of 5 facilities - 3 in Malaysia, 2 in Germany.	2 facilities in Malaysia.
Number of facilities HACCP-certified	13	3 in Malaysia, 1 in Germany.	1
Number of facilities FSSC 22000 certified	Not applicable.	1 in Germany.	1
Number of food safety incidents recorded in FY2026	0	0	0
Occurrence of food safety-related product recall in FY2026	0	0	0

Upholding Workers' Rights

Protecting the rights and well-being of IOI's workforce is fundamental to maintaining a fair, inclusive and respectful workplace. The Group is committed to ensure fair labour practices, provide decent working conditions, effective grievance mechanisms, and fostering an environment where employees are treated with dignity and respect and provided equal opportunity. In FY2026, IOI continues its efforts to prevent forced labour and enhance worker well-being by addressing key labour and human rights risks.

ACTIVITY-DRIVEN PERFORMANCE AND IMPACT

Protecting Human Rights and Eradicating Forced Labour

The majority (74%, 17,680) of the Group's employees in Malaysia are migrant workers, originating from Indonesia (48%), Philippines (15%), Nepal (5%), Bangladesh (3%) and India (2%).

 Refer to page 105 for the breakdown of the percentages of employee nationality by business division.

The Group recognises that these foreign workers may be vulnerable to exploitation and abuse in the workplace due to factors such as language barriers and limited access to social support. In response to this matter, IOI ensures fair labour practices, protecting human rights and preventing forced labour through the following measures:

Eradicating Forced Labour through Ethical Recruitment and Responsible Employment

- Interview sessions are conducted before foreign workers depart for Malaysia and during their employment process:
 - Pre-departure online interviews ensure they understand their employment terms including on workers' rights, and our zero recruitment policy.
 - Two post-arrival interviews are conducted within one week of arrival in Malaysia and between three to six months of employment, to identify potential forced labour risks
- In collaboration with IOM and a customer, IOI developed a Pre-Employment Orientation Programme ("PEO") in Indonesia. The objective of the programme is to ensure that the workers understand their workers' rights, forced labour risks, responsibilities, grievance mechanisms and working conditions in Malaysia. As a start, four Indonesian NGOs have provided such training to foreign workers we hired from Lombok, Indonesia.
- In Malaysia, Managers and Assistant Managers of all Plantation operating units are required to biannually acknowledge the Declaration of Compliance covering labour regulations and the prevention and elimination of forced labour indicators.
- All employees are to be treated fairly and equitably including non-discriminatory practices during recruitment and employment process.

Protecting Our Workforce

Human Rights Due Diligence

- To address human rights risks in our operations, IOI implements a human rights due diligence process guided by the United Nations Guiding Principles on Business and Human Rights.
- Social impact assessments ("SIA") are regularly conducted across operations in compliance with RSPO and MSPO standards. Workers are engaged and their concerns on their rights evaluated to identify for any potential indicators of forced labour in our operations.
- Sustainability team conducts internal audits on our operations based on the ILO's 11 indicators of forced labour, as a proactive prevention approach.
- In Indonesia, PT SNA monitors human rights and labour compliance through internal audits and sustainability assessments, covering 4,055 employees as of June 2026.

Decent Basic Housing and Amenities

- In accordance with Malaysian Employee's Minimum Standards of Housing and Amenities Act 1990 (Act 446), IOI provides housing and accommodation to workers across operations.
- Safe water supply and electricity supply are provided at no cost.
- In-kind benefits at no cost such as medical services and transportation services are provided.

Fair Remuneration and Working Hours

- Pay employees and workers at least the statutory monthly minimum wage in accordance with the local labour regulations.
- To prevent excessive working hours and forced labour, overtime is offered only when operationally necessary, with the worker's consent, and is compensated in accordance with legal requirements.
- Productivity incentives have been introduced to plantation estate workers, to allow workers the opportunity to earn higher than minimum wage.

Freedom of Association and Collective Bargaining

IOI respects and upholds employees' rights to participate in freedom of association and collective bargaining.

- In December 2024, IOI signed the 2025 Collective Agreements with the National Union of Plantation Workers ("NUPW"), effective from 1 January 2025 to 31 December 2027. The agreements provide wage increases of up to 13.4% for general workers and 14% to 20% for harvesters in Peninsular Malaysia.
- As of June 2026, 20% of plantation workers in Malaysia are registered as trade union members. In Peninsular Malaysia, 1251 workers are registered as National Union of Plantation Workers ("NUPW") members, whereas 466 workers in Sandakan and 2001 workers in Lahad Datu are registered as Sabah Plantation Industry Employees Union ("SPIEU") members.
- At each plantation operating unit, there are Employee Consultative Committee ("ECC") and Joint Consultative Committee ("JCC") established.
 - ECC serves as a platform for workers to raise their concerns or grievances through elected workers' representatives.
 - JCC shall meet at least once every two months to discuss and resolve concerns or issues raised by ECC.
 - JCC is also a medium for workers' collective bargaining on welfare, occupational safety, benefits, equal opportunity and working conditions.
- In Indonesia, PT SNA has established Bipartite Cooperation Institution (Lembaga Kerja Sama Bipartit) at each legal entity, PT Sukses Karya Sawit, PT Berkat Nabati Sejahtera, PT Bumi Sawit Sejahtera, and PT Kalimantan Prima Agro Mandiri that serves as a forum for communication and consultation between management and employee representatives. The Bipartite Cooperation Institutions represented by a total of 64 employees regularly conducts meetings to discuss matters related to employee welfare, OSH, working conditions, labour regulations, employee grievances, equal employment opportunities, productivity improvement, and competency development.

Photo by Darren Alfio,
Syarimo Palm Oil Mill,
Lahad Datu, Sabah

Grievance and Feedback Mechanism

IOI revised its Group Grievance Procedure to strengthen grievance management across its operations and supply chain, including the establishment of more clearly defined timelines for Time-Bound Action Plans ("TBAP"). IOI also maintains multiple grievance channels, feedback and speak-up channels for their employees, workers and external stakeholders, making it easier for them to raise concerns and seek assistance on matters affecting their rights and well-being. The table below summarises IOI's feedback/grievance channels.

Feedback/ Grievance Channel	Introduction	Applicability	Value Created
Employees' Committees and Other Platforms	Day-to-day grievance and feedback mechanisms consist of various employee committees (e.g., ECC and JCC), grievance book, internal meetings.	All employees.	Promotes early resolution of issues and continuous improvement of workplace and living conditions.
IOI Mesra	A multilingual mobile application that enables plantation workers to raise concerns, submit grievances anonymously, and seek support. The application can be used with or without an internet connection, ensuring workers can report issues anytime.	Plantation employees at all levels and IOI HQ.	Encourages workers to raise concerns safely and confidentially.
Whistleblowing	Confidential channel for employees and external stakeholders to report suspected breaches of laws, regulations, the Code of Business Conduct & Ethics, company policies, fraud, corruption, human rights concerns and other misconduct.	Internal and external stakeholders.	Strengthens integrity, transparency and accountability.
Hotline/Email	A confidential channel for employees and external stakeholders to report misconduct, ethics concerns, human rights issues, welfare matters, and policy violations, including anonymously.	Internal and external stakeholders.	Strengthens trust and transparency through the prompt handling and resolution of concerns.



Protecting Our Workforce

Summary of Complaints and Feedback Received, Key Issues Raised and Resolution Status in FY2026.

Feedback and Complaint Channel	Total Feedback and Complaints Received	Request and Suggestions	Unsubstantiated Cases	No. of Substantiated Complaints/ Feedback (Not against company policy)	No. of Substantiated Complaints/ Feedback (Against company policy)	Status
Employees' Committees and Other Platforms	8,910	8,852 Related to repairs, requests and suggestions on housing, roads, amenities, transportation, etc.	0	47 Mostly related to cleanliness, road safety, facilities at housing areas, safe working environment, animal control, etc.	11 Complaints related to payment, theft, misconduct, harassment and payment related to repatriated workers.	All feedback were received from plantation operations in Malaysia and Indonesia. All cases were closed, except for four cases that remained under investigation and are pending resolution.
IOI Mesra	33	0	17 Involving workplace conduct, employee welfare, operational practices and safety concerns that were not proven following investigation.	7 Concerning water shortage issue during drought, bad attitude of dependent, and safety within estate living environments among workers.	9 Involving disciplinary issues, compensation, breach of privacy, workplace misconduct.	All cases were closed (100%), with corrective actions including training, enhanced monitoring, and medical support.
Whistleblowing	23	4 Related to repairs, requests and concern on action taken.	17 Involving workplace conduct, employee welfare, operational practices and safety concerns that were not proven following investigation.	0	2 Involving fraud and overtime underpayment.	All cases were closed (100%), with corrective actions including disciplinary action, payment rectification, training, and enhanced monitoring.
Hotline/Email	3	0	1 Involving child welfare that was not proven following investigation.	0	2 Involving workplace conduct and employee welfare.	All cases were closed (100%), with corrective actions including training, enhanced monitoring, and medical support.

Grievance Analyses

In FY2026, the highest feedback/comments were received from employees' committees and other feedback platforms which were mainly managed by respective operating units across our operations. The group received a total of 8,910 reports, of which, approximately 99% were related to requests and repairs of housing and amenities, services, logistics, as well as suggestions to improve the working environment and safety. Workers regularly utilise these platforms as they offer more direct channels to management and facilitate timely resolution of day-to-day operational and welfare-related matters. Most reports were non-sensitive in nature, and focused on practical workplace improvements. Regular housing visits by estate and mill managements also provide additional opportunities for workers to directly raise concerns and receive prompt responses from management.

A total of 24 substantiated cases against company policies were reported through IOI Mesra and the Whistleblowing channel anonymously due to the sensitive nature of the cases. Group HR and Internal Audit manage these channels directly. The substantiated cases were primarily related to theft

of company assets, fraud, disciplinary matters, payment discrepancies, breaches of privacy, workplace misconduct, and employee welfare issues. Of the 24 substantiated cases, four were classified as human rights violations, involving workplace harassment and exploitation by supervisors. Two cases were reported through IOI Mesra, one through the Workers Engagement Committee, and one to a local authority. All cases involved workers and staff, and they were investigated and addressed in line with our established grievance procedures. The complainants were informed of the investigation outcomes, and their grievances were duly acknowledged.

In addition, 54 substantiated cases that did not involve breaches of company policies were reported. These were mainly related to cleanliness, road safety, water shortages during drought periods, animal control, housing facilities, and other community and workplace environment concerns. A further 35 reported cases were categorised as unsubstantiated, as investigations found insufficient evidence to support the complaint or determine that the incident had occurred.

Uplifting Our People

Our employees are fundamental to the Group's prosperity and long-term value creation. Through talent development, continuous learning, upskilling in emerging technologies and employee wellbeing programmes, IOI seeks to strengthen our workforce capabilities and resilience, enabling employees to also contribute to the Group's sustainable growth.

In addition, as the Group implements its climate adaptation and transition strategies, we are committed to supporting our employees through these changes and managing potential impacts on its workforce.

IOI also monitors emerging developments in social-related sustainability disclosure through its membership in the Taskforce on Inequality and Social-related Financial Disclosures ("TISFD"). As an Alliance Member, IOI monitors and contributes feedback to the development of the framework, supporting the Group's ongoing efforts to strengthen its approach to managing social-related risks and opportunities and enhance the quality of its sustainability disclosures.

ACTIVITY-DRIVEN PERFORMANCE AND IMPACT

Just Transition

As IOI progresses its transition towards a lower-carbon economy through the CCAI, the Group recognises the importance of considering potential impacts of the transition and climate-related physical risks on its workforce, including heat stress, flooding and extreme weather events. To support workforce safety and wellbeing, IOI has implemented SaOPs for working under extreme heat conditions, covering measures such as work schedule adjustments, additional rest periods, hydration requirements and appropriate protective attire. The SaOPs also include measures to safeguard employees during flood events.

The adoption of new technologies, mechanisation and digitalisation supports IOI's transition towards a lower-carbon operating model, including the deployment of electric machinery across its Plantation division. These initiatives are accompanied by training and upskilling to equip relevant employees with the knowledge and skills required to operate new technologies and perform their roles effectively. Mechanisation can also reduce physical strain and exposure to weather-related elements or workplace hazards, while improving productivity, safety and employee wellbeing. These measures can help towards workforce resilience and manage potential people-related impacts associated with climate transition.

In FY2026, the mechanisation team conducted Mechanisation Roadshow 4.0 for the estate management and mechanisation personnel in Peninsular Malaysia. The roadshow aimed to strengthen awareness, enhance operational knowledge, and support the implementation of mechanisation across the Group's operating regions. This year, we recorded the improvement of mechanisation implementation as detailed below.

- **Peninsular Malaysia:** 78% of the identified potential area was converted to the Single-Tier System for infield evacuation.
- **Sabah:** 100% of the identified potential estate area for mainline evacuation was completed using Tractor Grabber Mainline ("TGM") and Tractor Scissorlift Mainline ("TSM").
- **Indonesia:** 50% of mainline evacuation was completed using crawler machinery.

Mechanisation has enhanced the efficiency of plantation operations by reducing manual labour intensity and enabling workers to manage larger planted areas more effectively. This is reflected in the Group's labour-to-land ratio, a key performance indicator under IOI's Strategic Priorities (2025–2029). In FY2026, the Group achieved a labour-to-land ratio of 1:8.28, against its FY2029 target of 1:9.26.

Please refer to AR page 58 on more details related to IOI Strategic Priority.

Under the Just transition, IOI has also conducted social dialogues with employees and external stakeholders, including surrounding communities, to understand and address concerns on how our carbonisation journey may impact them.

For example, in FY2026, IOI conducted its fifth SCF, titled Strengthening Climate and Workforce Resilience at IOI. The forum brought together 39 internal and external stakeholders, including IOI's senior management, customers, industry representatives and NGOs. Insights gathered through these engagements ensured that stakeholders' needs and perspectives are considered throughout the Group's journey to a low-carbon transition while striving to leave no one behind (See Sustainability Highlights on pages 18 and 19 for further details).

Uplifting Our People

Talent Development and Capacity Building

IOI provides work-related training to support employees in developing the skills, knowledge and competencies required for their roles. During FY 2026, employees across the Group completed about 527,000 training hours, covering technical and job-specific trainings, soft skills, company policies, grievance procedures, and occupational safety and health.

In support of the Group's business ethics and compliance framework, around 29% of employees completed anti-corruption training during the financial year, covering relevant anti-corruption and anti-money laundering practices.

To support equitable career development and performance management, IOI conducts annual performance reviews for all employees at staff level and above. Employee performance is assessed based on the achievement of agreed Key Result Areas ("KRAs"), Key Performance Indicators ("KPIs"), competencies, and overall contribution during the appraisal period. The performance management process supports consistent evaluation of an employee's performance and development opportunities, and contributes towards the Group's objective of developing and sustaining a high-performing workforce.

IOI also invests in talent development through diverse learning platforms, workplace digitalisation tools, and targeted training and capacity-building programmes to strengthen workforce capabilities and support employees' professional development.

In FY2026, the Corporate Learning and Organisational Development Department at the headquarters conducted 60 physical and virtual training sessions, with an investment of approximately RM440,000 that benefited 177 employees. The programmes covered areas like critical thinking, communication and time management, to support employees in developing skills and capabilities in order to perform their roles effectively.

IOI conducts talent management programmes for employees at the management level to strengthen leadership capabilities and support the development of future talent.

Leading with Emotional Intelligence Program (EQ-I 2.0 Assessment)

51 high-potential employees and identified successors across the Group participated in the talent management programme, supported by the EQ-i 2.0 assessment, which enhance leadership effectiveness through improved decision-making, relationship management, and resilience.

Purposeful Leadership 360

88 leaders participated in the Purposeful Leadership 360 by the Society for Human Resource Management ("SHRM"). 14 Group Coaching sessions were conducted to enable participants to interpret their feedback and develop practical actions to enhance leadership effectiveness.

Leadership in Action: IOI EO GM Pioneers Advanced Training for Engineers and Executive

IEO had a series of technical training sessions led by the IEO General Manager, covering key technical areas relevant to the palm oil refining and processing industry.

Supervisor Excellence: Leading People, Performance and Results

35 participants from the Plantation Estates and Mills were trained on topics such as leadership skills, communication, and coaching.

In addition to traditional learning programmes, IOI has digital platforms to support employees' learning and well-being:

IOI Grow

- From January 2025 to February 2026, 127 employees in Peninsular Malaysia Plantation operations used the platform.
- A further 91 employees in Sabah Plantation operations began using it in June 2026.
- Topics included change management, organisational resilience, sustainability, workplace relationships, artificial intelligence adoption, and safety and health.

IOI Cares

- Digital health platform called Naluri provides access to online health consultations with professionals, quarterly health challenges, and two webinars each month.
- The IOI Cares Carnival attracted 181 employees and included health screening, fitness, diet, and nutrition activities.
- In November 2025, a resilience programme was delivered to a group identified through recent Depression, Anxiety and Stress Scale assessments.

Advancing Gender Equality and Women's Empowerment

Women represented 43% of IOI's Board of Directors during the reporting period and also held 57% of corporate managerial positions, reflecting their strong representation in leadership and decision-making roles.

In the plantation segment, women represented 25% of the workforce and 12% of the managerial positions. The physical nature of plantation work and the remote location of many operations may have contributed to lower representation of women in both the workforce and leadership positions.

In resource-based manufacturing, women accounted for 18% of the workforce and 24% of managerial positions. This may be due to the harsh operational working condition of a manufacturing facility resulting in a relatively lower participation of women in such roles.

Women Empowerment Committees

Women Empowerment Committees ("WEC") have been established across all plantation operating units and Resource-Based Manufacturing operations, with coordination provided by the Group WEC. The committees promote women's wellbeing, inclusion and empowerment while serving as a dedicated channel for employees to raise women-related concerns and grievances.

For the International Women's Day 2026, IOI celebrated at both IOI HQ and operating units across the Group through activities that recognise and empower women. For example, at IOI HQ, the WEC brought the celebration directly to employees' workstations. Meanwhile operating units organised activities such as the Planting Seeds of Change programme by IOIEO, fashion shows and handicraft exhibitions at PT SNA, Flower Girl Landscape Beautification Programme by Sakilan Mill, a networking and leadership development programme which brought together 90 women from 15 operating units at Leepang A Regional, Sabah, etc.



Photo by Izma, Tambang Estate, Segamat, Johor

Expanding Our Impact on Communities

We are committed to ensuring the well-being of the communities where we operate. Our community initiatives involve the families and dependents of our employees, particularly those in plantations, neighbouring communities, and smallholders supplying FFB to our mills. Through ongoing and new programmes, we aim to eliminate child labour risks by providing access to education, strengthening local livelihoods, and contributing to long-term socio-economic development within our areas of operation.

ACTIVITY-DRIVEN PERFORMANCE AND IMPACT

Building Resilient Plantation Communities

The families and dependants of our employees, particularly those residing within our plantation operations, are an important part of the IOI Plantation community. As our plantation operations can be located in areas where access to public services and infrastructure may be limited, we provide in-kind benefits and essential amenities to support their daily needs and well-being. Across our Plantation divisions, housing facilities were provided for approximately 25,900 employees and their families. Eligible dependants also have access to healthcare services through estate clinics, while educational facilities such as Humana learning centres and Community Learning Centres ("CLCs"), together with free childcare services, support children's development and access to education.

Recreational and community amenities are also provided to promote social well-being and community cohesion. To ensure these provisions continue to meet the needs of our communities, housing and related facilities are regularly monitored and maintained. Through these efforts, we ensure that with an amenable living condition, access to healthcare and education, child welfare support, this will strengthen family stability and foster resilient plantation communities where employees and their families can thrive.

Photo by Darren Alfio,
Syarimo Palm Oil Mill,
Lahad Datu, Sabah

Strengthening Children's Rights through Child Education Initiative

For FY2026, IOI invested further in educational facilities across our Sabah operations through Humana Child Aid Society Sabah ("HCASS") and CLC, that benefited 4,362 students and were supported by 151 teachers. During FY2026, through the 'Full-Day Zero Cost Educational' initiative, around RM3.7 million was spent at 32 Humana and 11 CLC schools to cover food and educational necessities such as school uniforms, and school fees. During the year, a new Humana school was established at Rungus Estate, further expanding access to education for our workers' children living within our plantation communities. The new school has significantly reduced travel distances for students who previously attended Humana school farther from their homes, making access to education more convenient for children and their families.

Beyond formal education, Humana and CLC students participated in various after-school programmes and co-curricular activities. This included literacy and reading programmes, sports competitions, colouring and quiz contests, health awareness activities, and cultural celebrations. Additional initiatives like the annual sports competition were particularly significant in fostering teamwork and interaction among the students. Meanwhile, the "Aflatot" and "Aflatoun" modules, implemented by HCASS in partnership with Aflatoun International, helps the children engage in creative and experiential learning activities to enable them to develop creativity and essential life skills at an early age. Together, they complement classroom learning and contribute to the overall growth and well-being of employee's children, while providing parents with assurance that their children are in a safe, supervised and enriching environment. These initiatives also contribute to addressing child labour risks by keeping children engaged in education and providing opportunities for their continued learning, development and well-being.

Smallholders Development

Smallholders play a pivotal role in PT SNA's supply chain, as they affect the productivity of operations in Indonesia. In FY2026, PT SNA continues to support the palm oil cultivation of the local communities in Indonesia by providing capacity building to plasma smallholders and independent smallholders.

Plasma Smallholders

Throughout FY2026, IOI provided sustainable palm oil practices-related training to seven plasma smallholder cooperatives, consisting of 631 participants. The training topics covered:

- Introduction to RSPO and ISPO requirements
- IOI Group Sustainability Policy
- Environmental, Health and Safety
- Zero Burning
- Peatland Protection Practices
- Agrochemical Usage Practices

Supporting these plasma smallholders in complying with RSPO and ISPO standards ensures alignment with IOI's sustainability commitment. In addition, maps of all plasma smallholders can be accessed through the GeoRSPO website, providing transparency and traceability of the FFB supplied to our operations.

Independent Smallholders

From 11 to 26 December 2025, PT SNA worked with IDH to conduct the Supporting Independent Smallholders Surrounding IOI programme, successfully engaging a total of 209 independent smallholders. The programme aimed to:

- Build the capacity of the smallholders in Good Agricultural Practices ("GAP"), improving land productivity while maintaining environmental sustainability.
- Support legalisation of smallholders' land by facilitating the issuance of Cultivation Registration Certificates (Surat Tanda Daftar Budidaya).

As of June 2026, out of the 209 independent smallholders engaged, 85 independent smallholders decided to supply FFB to our PT Sukses Karya Sawit mill.

Community Outreach and Initiatives

We promote education, social well-being, infrastructure improvement, environmental stewardship, and sustainable livelihood development to create positive and lasting socio-economic impacts in the communities where we operate. In FY2026, our business units engaged with local stakeholders to implement programmes that address community needs while strengthening relationships with surrounding communities:

1 Community Development and Livelihood

- Through the Group's charity arm, IOI Foundation, at the Group level, we expanded our impact on education, medical assistance, community enrichment, etc. For more details, refer to pages 93 and 94.
- IOI, together with Bunge and GEC, through the Bukit Leelau Mini Landscape initiative, continued providing support to the community and Orang Asli near IOI Plantation in fire prevention and improving livelihoods. For more details, refer to page 137.
- Since 2021, the CSR and Partnership Department from our Indonesian operations has implemented a food security initiative on paddy cultivation on 4 Ha of land.
- Across our operations, including IOI Refinery, IOI Palm Wood and IOI Plantation (Malaysia and Indonesia), we maintain regular engagements with local communities, government agencies and other stakeholders through external stakeholder meetings as part of SIA. The management action plan was designed and implemented based on any concerns raised during the engagements.



Expanding Our Impact on Communities

Community Outreach and Initiatives

2 Community Relief and Food Assistance

- IOI Refinery supported families affected by the Kampung Bahagia fire incident through emergency response assistance and food aid distributions, contributing 39 food baskets to families at temporary evacuation centres. IOI later distributed another 534 food aid packages, demonstrating our commitment towards supporting communities in times of urgencies.
- IOI Oleochemical distributed food baskets to 25 underprivileged families from the Kampung Jawa community as part of the Group's efforts to support those in need.
- In parallel, IOI Pan-Century actively engages with local communities through various CSR initiatives, including food distribution programmes, blood donation campaigns and other community outreach activities.

3 Community Infrastructure Improvement

- The Community Service Committee ("CSC") from IOI Oleochemical contributed around RM58,000 for the installation of solar lights to enhance the safety of Kampung Jawa communities.
- In Indonesia, IOI Plantation also supported community development through road maintenance and improvements to school facilities.

4 Education and Youth Development

- IOI supported access to education and youth development through the provision of school bags and learning essentials to 180 students from B40 households, and educational collaborations with schools and higher learning institutions.
- IOI's Palm Wood and Refinery operations hosted industrial visits, which provided students with exposure to manufacturing operations, laboratory practices, and quality management systems.

Through these initiatives, we also contribute to promoting environmental awareness and creating sustainable economic opportunities while building long-term relationships and shared values with our local stakeholders.

IOI Pelita

This year marks another significant milestone in the resolution of the IOI Pelita land dispute and our ongoing engagement with the affected communities. IOI has now completed the required land administration processes following the independent land survey and submission of the land mapping to the Land & Survey Department of Sarawak. In March 2026, the relevant Land Code Titles were obtained, enabling the agreed land parcels to be excised and gazetted to the Sarawak Government in accordance with the terms of the final settlement agreement reached with the affected communities.

The next phase of the land administration process is between the Land & Survey Department of Sarawak and the entitled communities. At this juncture, the entitled communities will be required to submit their respective individual land applications in accordance with the prescribed legal process.

Meanwhile, if required, IOI will assist the Sarawak Government in the next phase of the process. IOI will continue to provide the necessary support and cooperation, where appropriate, to facilitate the completion of the remaining administrative requirements under the final settlement agreement.

Sharing Prosperity

IOI Foundation serves as the Group's philanthropic arm, dedicated to enhancing the well-being of communities in and around the Group's operations in Malaysia.

Its initiatives aim to contribute to a more inclusive, vibrant and sustainable society, guided by four core pillars:

1 Education, Empowering Minds, Building Futures.

3 Community Enrichment, Empowering Communities and Enriching Lives.

2 Medical Assistance as a Vital Support for a Healthier Community.

4 Creating Sustainable Impact Through Social Enterprise.

ACTIVITY-DRIVEN PERFORMANCE AND IMPACT

Aligned with the IOISP and IOI's three pillars of sustainability, IOI Foundation's efforts demonstrate our commitment of driving socio-economic impact for local communities. As of June 2026, IOI Foundation has contributed a cumulative amount of RM69,546,232 towards local communities through our dedicated efforts and innovative approaches.

The table below presents FY2026 contribution and cumulative contribution of IOI Foundation as of June 2026.

Programmes	FY2026 Contribution (RM)	Cumulative Contribution (RM)
School Building Funds	521,940	25,489,378
Scholarship Awarded	344,000	12,152,309
Young Achiever Awards	-	680,185
Student Adoption Programme	100,500	5,499,780
Others – Education	792,075	3,206,864
Medical Aid Purposes	32,500	6,234,430
Social Programme and Donation	637,313	16,283,286
TOTAL	2,428,328	69,546,232

Sharing Prosperity

Aligned with its 'Education' core pillar, IOI Foundation continues to support schools, universities, educational organisations, and individuals pursuing primary, secondary, and tertiary education. As of June 2026, a total of 363 students had been awarded scholarships to pursue their tertiary education at local universities, providing financial assistance towards their tuition fees. Upon completion of their tertiary studies, scholarship recipients are also offered work placement opportunities across IOI's diverse business segments. These opportunities provide practical workplace exposure and help equip graduates with relevant skills and knowledge for their future growth.

Student Adoption Programme is a core initiative aimed at promoting equitable access to education for underprivileged students in Malaysia. The programme seeks to ease the financial burden of families by providing financial aid to their children who are in primary education or secondary education. As of June 2026, a total of 1,737 students had benefitted from the programme.

In FY2026, IOI Foundation contributed a total amount of RM2,428,328 towards 364 beneficiaries comprising individuals and organisations. Several of the initiatives conducted in FY2026 are as follows:

The IOI Scholarship Award Ceremony was held on 17 October 2025, where RM344,000 in scholarships were awarded to seven selected students pursuing studies in chemical engineering, agriculture, and information technology. Through this programme, IOI Foundation aims to nurture future talent by expanding access to higher education and supporting the development of skilled professionals.



IOI Foundation contributed to St. John Ambulance of Malaysia Kawasan Pahang Tengah ("SJAM-KPT")'s Ambulance Conversion Project to support the organisation's emergency medical service. The project repurposed a used van into a fully equipped ambulance, outfitting with life-support systems, medical storage and emergency signal lights, extending the vehicle's lifecycle while strengthening local emergency response capabilities.



In conjunction with Hari Raya celebrations, on 1 April 2026, IOI Foundation hosted a fun-filled day for 21 children from *Rumah Bakti Nur Ain Bangi*. The activities included a pickleball coaching session and an educational tour at IOI City Farm. In addition, IOI Foundation donated a washing machine towards the home for their daily needs.



In June 2026, IOI Foundation initiated a Composting Project to convert food and garden wastes generated around IOI Resort City, Putrajaya, into composts. The project is intended to demonstrate the potential of composting as a circular economy solution for food waste that is unfortunately prevalent in our society. During the reporting period, construction of the composting site had commenced, with pilot testing of the composting process planned as the next phase. Subject to the successful completion of the pilot, we hope to expand this project on organic waste management further within the township.



Bursa Malaysia Prescribed Table

IOI CORPORATION BHD
IFRS S1

Date & Time: 2026-09-28_11:55:16
Main Market | Group 1 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Occupational Safety and Health	Number of work-related fatalities	Number	2	0	Zero fatalities annually.	External (Limited)
Footnote Sustainability Matter	This row has been deleted.					
Occupational Safety and Health	Number of lost time incidents	Number	1500	—	Refer number of lost time injuries of prevailing year by 10%.	External (Limited)
Footnote Sustainability Matter	This row has been deleted.					
Occupational Safety and Health	Lost time incident rate	Rate	452	—	Reduce lost time injury frequency rate of prevailing year by 10%.	External (Limited)
Footnote Sustainability Matter	This row has been deleted.					
Occupational Safety and Health	Number of employees trained on health and safety standards	Number	24645	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.					
Human Rights and Fair Labour Practices	Number of substantiated complaints concerning human rights violation	Number	4	—	All human rights-related grievances investigated and resolved in timely manner.	External (Limited)
Footnote Sustainability Matter	This row has been deleted.					
Regulatory and Third-Party Compliance	Number of significant fines or sanctions related to sustainability	Number	—	—	No significant instances of non-compliance.	External (Limited)
Footnote Sustainability Matter	This row has been deleted.					
Grievance Mechanism and Transparent Communication	Percentage of resolved grievance cases	Percentage	—	—	Ensure 100% of grievance cases are investigated and resolved.	External (Limited)
Footnote Sustainability Matter	This row has been deleted.					

This report was generated on the Bursa Malaysia CSI Platform on 2026-09-28_11:55:16

Page 1 of 6

Bursa Malaysia Prescribed Table

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Traceability and Responsible Sourcing	Percentage of traceability to mill-level	Percentage	—	—	Ensure 100% traceability to mill-level for PK and CPQ	External (Limited)
Footnote Sustainability Matter						
This row has been deleted.						
Water Management	Water consumption/metric ton of FFB processed	Rate	0.92	—	Ensure water consumption is maintained below 1.2 cubic meters per metric ton of FFB processed	No assurance
Footnote Sustainability Matter						
This row has been deleted.						
Circular Economy and Waste Management	Total waste directed to disposal	Number (metric ton)	4299615	—	—	Internal
Footnote Sustainability Matter						
This row has been deleted.						
* Sustainability Certification	* Percentage of MSPO-certified estates and mills in Malaysia	* % certified	-	* 100%	* Maintain 100% MSPO-certified estates and mills in Malaysia.	* Internal
Footnote Sustainability Matter						
Finalised disclosure						
Footnote Metric	Finalised disclosure					
Footnote Measurement Unit	Finalised disclosure					
Footnote 2026	Finalised disclosure					
Footnote Target	Finalised disclosure					
Footnote Assurance						
Finalised disclosure						
* Sustainability Certification	* Percentage of ISPO-certified estates in Indonesia	* % certified	-	* 100%	* Maintain 100% ISPO-certified estates in Indonesia.	* Internal
Footnote Sustainability Matter						
Finalised disclosure						

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Footnote Metric	Finalised disclosure					
Footnote Measurement Unit	Finalised disclosure					
Footnote 2026	Finalised disclosure					
Footnote Target	Finalised disclosure					
Footnote Assurance	Finalised disclosure					
Sustainability Certification	Percentage of ISPO-certified of mills in Indonesia	% certified	-	50%	To achieve 100% ISPO-certified mills in Indonesia.	Internal
Footnote Sustainability Matter	This row has been added.					
Sustainability Certification	Percentage of RSPO-certified estates	% certified	-	97%	To achieve 100% RSPO-certified estates.	Internal
Footnote Sustainability Matter	This row has been added.					
Footnote Assurance	Finalised disclosure					
Sustainability Certification	Percentage of RSPO-certified mills	% certified	-	100%	* Maintain 100% RSPO-certified mills.	Internal
Footnote Sustainability Matter	This row has been added.					
Footnote Target	Finalised disclosure					
Footnote Assurance	Finalised disclosure					
* Sustainability Certification	* Percentage of certified oleochemicals and refineries with RSPO SCCS and MSPO SCCS	* % certified	-	* 100%	* Maintain 100% RSPO SCCS-certified and MSPO SCCS-certified.	Internal
Footnote Sustainability Matter	This row has been added.					

Bursa Malaysia Prescribed Table

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Footnote Sustainability Matter	Finalised disclosure					
Footnote Metric	Finalised disclosure					
Footnote Measurement Unit	Finalised disclosure					
Footnote 2026	Finalised disclosure					
Footnote Target	Finalised disclosure					
Footnote Assurance	Finalised disclosure					
Productivity and Product Quality	Oil yield for Malaysia operations	MT/Ha	-	5.05	To achieve 5.63 MT/Ha for Malaysia operations by FY2029.	Internal
Footnote Sustainability Matter	This row has been added.					
Productivity and Product Quality	Oil yield for Indonesia operations	MT/Ha	-	3.63	To achieve 4.51 MT/Ha for Indonesia operations by FY2029.	Internal
Footnote Sustainability Matter	This row has been added.					
Productivity and Product Quality	Labour-to-land ratio	ratio	-	1:8.28	To achieve 1:9.26 labour-to-land ratio by FY2029.	Internal
Footnote Sustainability Matter	This row has been added.					
Productivity and Product Quality	Plant utilisation	%	-	* Below baseline	Increase the plant utilisation by 25% by FY2029.	Internal
Footnote Sustainability Matter	This row has been added.					
Footnote 2026	Finalised disclosure					

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Climate Change, GHG Emission Management, Including Low Carbon Technology	* Scope 1 and 2 GHG net emissions intensity	* Metric Tonne of CO2 Equivalent/ Metric Ton of Product (MTCO2e/MT Product)	1.22	* 113	* To achieve carbon neutral for Scope 1 and 2 by 2030.	* External (Limited)
Footnote Metric	Finalised disclosure					
Footnote Measurement Unit	Finalised disclosure					
Footnote 2026	Finalised disclosure					
Footnote Target	Finalised disclosure					
Footnote Assurance	Finalised disclosure					
* Climate Change, GHG Emission Management, Including Low Carbon Technology	* Scope 1 GHG emissions	* Metric Tonne of CO2 Equivalent	* 2,329,649	* 2,356,974	* To achieve carbon neutral for Scope 1 and 2 by 2030.	* External (Limited)
Footnote Sustainability Matter	This row has been added.					
Footnote Sustainability Matter	Finalised disclosure					
Footnote Metric	Finalised disclosure					
Footnote Measurement Unit	Finalised disclosure					
Footnote 2025	Finalised disclosure					
Footnote 2026	Finalised disclosure					
Footnote Target	Finalised disclosure					
Footnote Assurance	Finalised disclosure					

Bursa Malaysia Prescribed Table

IOI CORPORATION BHD
IFRS S2

Date & Time: 2026-09-28_11:55:16
Main Market | Group 1 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Climate Change, GHG Emission Management, Including Low Carbon Technology	Scope 2 (Location-based) GHG emissions	* Metric Tonne of CO2 Equivalent	48,658	27,739	To achieve carbon neutral for Scope 1 and 2 by 2030.	External (Limited)
Footnote Sustainability Matter	This row has been added.					
Footnote Measurement Unit	Finalised disclosure					

This report was generated on the Bursa Malaysia CSI Platform on 2026-09-28_11:55:16

Page 6 of 6

Supplementary Information
(QR Code)

SUPPLEMENTARY INFORMATION FOR THE SR2026 CAN BE FOUND THROUGH THE QR CODE BELOW. THESE INCLUDE INFORMATION REGARDING:

01

Independent Assurance Statement

Pages 102-104

02

Performance Metric for Environmental and Social

Pages 105-109

03

GRI Content Index

Pages 110-116

04

IFRS Disclosure Index (S1 and S2)

Pages 117-126

05

GHG Calculation Methodology

Pages 127-128

06

Rare, Threatened, and Endangered ("RTE") List

Pages 129-131

07

Glossary

Pages 132-135



<https://www.ioigroup.com/integrated-report/sr/2026/esg/appendix-supplementary-information.pdf>

Independent Assurance Statement



INDEPENDENT ASSURANCE STATEMENT

INDEPENDENT ASSURANCE STATEMENT

Control Union (Malaysia) Sdn. Bhd. (hereinafter referred to as “Control Union”) was commissioned by IOI Corporation Berhad (hereinafter referred to as “IOI”) to undertake an independent limited assurance engagement to verify Scope 1 and Scope 2 on IOI’s 2026 Sustainability Report over selected sustainability information for the Oleochemical and Refinery business unit from the period of 1 July 2025 to 30 June 2026 as well as 12 months of RSPO certified data using RSPO PalmGHG version 4 data for Plantation business units.

IOI is responsible for the collection, analysis, calculation, and preparation of the greenhouse gas (GHG) emissions information and related disclosures. Control Union was not involved in the preparation of any information included in the GHG inventory or emissions statement, nor in the approval of the reported emissions data, other than the issuance of this Independent Verification Statement.

The responsibility of Control Union is to express an independent limited assurance conclusion on the reported Scope 1 and Scope 2 GHG emissions information within the verification scope described above, for the purpose of informing stakeholders and other intended users. Control Union’s verification engagement is conducted on the basis that all data, records, and information provided by IOI are complete, accurate, and submitted in good faith.

Reporting Criteria and Level of Assurance

This engagement was conducted in accordance with the requirements of ISAE 3410, Assurance Engagements on Greenhouse Gas Statements. This Independent Limited Assurance Statement applies to the selected disclosures described in the Scope of Assurance section below, as presented in IOI’s 2026 Sustainability Report. The objective of this limited assurance engagement is to provide an independent conclusion, in accordance with ISAE 3410, Assurance Engagements on Greenhouse Gas Statements, on whether the selected sustainability information has been prepared, in all material respects, in accordance with the applicable reporting criteria.

The independent verification was planned and performed to obtain limited assurance on IOI’s reported Scope 1 and Scope 2 greenhouse gas (GHG) emissions and the related GHG disclosures, and to identify any matters that may cause us to believe that the GHG Statement has not been prepared, in all material respects, in accordance with the Greenhouse Gas (GHG) Protocol: A Corporate Accounting and Reporting Standard and ISO 14064-1:2018 – Greenhouse gases — Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals.

Scope of Assurance

The scope of this limited assurance engagement encompasses the verification of IOI’s reported Scope 1 and Scope 2 greenhouse gas (GHG) emissions for the reporting period, covering selected operations within the IOI Oleochemical and Refinery business and Plantation operations in Malaysia, including Peninsular Malaysia and Sabah, as well as selected operations in Indonesia and Germany, as detailed in the table below:



INDEPENDENT ASSURANCE STATEMENT

Selected Sustainability Information	Unit of Measurement	2026
Gross Scope 1 emissions	MT CO ₂ e	2,356,974.00
Gross Scope 2 emissions (Location-Based)	MT CO ₂ e	27,738.58
Total Gross Scope 1 and Scope 2 emissions	MT CO ₂ e	2,384,712.58

The GHG emissions inventory is prepared in accordance with the Greenhouse Gas (GHG) Protocol: A Corporate Accounting and Reporting Standard; ISO 14064-1:2018 – Greenhouse gases — Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals; and RSPO PalmGHG Version 4, where applicable to the relevant palm oil operations and reporting scope.

The applicable methodologies, calculation requirements and reporting boundaries are determined based on the nature of the operations and the agreed assurance scope. The assurance engagement included a review and verification of the organisational and operational boundaries, GHG quantification methodologies, emission factors, activity data, calculation approaches, reporting assumptions, and supporting documentation used in the preparation of the GHG inventory. The assurance procedures also included an assessment of the governance structures, data collection and management processes, internal controls, and reporting systems supporting the compilation and disclosure of the GHG emissions data.

Methodology

- In performing our limited assurance engagement, we applied procedures that included inquiries with relevant personnel, review of supporting documentation, assessment of data collection and reporting processes, analytical reviews, and sample-based testing of selected qualitative and quantitative disclosures reported in IOI’s 2026 Sustainability Report.
- Our work included evaluating the appropriateness of reporting boundaries, definitions, assumptions, methodologies, and calculation approaches adopted by management, assessing the design and implementation of relevant governance and internal control processes, reviewing the traceability of selected disclosures to underlying source records, and evaluating whether the reported information was presented consistently and in accordance with the applicable reporting criteria.
- The procedures performed were designed to obtain limited assurance that the selected sustainability disclosures were free from material misstatement and were reported in a transparent, accurate, and reliable manner.

Independence and Quality Control

Control Union is an accredited certification and assurance body operating in more than 80 countries. These accreditations and recognitions require the maintenance of a comprehensive system of quality control, including documented policies and procedures addressing compliance with ethical and legal requirements, as well as independence and objectivity.

Independent Assurance Statement



INDEPENDENT ASSURANCE STATEMENT

The personnel involved in this engagement were selected based on appropriate qualifications, training, and relevant experience. The engagement is also subject to internal review processes to ensure that it is conducted in accordance with applicable assurance standards and established quality control procedures.

Conclusion

Based on the limited assurance procedures performed in accordance with ISAE 3410, Assurance Engagements on Greenhouse Gas Statements, nothing has come to our attention that causes us to believe that IOI's reported Scope 1 and Scope 2 greenhouse gas (GHG) emissions for the reporting period have not been prepared, in all material respects, in accordance with the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard and the reporting criteria described in the GHG statement. Our work therefore provides limited assurance that the reported Scope 1 and Scope 2 GHG emissions information is reliable, objective, and fairly presented in accordance with the applicable reporting criteria.

Based on the evidence obtained during the verification, nothing has come to our attention that indicates material misstatements in the reported GHG emissions data, organisational boundaries, methodologies, assumptions, emission factors, or calculation approaches used by IOI in the preparation of its GHG inventory.

For and on behalf of Control Union (Malaysia) Sdn Bhd,

Signed: Ebnul Holdoon Shawal



Designation: Lead Verifier, Assurance Services
Date: 21 September 2026

Signed: Supun Nigamuni



Designation: Managing Director
Date: 21 September 2026

Page 3 | 3

Performance Metric for Environmental and Social

WORKPLACE PERFORMANCE DATA

Employee Numbers and Diversity

GRI 405-1: Diversity of Employees

Number of Employee by Employment Level

	Senior Management	Middle Management	Executive	Non-Executive	Workers	Total
Male	84	170	818	1,984	18,575	21,631
Female	26	61	397	1,103	5,454	7,041
					Total	28,672

Employee Nationality Breakdown (%)

Nationality	IOI Plantation	IOI Refinery	IOI Oleochemical	IOI Palm Wood	Group
Indonesian	60.39	-	-	-	55.21
Malaysian	16.47	93.77	73.26	99.07	22.07
German	-	-	19.40	-	1.05
Bangladeshi	2.97	-	-	-	2.72
Filipino	13.75	-	-	-	12.56
Indian	1.84	-	-	-	1.68
Nepali	4.25	4.21	5.97	-	4.30
Myanmar	0.11	2.02	-	-	0.15
Other	0.21	-	1.36	0.93	0.27
Total	100	100	100	100	100

Note:

Total Turnover: **5,726 Number**

Total New Employees: **4,603 Number**

Age Group by Employee Category (%)

Age Group	Management	Executive	Non-Executive	General Workers
Under 30	0.29	24.75	26.50	31.35
Between 30-50	65.31	63.44	59.11	59.85
Above 50	34.40	11.80	14.39	8.80

GRI 404-1: Employee Training Hours

Employee Training Hours by Employment Level (Hours/ Year)

Gender	Senior Management	Middle Management	Executive	Non-Executive	Workers	Group
Male	6,634.27	11,889.09	37,297.02	53,918.21	283,812.59	393,551.18
Female	975.75	1,681.00	12,704.21	14,833.72	103,892.20	134,086.88
					Total	527,638.06

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

	Senior Management	Middle Management	Executive	Non-Executive	Workers	Group
Average Training Hours by Employment Level (Hours/Person/Year)	69.18	58.74	41.15	22.27	16.13	18.40

GRI 2-8: Workers Who are not Employees

Total number of workers who are not employees and whose work is controlled by the organisation

	Number
Contractor Workers	748

Performance Metric for Environmental and Social

Occupational Safety and Health Performance Data

GRI 403-9: Work-related injuries; GRI 403-10: Work-related ill health

Man-hours ¹	Unit	IOI Plantation	IOI Refinery	IOI Oleochemical	IOI Palm Wood	Group
Employees	Hour	61,739,712	1,346,043	2,881,976	228,112	66,195,843
Contractor workers ²	Hour	948,408	449,280	360,504	6,936	1,765,128

¹ Man-hours are estimated based on normal or standard working hours, taking into account employees' entitlement to public holidays.

² Workers employed by suppliers or contractors who provide services at IOI's operations; not employees of IOI and whose work is controlled by the organisation.

Safety and Health Performance - Employee ¹	Unit	IOI Plantation	IOI Refinery	IOI Oleochemical	IOI Palm Wood	Group
Work-related injury						
Total number of work-related injuries ²	Cases	1,388	8	7	4	1,407
Work-related injury rate	Cases/Man-hours x 1,000,000	22.48	5.94	2.43	17.54	21.26
Total number of high consequences injuries ³	Cases	4	0	1	0	5
High consequence injury rate	Cases/Man-hours x 1,000,000	0.06	0	0.35	0	0.08
Total number of fatalities	Cases	2	0	0	0	2
Fatality rate	Cases/Man-hours x 1,000,000	0.03	0	0	0	0.03
Total number of lost time injuries ⁴	Cases	1,388	8	7	4	1,407
Lost time injury frequency rate	Cases/Man-hours x 1,000,000	22.48	5.94	2.43	17.54	21.26
Work-related ill health						
Total number of work-related ill health	Cases	54	0	0	0	54
Work-related ill health rate	Cases/Man-hours x 1,000,000	0.87	0	0	0	0.82
Total fatalities as a result of ill health	Cases	0	0	0	0	0

¹ Scope of data covers employees and workers hired by IOI and excludes employees based at the Group's headquarters in Putrajaya, Malaysia.

² Work-related injuries include minor injuries beyond first aid, high consequence injuries, and fatalities cases.

³ High consequences injuries exclude fatalities.

⁴ IOI defines Lost Time Injury ("LTI") as an occupational incident resulting in one or more lost workdays.

ENERGY

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

Energy	Unit	IOI Plantation	IOI Refinery	IOI Oleochemical	IOI Palm Wood	Group
Non-renewable sources						
Fuels purchased and consumed	GJ	27,847.98	441,970.08	3,481,720.13	1.67	3,951,539.86
Electricity purchased and consumed	GJ	36,323.60	45,909.32	49,604.92	4,191.73	136,029.57
Steam and pressurised air purchased and consumed	GJ	-	-	155,137.99	-	155,137.99
Renewable sources						
Renewable energy generated and consumed	GJ	6,506,806.88	1,560,835.16	48,694.68	46,566.97	8,162,903.69
Renewable fuels purchased and consumed	GJ	577,831.04	13,608.65	16,261.88	499.08	608,200.65
Electricity purchased and consumed	GJ	-	-	42,239.59	-	42,239.59
Total energy consumption (non-renewable and renewable)	GJ	7,148,809.50	2,062,323.22	3,793,659.19	51,259.44	13,056,051.35
Total electricity sold	GJ	-	-	2,041.96	-	2,041.96

EMISSIONS

GRI 305-1 and GRI 305-4: Greenhouse Gas Emission

Total IOI Group Emissions (MT CO ₂ e)	FY2024	FY2025	FY2026
Scope 1	2,523,609.93	2,329,649.12	2,356,974.00
Scope 2	32,423.45	48,657.56	27,738.58
Scope 1 carbon sequestration and removals	-1,778,660.72	-1,674,458.93	-1,688,789.96
Total Scope 1 and 2 emissions (gross without removals)	2,556,033.38	2,378,306.67	2,384,712.58
Net total Scope 1 and 2 emissions (after accounting for removals)	777,372.66	703,847.74	695,922.62
Scope 3	4,354,577.95	4,069,838.66	5,367,522.18
Net total Scope 1, 2 and 3 emissions (after accounting for removals)	5,131,950.61	4,773,686.41	6,063,444.79

Emissions Intensity (MT CO ₂ e/ MT Product)	FY2024	FY2025	FY2026
Group Net Intensity	1.30	1.22	1.13
Plantation (Net)	0.87	0.74	0.69
Refinery	0.03	0.03	0.03
Oleochemical	0.40	0.44	0.41

Performance Metric for
Environmental and Social

Total Emissions by Business Division									
Business Division	IOI Plantation			IOI Refinery			IOI Oleochemical		
	FY2024	FY2025	FY2026	FY2024	FY2025	FY2026	FY2024	FY2025	FY2026
Unit	MT CO ₂ e	MT CO ₂ e	MT CO ₂ e	MT CO ₂ e	MT CO ₂ e	MT CO ₂ e	MT CO ₂ e	MT CO ₂ e	MT CO ₂ e
Scope 1	2,288,000.67	2,103,975.61	2,127,067.03	26,398.77	29,263.27	32,350.23	209,210.49	196,410.24	197,556.74
Scope 2 (Location-based)	180.10	68.50	613.11	10,826.28	10,284.04	7,317.05	21,417.07	38,305.02	19,808.42
Scope 3 (Total)	90,415.36	87,917.14	96,956.79	3,752,876.08	3,656,366.55	3,857,284.80	511,286.51	325,554.97	1,413,280.59
Category 1: Purchased goods and services	9,738.91	10,053.74	12,132.20	3,567,142.21	3,618,428.84	3,819,388.89	438,490.84	281,197.71	1,358,528.05
Category 2: Capital goods	6,468.15	4,158.24	5,368.42	626.49	566.76	399.79	2,680.63	1,118.97	2,290.73
Category 3: Fuel and energy-related activities	19,428.31	15,158.67	14,727.27	4,300.30	3,583.00	3,176.23	13,929.12	-	7,603.99
Category 4: Upstream transportation and distribution	-	-	-	8,500.64	13,029.05	4,938.33	12,407.02	11,916.64	3,050.37
Category 5: Waste generated in operations	1,039.38	1,350.82	1,467.98	117.29	126.07	184.97	939.02	886.69	1,000.99
Category 6: Business travel	-	-	-	23.01	10.99	17.60	108.97	71.00	65.27
Category 7: Employee commuting	-	-	-	443.18	355.84	555.78	2,445.72	392.72	2,095.28
Category 8: Upstream leased assets	-	-	-	-	-	10.65	-	-	39.16
Category 9: Downstream transport and distribution	-	-	-	171,532.76	20,111.87	28,520.66	39,505.19	29,935.80	29,385.20
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	-	-	-	190.20	154.13	91.90	37.36	35.44	34.12
Category 14: Franchises	-	-	-	-	-	-	-	-	-
Category 15: Investments	53,740.62	57,195.67	63,260.91	-	-	-	742.64	-	9,187.43

GHG Emissions Reduction Against Baseline			
Unit	FY2015 MT CO ₂ e/ MT Product	FY2026 MT CO ₂ e/ MT Product	Progress
Group	2.246	1.13	-50%
Plantation	1.83	0.69	-62%
Refinery	0.055	0.03	-43%
Oleochemical	0.361	0.41	13%

WATER

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

Water	Unit	IOI Plantation	IOI Refinery	IOI Oleochemical	Group
Total water withdrawal	ML	6,766.62	741.65	2,338.77	9,847.04
Total water consumption	ML	3,351.84	671.29	1,574.14	5,597.27
Water consumption intensity	m ³ /MT Product	1.13	0.53	2.95	
Total water discharged	ML	2,527.28	70.36	790.36	3,388.00

WASTE

GRI 306-2: Waste Disposal

Waste	Unit	IOI Plantation	IOI Refinery	IOI Oleochemical	IOI Palm Wood
Total waste generated	MT	12,066.07	702.41	9,530.09	6.84
Total hazardous waste disposed					
Scheduled waste	MT	316.37	12.42	0	-
Incineration	MT	-	-	57.83	-
Landfill	MT	-	-	30.36	-
Other disposed waste	MT	-	-	2,515.67	-
Total hazardous waste recycled					
Recycle	MT	-	2.18	1,006.49	-
Reuse	MT	-	-	776.48	-
Total non-hazardous waste disposed					
Incineration	MT	-	-	175.16	-
Landfill	MT	6,234.07	333.19	1,546.90	-
Others	MT	1,769.20	-	97.15	-
Total non-hazardous waste recycled					
Reused	MT	235.76	-	299.56	-
Recycled	MT	3,510.67	354.62	3,010.11	6.84
Material recovery	MT	-	-	14.38	-
Percentage of waste recycled	%	31.05%	50.80%	53.59%	100.00%
Total waste directed to disposal	MT	8,319.64	345.61	4,423.07	-
Total waste diverted from disposal	MT	3,746.43	356.80	5,107.02	6.84
Group total waste directed to disposal					13,088.32
Group total waste diverted from disposal					9,217.09

By-Product and Biomass

By-Product and Biomass	Unit	IOI Plantation	IOI Refinery	IOI Oleochemical	IOI Palm Wood	Group
Total by-products generated	MT	3,683,248.90	24,468.44	3,892.75	-	3,711,610.09
Total biomass generated	MT	3,683,248.90	-	-	-	3,683,248.90
Total by-product (non-biomass) generated	MT	-	24,468.44	3,892.75	121.14	28,482.33
	M ³	-	-	-	11,650.32	11,650.32
Total by-products sourced	MT	-	65,500.52	-	9,573.04	75,073.56

GRI Content Index

Statement of use	IOI Corporation Berhad has reported in accordance with the GRI Standards for the period from 1 July 2025 to 30 June 2026.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Standard(s)	GRI 13: Agriculture Aquaculture and Fishing Sectors 2022 V1.1

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	SECTION	PAGE NUMBER	ADDITIONAL INFORMATION	OMISSION			GRI SECTOR STANDARD REF. NO.
					REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GENERAL DISCLOSURES								
GRI 2: General Disclosures 2021	2-1 Organisational details	About this report	SR, 5	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	SR, 5					
	2-3 Reporting period, frequency and contact point	About this report	SR, 5					
	2-4 Restatements of information	About this report	SR, 5					
	2-5 External assurance	About this report	SR, 5, 102-104					
	2-6 Activities, value chain and other business relationships	Value Creation Model	AR, 32					
	2-7 Employees	Protecting our workforce. Appendix	SR, 80, 105					
	2-8 Workers who are not employees	Appendix	SR, 105					
	2-9 Governance structure and composition	Corporate Governance Overview Statement Sustainability Governance"	AR, 100 SR, 20					
	2-10 Nomination and selection of the highest governance body	Corporate Governance Overview Statement	AR, 100					
	2-11 Chair of the highest governance body	Corporate Governance Overview Statement	AR, 89					
	2-12 Role of the highest governance body in overseeing the management of impacts	Governance: Sustainability Governance	SR, 20-21					
	2-13 Delegation of responsibility for managing impacts	Governance: Sustainability Governance	SR, 20-23					
	2-14 Role of the highest governance body in sustainability reporting	Governance: Sustainability Governance	SR, 20-21					
	2-15 Conflicts of interest	Profile of Directors	AR, 89-92					
	2-16 Communication of critical concerns	Sustainability Material Matters	SR, 31					
	2-17 Collective knowledge of the highest governance body	Corporate Governance Overview Statement	AR, 107-109					
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance Overview Statement	AR, 106-107					
	2-19 Remuneration policies	Corporate Governance Overview Statement	AR, 115					
	2-20 Process to determine remuneration	Corporate Governance Overview Statement	AR, 115					

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	SECTION	PAGE NUMBER	ADDITIONAL INFORMATION	OMISSION			GRI SECTOR STANDARD REF. NO.
					REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GENERAL DISCLOSURES								
	2-21 Annual total compensation ratio					Information unavailable/ incomplete		
	2-22 Statement on sustainable development strategy	Message from Group Managing Director and Chief Executive	SR, 6-9					
	2-23 Policy commitments	Sustainability Commitment and Compliance	SR, 16					
	2-24 Embedding policy commitments	Sustainability Governance	SR, 20-21					
	2-25 Processes to remediate negative impacts	Protecting Our Workforce	SR, 80-86					
	2-26 Mechanisms for seeking advice and raising concerns	Protecting Our Workforce	SR, 85-86					
	2-27 Compliance with laws and regulations	Regulatory and Third-Party Compliance	SR, 17					
	2-28 Membership associations	Membership and Association	SR, 15					
	2-29 Approach to stakeholder engagement	Stakeholder Engagement	SR, 24					
	2-30 Collective bargaining agreements	Protecting Our Workforce	SR, 84					
MATERIAL TOPICS								
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Sustainability Material Matters	SR, 31	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	Sustainability Material Matters	SR, 32					
Topic 13.1 Emissions								
GRI 3: Material Topics 2021	3-3 Management of material topics	Governance	SR, 46	13.1.1				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions * additional sector recommendations	Appendix	SR, 107	13.1.2				
	305-2 Energy indirect (Scope 2) GHG emissions	Appendix	SR, 107	13.1.3				
	305-3 Other indirect (Scope 3) GHG emissions * additional sector recommendations	Appendix	SR, 107	13.1.4				
	305-4 GHG emissions intensity	Transforming Climate Action Into Resilient Value	SR, 63	13.1.5				
	305-5 Reduction of GHG emissions	Transforming Climate Action Into Resilient Value	SR, 63	13.1.6				
	305-6 Emissions of ozone-depleting substances (ODS)			Information unavailable/ incomplete13.1.7				
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions			Information unavailable/ incomplete13.1.8				

GRI Content Index

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	SECTION	PAGE NUMBER	ADDITIONAL INFORMATION	OMISSION			GRI SECTOR STANDARD REF. NO.
					REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
MATERIAL TOPICS								
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	Risk Management	SR, 58-59					13.2.2
		Financial Report, Notes to Financial Statement	AR, 176-177					
Topic 13.3 Biodiversity								
GRI 3: Material Topics 2021	3-3 Management of material topics	Management Approach	SR, 66					13.3.1
GRI 101: Biodiversity 2024	101-1 Policies to halt and reverse biodiversity loss	Sustainability Commitment and Compliance Enhancing Biodiversity and Ecosystem	SR, 16; 74-77					13.3.2
	101-2 Management of biodiversity impacts	Nature-based Solutions Enhancing Biodiversity and Ecosystem	SR, 60; 74-77					13.3.3
	101-3 Access and benefit-sharing	Enhancing Biodiversity and Ecosystem Expanding Our Impact on Communities	SR, 76-77; 90-92					13.3.4
	101-4 Identification of biodiversity impacts	Enhancing Biodiversity and Ecosystem	SR, 74-77					13.3.5
	101-5 Locations with biodiversity impacts				Information unavailable/incomplete			13.3.6
	101-6 Direct drivers of biodiversity loss	Safeguarding and Managing Natural Resources	SR, 73-75					13.3.7
	101-7 Changes to the state of biodiversity	Nature-based Solutions Enhancing Biodiversity and Ecosystem	SR, 60; 74-77					13.3.8
	101-8 Ecosystem services				Information unavailable/incomplete			13.3.9
	Topic 13.4 Natural Ecosystem Conversion							
Additional sector disclosure	Report the percentage of production volume from land owned, leased or managed by the organisation determined to be deforestation- or conversion-free, by product, and describe the assessment method used	Traceability and Responsible Sourcing	SR, 39					13.4.2
	For products sourced by the organisation, 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 which 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	Traceability and Responsible Sourcing	SR, 38-39					13.4.3
	Report the size in Ha, 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	SR, 74-75					13.4.4
	Report the size in Ha, the locations, and the type of natural ecosystems converted since the cut-off date by suppliers or in sourcing locations	Enhancing Biodiversity and Ecosystem	SR, 74-75					13.4.5

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	SECTION	PAGE NUMBER	ADDITIONAL INFORMATION	OMISSION			GRI SECTOR STANDARD REF. NO.
					REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
MATERIAL TOPICS								
Topic 13.7 Water and effluents								
GRI 3: Material Topics 2021	3-3 Management of material topics	Management Approach	SR, 66-67					13.7.1
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Safeguarding and Managing Natural Resources	SR, 73					13.7.2
	303-2 Management of water discharge-related impacts	Safeguarding and Managing Natural Resources	SR, 73					13.7.3
	303-3 Water withdrawal	Appendix	SR, 109					13.7.4
	303-4 Water discharge	Appendix	SR, 109					13.7.5
Topic 13.8 Waste								
GRI 3: Material Topics 2021	3-3 Management of material topics	Management Approach	SR, 66-67					13.8.1
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Circular Economy and Operational Efficiency	SR, 70-72					13.8.2
	306-2 Management of significant waste-related impacts	Circular Economy and Operational Efficiency	SR, 70-72					13.8.3
	306-3 Waste generated * Additional sector recommendations	Appendix	SR, 109					13.8.4
	306-4 Waste diverted from disposal	Appendix	SR, 109					13.8.5
	306-5 Waste directed to disposal	Appendix	SR, 109					13.8.6
Topic 13.12 Local Communities								
GRI 3: Material Topics 2021	3-3 Management of material topics	Management Approach	SR, 78-79					13.12.1
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Expanding Our Impact on Communities	SR, 90-91					13.12.2
	413-2 Operations with significant actual and potential negative impacts on local communities	Expanding Our Impact on Communities	SR, 90-91					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	SR, 89, 105					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	SR, 85-86					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 Content Index

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	SECTION	PAGE NUMBER	ADDITIONAL INFORMATION	OMISSION			GRI SECTOR STANDARD REF. NO.
					REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
MATERIAL TOPICS								
Topic 13.16 Forced or Compulsory Labour								
GRI 3: Material Topics 2021	3-3 Management of material topics	Management Approach	SR, 78-79					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	SR, 83-86					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	SR, 78-79					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	SR, 84					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	SR, 78-79					13.19.1
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Protecting Our Workforce	SR, 80-83					13.19.2
	403-2 Hazard identification, risk assessment, and incident investigation	Protecting Our Workforce	SR, 80-83					13.19.3
	403-3 Occupational health services * Additional sector recommendations	Protecting Our Workforce	SR, 80-83					13.19.4
	403-4 Worker participation, consultation, and communication on occupational health and safety	Protecting Our Workforce	SR, 80-83					13.19.5
	403-5 Worker training on occupational health and safety	Protecting Our Workforce	SR, 81					13.19.6
	403-6 Promotion of worker health	Protecting Our Workforce	SR, 82					13.19.7
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Protecting Our Workforce	SR, 80-83					13.19.8
	403-8 Workers covered by an occupational health and safety management system	Protecting Our Workforce	SR, 80-83					13.19.9
	403-9 Work-related injuries	Appendix	SR, 106					13.19.10
	403-10 Work-related ill health	Appendix	SR, 106					13.19.11
Topic 13.22 Economic Inclusion								
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Sharing Prosperity	SR, 93-94					13.22.2
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and service supported					Information unavailable/incomplete		13.22.3
	203-2 Significant indirect economic impacts	Sharing Prosperity	SR, 93-94					13.22.4

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	SECTION	PAGE NUMBER	ADDITIONAL INFORMATION	OMISSION			GRI SECTOR STANDARD REF. NO.
					REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
MATERIAL TOPICS								
Topic 13.23 Supply Chain Traceability								
GRI 3: Material Topic 2021	3-3 Management of material topics * Additional sector recommendation	Management Approach	SR, 38-39					13.23.1
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 and Traceability (https://www.ioigroup.com/sustainability/palm-oil-dashboard-traceability)						13.23.2
Additional sector disclosures	Report the percentage of sourced volume certified to internationally recognised standards that trace the path of products through the supply chain, by product and list these standards	Palm Oil Dashboard & Traceability (https://www.ioigroup.com/sustainability/palm-oil-dashboard-traceability)						13.23.3
	Describe improvement projects to get suppliers certified to internationally recognised 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-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, 117					13.26.2
	205-2 Communication and training about anti-corruption policies and procedures	Corporate Governance Overview Statement	AR, 117					13.26.3
	205-3 Confirmed incidents of corruption and actions taken	Sustainability Governance	SR, 23					13.26.4
Energy								
GRI 3: Material Topics 2021	3-3 Management of material topics	Management Approach	SR, 46-47					
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Appendix	SR, 107					
	302-2 Energy consumption outside of the organisation	Appendix	SR, 107					
	302-3 Energy intensity						Information unavailable/incomplete	
	302-4 Reduction of energy consumption						Information unavailable/incomplete	
	302-5 Reductions in energy requirements of products and services						Information unavailable/incomplete	

GRI Content Index

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	Food safety remains relevant to selected operations; however, it was not identified as a priority material topic for IOI. Relevant food safety management practices and performance are disclosed where applicable.
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 Labour	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 applicable, 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 subject to regulated pricing and must comply with industry standard.

IFRS Disclosure Index (S1 and S2)

IFRS S1: General Requirements for Disclosure of Sustainability-Related Financial Information Content Index

Indicator	Description	Reference	
		Section	Page
GOVERNANCE			
27 (a)	Information about the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of sustainability-related risks and opportunities. Specifically, the entity shall identify that body(s) or individual(s) and disclose information about:		
27(a)(i)	How responsibilities for sustainability-related risks and opportunities are reflected in the terms of reference, mandates, role descriptions and other related policies applicable to that body(s) or individual(s).	Sustainability Governance	SR, 20-21
27(a)(ii)	How the body(s) or individual(s) determined whether appropriate skills and competencies will be developed to oversee strategies designed to respond to sustainability-related risks and opportunities.	Corporate governance overview statement	AR, 106-109
27(a)(iii)	How and how often the body(s) or individual(s) is informed about sustainability-related risks and opportunities.	Sustainability Governance	SR, 20-21
27(a)(iv)	How the body(s) or individual(s) takes into account sustainability-related risks and opportunities when overseeing the entity’s strategy, its decisions on major transactions and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities.	Sustainability Governance	SR, 20-21
		Statement on Risk Management and Internal Control	AR, 134-140
27(a)(v)	How the body(s) or individual(s) oversees the setting of targets related to sustainability-related risks and opportunities and monitors progress towards those targets, including whether and how related performance metrics are included in remuneration policies.	Sustainability Governance	SR, 20-23
27 (b)	Management’s role in the governance processes, controls and procedures used to monitor, manage and oversee sustainability-related risks and opportunities including information about:		
27(b)(i)	Whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee.	Sustainability Governance	SR, 20-23
27(b)(ii)	Whether management uses controls and procedures to support the oversight of sustainability-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.		SR, 20-23
STRATEGY			
SUSTAINABILITY-RELATED RISKS AND OPPORTUNITIES			
30	An entity shall disclose information that enables users of general-purpose financial reports to understand the sustainability-related risks and opportunities that could reasonably be expected to affect the entity’s prospects. Specifically, the entity shall:		
30(a)	Describe the sustainability-related risks and opportunities that could reasonably be expected to affect the entity’s prospects.	Sustainability Materiality Matters	SR, 33-36
30(b)	The time horizons-short, medium or long term-over which the effects of each of those sustainability-related risks and opportunities could reasonably be expected to occur.	Sustainability Statement for IFRS S1	SR, 40-41
BUSINESS MODEL AND VALUE CHAIN			
32	An entity shall disclose information that enables users of general-purpose financial reports to understand the current and anticipated effects of sustainability-related risks and opportunities on the entity’s business model and value chain. Specifically, the entity shall disclose:		
32(a)	A description of the current and anticipated effects of sustainability-related risks and opportunities on the entity’s business model and value chain.	Sustainability Materiality Matters	SR, 33-36
32(b)	A description of where in the entity’s business model and value chain sustainability-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	About this report	SR, 4-5

IFRS S1: General Requirements for Disclosure of Sustainability-Related Financial Information Content Index

Indicator	Description	Reference	
		Section	Page
STRATEGY			
STRATEGY AND DECISION-MAKING			
33	An entity shall disclose information that enables users of general-purpose financial reports to understand the effects of sustainability-related risks and opportunities on its strategy and decision making. Specifically, the entity shall disclose information about;		
33(a)	How the entity has responded to and plans to respond to, sustainability-related risks and opportunities in its strategy and decision-making.	Sustainability Materiality Matters	SR, 31-37
33(b)	The progress against plans the entity has disclosed in previous reporting periods, including quantitative and qualitative information.	Strategy	SR, 41, 43
		Strategic Priorities	AR, 54
33(c)	Trade-offs between sustainability-related risks and opportunities that the entity considered. (for example, in making a decision on the location of new operations, an entity might have considered the environmental impacts of those operations and the employment opportunities they would create in a community).	Sustainability Statement on IFRS S1	SR, 40–45
FINANCIAL POSITION, FINANCIAL PERFORMANCE AND CASH FLOWS			
34	An entity shall disclose information that enables users of general-purpose financial reports to understand;		
34(a)	The effects of sustainability-related risks and opportunities on the entity’s financial position, financial performance and cash flows for the reporting period (current financial effects).	Sustainability Material Matters	SR, 31-33
34(b)	The anticipated effects of sustainability-related risks and opportunities on the entity’s financial position, financial performance and cash flows over the short, medium and long term (anticipated financial effects).	Risk Management	SR, 41-44
35(a)	Quantitative and qualitative information about how sustainability related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period.	Risk management	SR, 41-44
35(b)	Quantitative and qualitative information about the sustainability related risks and opportunities identified in paragraph 35(a) for which there is a significant risk of a material adjustment within the next annual reporting period.		
35(c)(i)	Qualitative and quantitative information about how the entity expects its financial position to change over the short, medium, long term, given its strategy to manage sustainability-related risks and opportunities, taking into considerations. Its investment and disposal plans (including plans for capital expenditures, major acquisitions and divestment, joint ventures, business transformation, innovation, new business areas and asset retirement) including plans the entity is not contractually committed to).	Basis of preparation	SR, 40
35(c)(ii)	Its planned sources of funding to implement its strategy.	Risk Management	SR, 41-44
35(d)	Quantitative and qualitative information about how the entity expects its financial performance and cash flows to change over the short, medium and long term.		
RESILIENCE			
41	An entity shall disclose information that enables users of general-purpose financial reports to understand:		
41	Its capacity to adjust to the uncertainties arising from sustainability-related risks. An entity shall disclose a qualitative and, if applicable, quantitative assessment of the resilience of its strategy and business model in relation to its sustainability-related risks, including information about how the assessment was carried out and its time horizon. When providing quantitative information, an entity may disclose a single amount or a range.	Sustainability Statement for IFRS S1	SR, 40-56
		Strategic Framework	AR, 50
		Strategic Priorities	AR, 51-61

Indicator	Description	Reference	
		Section	Page
RISK MANAGEMENT			
44	The objective of sustainability-related financial disclosures on risk management is to enable users of general-purpose financial reports. To achieve this objective, an entity shall disclose information about:		
44(a)(i)	The processes and related policies the entity uses to identify, assess, prioritise and monitor sustainability-related risks, including information about the inputs and parameters the entity uses (for example, information about data sources and the scope of operations covered in the processes).	Sustainability Governance	SR, 20-23
44(a)(ii)	The processes and related policies the entity uses to identify, assess, prioritise and monitor sustainability-related risks, including information about whether and how the entity uses scenario analysis to inform its identification of sustainability-related risks.	Sustainability Material Matters	SR, 31-37
44(a)(iii)	The processes and related policies the entity uses to identify, assess, prioritise and monitor sustainability-related risks, including information about how the entity assesses the nature, likelihood and magnitude of risks (for example, whether the entity considers qualitative factors, quantitative thresholds or other criteria).	Sustainability Material Matters	SR, 31-37
44(a)(iv)	The processes and related policies the entity uses to identify, assess, prioritise and monitor sustainability-related risks, including information about whether and how the entity prioritises sustainability-related risks relative to other types of risk.	Sustainability Governance	SR, 20-23
44(a)(v)	The processes and related policies the entity uses to identify, assess, prioritise and monitor sustainability-related risks, including information about how the entity monitors sustainability-related risks.	Corporate Governance Overview Statement	AR, 117
44(a)(vi)	The processes and related policies the entity uses to identify, assess, prioritise and monitor sustainability-related risks, including information about whether and how processes the entity has changed the process it uses compared with previous reporting period.	Statement on Risk Management and Internal Control	AR, 134-139
44(b)	Processes the entity use to identify, assess, prioritise and monitor sustainability-related opportunities.	Sustainability Governance	SR, 20-23
44(c)	The extent to which, and how, the processes for identifying, accessing, prioritising and monitoring sustainability-related risks and opportunities are integrated into and inform the entity's overall risk management process.	Statement on Risk Management and Internal Control	AR, 134-139
METRICS AND TARGETS			
46	An entity shall disclose, for each sustainability-related risk and opportunity that could reasonably be expected to affects the entity's prospects:		
46(a)	Metrics required by applicable IFRS Sustainability Disclosure Standard.	Metrics and Targets	SR, 27-30
46(b)(i)	Metrics the entity uses to measure and monitor sustainability-related risk or opportunity.	Regulatory and Third-Party Compliance	SR, 17
46(b)(ii)	Metrics the entity uses to measure and monitor its performance in relation to that sustainability-related risk or opportunity, including progress towards any targets the entity has set, and any targets it is required to meet by law or regulation.		
50	If a metric has been developed by an entity, the entity shall disclose information about:		
50(a)	How the metric is defined, including whether it is derived by adjusting a metric taken from a source other than IFRS Sustainability Disclosure Standards and, if so, which source and how the metric disclosed by the entity differs from the metric specified in that source.	Metrics and Targets	SR, 42, 45
		Sustainability Targets and Contributions to UN SDGs	AR, 42, 45
50(b)	Whether the metric is an absolute measure, a measure expressed in relation to another metric or a qualitative measure (such as red, amber, green – or RAG – status).	Metrics and Targets	SR, 27-30
		Strategic Progress	AR, 50-53
50(c)	Whether the metric is validated by a third party and, if so, which party.	About this report	SR, 5
50(d)	The method used to calculate the metric and the inputs to the calculation, including the limitations of the method used and the significant assumptions made.	About this report	SR, 5
		Sustainability Statement for IFRS S1	SR, 40-45

IFRS S1: General Requirements for Disclosure of Sustainability-Related Financial Information Content Index

Indicator	Description	Reference	
		Section	Page
METRICS AND TARGETS			
51	An entity shall disclose information about the targets it has set to monitor progress towards achieving its strategic goals, and any targets it is required to meet by law or regulation. For each target, the entity shall disclose:		
51(a)	The metric used to set target and monitor progress towards reaching the target.	Metrics and Targets	SR,43-45
51(b)	The specific quantitative or qualitative target the entity has set or is required to meet.		SR, 51-61
		Strategic Priorities	AR, 51-61
51(c)	The period over which the target applies.	Metrics and Target	SR, 42, 45
51(d)	The base period from which progress is measured.	Metrics and Targets	SR,43-45
		Strategic Framework	AR, 50
51(e)	Any milestones and interim targets.	Metrics and Targets	SR,43-45
51(f)	Performance against each target and trend analysis or changes in the entity's performance.		
51(g)	Any revisions to the target and explanation.	Strategic Framework	AR, 50
		Strategic Priorities	AR, 51-61

IFRS Disclosure Index (S1 and S2)
IFRS S2: Climate-Related Disclosures Content Index

Indicator	Description	Reference	
		Section	Page
GOVERNANCE			
6(a)	The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the entity shall identify that body(s) or individual(s) and disclose information about:		
6(a)(i)	How responsibilities for climate-related risks and opportunities are reflected in the terms of reference, mandates, role descriptions and other related policies applicable to that body(s) or individual(s).	Sustainability Governance	SR, 20-21
6(a)(ii)	How the body(s) or individual(s) determined whether appropriate skills and competencies will be developed to oversee strategies designed to respond to climate-related risks and opportunities.	Corporate governance overview statement	AR, 106-109
6(a)(iii)	How and how often the body(s) or individual(s) is informed about climate-related risks and opportunities.	Sustainability Governance	SR, 20-21
6(a)(iv)	How the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the entity's strategy, its decisions on major transactions and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities.	Sustainability Governance External Environment	SR, 20-23 AR, 41-45
6(a)(v)	How the body(s) or individual(s) oversees the setting of targets related to climate-related risks and opportunities and monitors progress towards those targets see paragraphs 33-36), including whether and how related performance metrics are included in remuneration policies).	Sustainability Governance	SR, 20-23
6(b)	To achieve this objective, an entity shall disclose information about management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:		
6(b)(i)	Whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee.	Sustainability Governance	SR, 20-23
6(b)(ii)	Whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.		SR, 22-23
STRATEGY			
CLIMATE-RELATED RISK AND OPPORTUNITIES			
10	An entity shall disclose information that enables users of general-purpose financial reports to understand the climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects. Specifically, the entity shall:		
10(a)	Describe climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects.	Materiality Matters and Our Response	SR, 33-36
10(b)	Explain, for each climate-related risk the entity has identified, whether the entity considers the risk to be a climate-related physical risk or climate-related transition risk.	Strategy Risk Management	SR, 52 SR, 53-57
10(c)	Specify, for each climate-related risk and opportunity the entity has identified, over which time horizons—short, medium, or long term—the effects of each climate-related risk and opportunity could reasonably be expected to occur.	Sustainability Statement on IFRS S2	SR, 50
10(d)	Explain how the entity defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the entity for strategic decision making.		
12	In identifying the climate-related risks and opportunities that could reasonably expected to affect an entity's prospects, the entity shall refer to and consider the applicability of industry-based disclosure topics defined in the Industry-based Guidance on Implementing IFRS S2.	Basis of Preparation	SR, 40
BUSINESS MODEL AND VALUE CHAIN			
13	An entity shall disclose information that enables users of general-purpose financial reports to understand the current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain. Specifically, the entity shall disclose:		
13(a)	A description of the current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain, including resource allocation decisions (R&D, capex, acquisitions/divestments).	Risk Management	SR, 53-62
13(b)	A description of where in the entity's business model and value chain sustainability-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).		

IFRS S2: Climate-Related Disclosures Content Index

Indicator	Description	Reference	
		Section	Page
STRATEGY			
STRATEGY AND DECISION MAKING			
14	An entity shall disclose information that enables users of general-purpose financial reports to understand the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the entity shall disclose:		
14(a)	Disclose information about how the entity has responded to and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the entity plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the entity shall disclose information about:		
14(a)(i)	Current and anticipated changes to the entity's business model, including its resource allocation, to address climate-related risks and opportunities (for example, these changes could include plans to manage or decommission carbon-, energy- or water-intensive operations; resource allocations resulting from demand or supply-chain changes; resource allocations arising from business development through capital expenditure or additional expenditure on research and development; and acquisitions or divestments).	Risk Management	SR, 53-62
		Strategic Priorities	AR, 60-61
14(a)(ii)	Current and anticipated direct mitigation and adaptation efforts (for example, through changes in production processes or equipment, relocation of facilities, workforce adjustments and changes in product specifications).	Risk Management	SR, 53-62
14(a)(iii)	Current and anticipated indirect mitigation and adaptation efforts (for example, through working with customers and supply chains).	Strategy	SR, 52
		Risk Management	SR 53-62
14(a)(iv)	Any climate-related transition plans the entity has, including information about key assumptions used in developing its transition plan and dependencies on which the entity's transition plan relies.	Climate Transition Plan	SR, 48-49
		Risk Management	SR, 53-62
14(a)(v)	How the entity plans to achieve any climate-related targets, including any greenhouse gas emissions targets, described in accordance with paragraphs 33–36.	Strategy	SR, 52
		Metrics and Targets	SR, 63-65
14(b)	How the entity is resourcing and plans to resource, the activities disclosed in accordance with 14(a).	Risk Management	SR, 53-62
		Strategic Priorities	AR, 60-61
14(c)	Quantitative and qualitative information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 14(a).	Metric and Targets	SR, 63-65
		Strategic Priorities	AR, 60-61
FINANCIAL POSITION, FINANCIAL PERFORMANCE AND CASH FLOWS			
15	An entity shall disclose information that enables users of general-purpose financial reports to understand:		
15(a)	The effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period (current financial effects).	Risk Management	SR, 58-59
15(b)	The anticipated effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how climate-related risks and opportunities are included in the entity's financial planning (anticipated financial effects).	Financial Report, Notes to Financial Statement	AR, 176-177
16	Specifically, an entity shall disclose quantitative and qualitative information about:		
16(a)	How climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period;	Risk Management	SR, 58-59
16(b)	The climate-related risks and opportunities identified in paragraph 16(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements;	Financial Report, Notes to Financial Statement	AR, 176-177
16(c)(i)	How the entity expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration: Its investment and disposal plans (for example, plans for capital expenditure, major acquisitions and divestments, joint ventures, business transformation, innovation, new business areas and asset retirements), including plans the entity is not contractually committed to; and	Risk Management	SR, 58-59
		Financial Report, Notes to Financial Statement	AR, 176-177
16(c)(ii)	How the entity expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration: Its planned sources of funding to implement its strategy.		
16(d)	An entity shall disclose quantitative and qualitative information about how the entity expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities (for example, increased revenue from products and services aligned with a lower-carbon economy; costs arising from physical damage to assets from climate events; and expenses associated with climate adaptation or mitigation).	Risk Management	SR, 58-59
		Financial Report, Notes to Financial Statement	AR, 176-177

Indicator	Description	Reference	
		Section	Page
STRATEGY			
FINANCIAL POSITION, FINANCIAL PERFORMANCE AND CASH FLOWS			
21(a)	If quantitative financial effects info is omitted (due to non-identifiability, high uncertainty, lack of capability), explain why and provide qualitative info identifying affected lines.		
21(b)	Provide qualitative information about those financial effects, including identifying line items, totals and subtotals within the related financial statements that are likely to be affected, or have been affected, by that climate-related risk or opportunity; and	Risk Management	SR, 58-59
21(c)	Provide quantitative information about combined financial effects of that climate related risk or opportunities with other climate related risk or opportunities and other factors unless the entity determines what quantitative information about the combined financial effects would not be useful.	Financial Report, Notes to Financial Statement	AR, 176-177
CLIMATE RESILIENCE			
22 (a)	The entity's assessment of its climate resilience as the reporting date, which shall enable users of general-purpose financial reports to understand:		
22(a)(i)	Disclose the implications, if any, of the entity's/resilience assessment for the strategy and business model, including how the entity would need to respond to the effects identified in the climate-related scenario analysis.	Risk Management	SR, 53-62
22(a)(ii)	Disclose the significant areas of uncertainty considered in the assessment of climate resilience.		SR, 53-62
22(a)(iii)	Disclose the capacity to adjust/adapt strategy and business model to climate change (short, medium, long term), considering resources, assets, investments.	Risk Management	SR, 53-62
		Strategic Priorities	AR, 60-61
22 (b)(i)	How and when the climate-related scenario analysis was carried out including:		
22(b)(i)(1)	Which climate-related scenarios the entity used for the analysis and the sources of those scenarios;	Risk Management	SR, 53-62
22(b)(i)(2)	Whether the analysis included a diverse range of climate-related scenarios;		SR, 53-62
22(b)(i) (3)	Whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks;		SR, 53-62
22(b)(i)(4)	Whether the entity used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change;		SR, 53-62
22(b)(i)(5)	Why the entity decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties;		SR, 53-62
22(b)(i)(6)	The time horizons the entity used in the analysis; and	About this report	SR, 4-5
22(b)(i)(7)	What Scope of operations the entity used in the analysis (for example, the operating locations and business units used in the analysis);		
22 (b)(ii)	The key assumptions the entity's made in the analysis, including assumptions about:		
22(b)(ii)(1)	Climate-related policies in the jurisdictions in which the entity operates.	Risk Management	SR, 52-62
22(b)(ii)(2)	Macroeconomic trends.		
22(b)(ii)(3)	National- or regional-level variables (for example, local weather patterns, demographics, land use, infrastructure and availability of natural resources).		
22(b)(ii)(4)	Energy usage and mix.	Metrics and Targets	SR, 63-65
22(b)(ii)(5)	Developments in technology.	Risk Management	SR, 53-62
22(b)(iii)	The reporting period in which the climate-related scenario analysis was carried out.	Risk Management	SR, 53

IFRS S2: Climate-Related Disclosures Content Index

Indicator	Description	Reference	
		Section	Page
STRATEGY			
RISK MANAGEMENT			
25 (a)	The process and related policies the entity uses to identify, assess, prioritise and monitor climate-related risks, including information about:		
25(a)(i)	The inputs and parameters the entity uses (for example, information about data sources and the scope of operations covered in the processes);	Risk Management	SR, 53-62
25(a)(ii)	Whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related risks;	Risk Management	SR, 53-62
25(a)(iii)	How the entity assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the entity considers qualitative factors, quantitative thresholds or other criteria);	Sustainability Governance	SR, 22
25(a)(iv)	Whether and how the entity prioritises climate-related risks relative to other types of risk;	Materiality Matters	SR, 31-36
25(a)(v)	How the entity monitors climate-related risks over time and;	Sustainability Governance	SR, 20-23
25(a)(vi)	Whether and how the entity has changed the processes it uses compared with the previous reporting period;	Sustainability Governance	SR, 20-23
25(b)	The processes the entity uses to identify, assess, prioritise and monitor climate-related opportunities, including information about whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related opportunities; and	Materiality Matters	SR, 31-36
25(c)	The extent to which and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the entity’s overall risk management process.	Statement on Risk Management & Internal Control	AR, 134-140
METRICS AND TARGETS			
CLIMATE-RELATED METRICS			
29(a)	An entity shall disclose information relevant to the cross-industry metric categories of greenhouse gas - the entity shall:		
25(a)(i)	greenhouse gases—the entity shall Disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tonnes of CO ₂ equivalent (see 2 paragraphs B19–B22), classified as:		
29(a)(i)(1)	Scope 1 greenhouse gas emissions; and	Metrics and Targets	SR, 63-65
29(a)(i)(2)	Scope 2 greenhouse gas emissions;	Appendix, Performance Metric for Environment, and Social	SR, 107-108
29(a)(i)(3)	Scope 3 greenhouse gas emissions.		

Indicator	Description	Reference	
		Section	Page
METRICS AND TARGETS			
CLIMATE-RELATED METRICS			
29(a)(ii)	Measure its greenhouse gas emissions in accordance with the greenhouse gas protocol: a corporate accounting and reporting standard (2004) unless required by a jurisdictional authority or an exchange on which the entity is listed to use a different method for measuring its greenhouse gas emissions (see paragraphs b23–b25);	Metrics and Targets Appendix, Greenhouse Gas ("GHG") Emissions Reporting Boundary and Calculation Methodology	SR, 63-65 SR, 127-128
29(a)(iii)	Disclose the approach it uses to measure its greenhouse gas emissions (see paragraphs b26–b29) including: 1) The measurement approach, inputs and assumptions the entity uses to measure its greenhouse gas emissions; 2) The reason why the entity has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; 3) Any changes the entity made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes.	Metrics and Targets Appendix, Greenhouse Gas ("GHG") Emissions Reporting Boundary and Calculation Methodology	SR, 63-65 SR, 127-128
29(a)(iv)	For Scope 1 and Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i)(1)–(2), disaggregate emissions between: 1) The consolidated accounting group (for an entity applying IFRS accounting standard, this group would comprise the parent and its consolidated subsidiaries) and 2) Other investees excluded from paragraph 29(a)(iv)(1) (for example, for an entity applying IFRS Accounting Standards, these investees would include associates, joint ventures and unconsolidated subsidiaries).	Metrics and Targets Appendix, Greenhouse Gas ("GHG") Emissions Reporting Boundary and Calculation Methodology	SR, 63-65 SR, 127-128
29(a)(v)	Location-based Scope 2 greenhouse gas emissions and the information about any contractual instruments that is necessary to inform users' understanding of the entity's Scope 2 greenhouse gas emissions.	Metrics and Targets Appendix, Greenhouse Gas ("GHG") Emissions Reporting Boundary and Calculation Methodology	SR, 63-65 SR, 127-128
29(a)(vi)	For Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i)(3) [absolute] and with reference to paragraphs b32–b57: 1) The categories included within the entity's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the greenhouse gas protocol corporate value chain (Scope 3) accounting and reporting standard (2011).	Metrics and Targets Appendix, Performance Metric for Environmental and Social Appendix, Greenhouse Gas ("GHG") Emissions Reporting Boundary and Calculation Methodology	SR, 63-65 SR, 107-108 SR, 127-128
	2) Additional information about the entity's Category 15 greenhouse gas emissions or those associated with its investments (financed emissions), if the entity's activities include asset management, commercial banking or insurance.	Appendix, Performance Metric for Environment, and Social	SR, 108
29(b)	Climate-related transition risks—disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Risk Management	SR, 53-62
29(c)	Climate-related physical risks—the amount and percentage of assets or business activities vulnerable to climate-related physical risks.		
29(d)	Climate-related opportunities—the amount and percentage of assets or business activities aligned with climate-related opportunities.	Risk Management	SR, 53-62
29(e)	Capital deployment—the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.		
29(f)(i)	Internal carbon prices, including the information about: An explanation of whether and how the entity is applying a carbon price in decision-making (for example, investment decisions, transfer pricing and scenario analysis).	Risk Management	SR, 53-62
29(f)(ii)	The price for each metric tonne of greenhouse gas emissions the entity uses to assess the costs of its greenhouse gas emissions.		
29(g)(i)	Remuneration, including the information about: A description of whether and how climate-related considerations are factored into executive remuneration (see also paragraph 6(a)(v)).	Sustainability Governance	SR, 22
29(g)(ii)	The percentage of executive management remuneration recognised in the current period that is linked to climate related considerations.		

IFRS S2: Climate-Related Disclosures Content Index

Indicator	Description	Reference	
		Section	Page
METRICS AND TARGETS			
CLIMATE-RELATED TARGETS			
33	An entity shall disclose the quantitative and qualitative climate- related targets it has set to monitor progress towards achieving its strategic goals and any targets it is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target:		
33(a)	The metric used to set the target (see paragraphs B66–B67);	Sustainability Commitment and Compliance	SR, 16
33(b)	The objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);		
		Climate Transition Plan	SR, 48-49
33(c)	The part of the entity to which the target applies (for example, whether the target applies to the entity in its entirety or only a part of the entity, such as a specific business unit or specific geographical region);	Sustainability Commitment and Compliance	SR, 16
33(d)	The period over which the target applies;	Climate Transition Plan	SR, 48-49
33(e)	The base period from which progress is measured;	Metrics and Targets	SR, 63-65
33(f)	Any milestones and interim targets;	Sustainability Commitment and Compliance	SR, 16
33(g)	If the target is quantitative, whether it is an absolute target or an intensity target; and		
		Climate Transition Plan	SR, 48-49
33(h)	How the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	Sustainability Approach	SR, 16
34	An entity shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target including:		
34(a)	Whether the target and the methodology for setting the target has been validated by a third party.	Sustainability Approach	SR, 16
34(b)	The entity’s processes for reviewing the target.	Sustainability Governance	SR, 20-23
34(c)	The metrics used to monitor progress towards reaching the target; and	Strategic Priorities, Sustainability Targets and Contribution to UN SDGs	SR, 29
34(d)	Any revisions to the target and an explanation for those revisions.	Sustainability Statement of IFRS S2	SR, 50
35	Disclose information about the entity’s performance against each climate-related target, including analysis of trends or changes over time.	Metrics and Target	SR, 63-65
36	For each greenhouse gas emissions target disclosed in accordance with paragraphs 33–35, an entity shall disclose: which greenhouse gases are covered by the target.		
36 (a)	Which greenhouse gases are covered by the target.	Metrics and Target	SR, 63-65
36(b)	Whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target.	Appendix, Greenhouse Gas (“GHG”) Emissions Reporting Boundary and Calculation Methodology	SR, 127-128
36(c)	Whether the target is a gross greenhouse gas emissions target or net greenhouse gas emissions target. If the entity discloses a net greenhouse gas emissions target, the entity is also required to separately disclose its associated gross greenhouse gas emissions target (see paragraphs b68–b69).		
36(d)	Whether the target was derived using a sectoral decarbonisation approach.		
36(e)	The entity’s planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits the entity shall disclose information including and with reference to paragraphs b70–b71:	Sustainability Approach	SR, 16
36(e)(i)	The extent to which and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits.	The Group is committed to achieving Net Zero by 2040 through three key strategies: nature-based solutions, engineered solutions, and supply chain management. While mitigation measures remain the primary focus for decarbonising our operations, adaptation measures complement these efforts by strengthening resilience to climate-related risks.	
36(e)(iii)	Which third-party scheme(s) will verify or certify the carbon credits.		
36(e)(iii)	The type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals and whether the underlying offset is achieved through carbon reduction or removal.		
36(e)(iv)	Any other factors necessary for users of general-purpose financial reports to understand the credibility and integrity of the carbon credits the entity plans to use (for example, assumptions regarding the permanence of the carbon offset).		

Greenhouse Gas (“GHG”) Emissions Reporting Boundary and Calculation Methodology

Introduction

This section 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 (“IPCC”), ISO 14064 and other relevant standards and guidance.

GHG Reporting Boundary

IOI calculates its GHG emissions under the operational control approach, for the consolidation of its GHG inventory. The calculation covers operational activities and manufacturing operations within the defined processing boundary. The GHG inventory covers IOI-owned operating units in Malaysia, Indonesia and Germany.

The following operations are included:

Plantation Division IOI Plantation	Resource-based Manufacturing Division		
	IOI Oleochemical		IOI Refinery
Pukin Mill Bukit Leelau Mill Pamol Kluang Mill Gomali Mill Sakilan Mill Ladang Sabah Mill Pamol Sabah Mill Mayvin Mill	Baturong Mill Morisem Mill Syarimo Mill Leepang Mill Unico Desa Mill SKS Mill BSS Mill	IOI Acidchem Sdn Bhd IOI Esterchem Sdn Bhd IOI Pan-Century Oleochemicals Sdn Bhd IOI Oleo GmbH	IOI Edible Oils Sdn Bhd IOI Bio-Energy Sdn Bhd IOI Pan-Century Edible Oils Sdn Bhd

GHG Data Period

Data reporting period for IOI GHG Emissions Calculation are as follow:

Oleochemical and Refinery:	1 July 2025 – 30 June 2026 (Financial Year)
Plantation (Peninsular Malaysia, Indonesia, Sabah Malaysia)	Based on the past 12 months of RSPO-certified data using the RSPO PalmGHG Version 4 Calculator

GHG Calculation Approach

IOI considers the seven greenhouse gases (“GHGs”) covered by the Kyoto Protocol and reports three GHGs: carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O). Given the nature of IOI’s operations, these three GHGs are considered significant and are therefore disclosed.

For standardisation purposes, methane and nitrous oxide emissions are converted into carbon dioxide equivalents (CO₂e) using the 100-year global warming potential (“GWP”) values published by the IPCC. Wherever possible, IOI uses the GWP values stated in the latest IPCC Assessment Report. However, IOI’s GHG calculations also incorporate industry-accepted emission calculators, which may still be in the process of incorporating the latest information. In such cases, IOI updates its calculations based on the latest available version of the relevant emission calculators.

Greenhouse Gas (“GHG”) Emissions Reporting Boundary and Calculation Methodology

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

Scope 1 emissions:

Direct Emissions

Plantation Division

Scope 1 emissions from IOI’s estates and mills were calculated using the RSPO PalmGHG Version 4 Calculator. Emission sources included land use change, peat oxidation, fertiliser application, palm oil mill effluent (POME), stationary and mobile fuel combustion.

Exclusion

Process-related emissions were considered immaterial, as the processes involved are largely aerobic and the by-product from the refining processes is water.

Fugitive hydrofluorocarbon (HFC) emissions from refrigeration and air conditioning systems were excluded due to lack of data for the reporting period.

Resource-based Manufacturing

Scope 1 emissions from IOI’s oleochemical and refinery operations were calculated in accordance with ISO 14064. Emission sources included stationary and mobile fuel combustion.

Exclusion

Fugitive hydrofluorocarbon (HFC) emissions from refrigeration and air conditioning systems were excluded from the GHG inventory due to a lack of available data for the reporting period.

Scope 2 emissions:

Indirect Emissions from Energy Consumption

Plantation Division

Scope 2 emissions from IOI’s mills were calculated using the location-based method in the RSPO PalmGHG Version 4 Calculator, in alignment with GHG Protocol. Scope 2 emissions were attributable to purchased electricity used for mill processing operations.

Exclusion

Purchased electricity for domestic use, such as school and workers’ housing within plantation estates, was excluded from the Scope 2 inventory, as the reporting boundary is limited to mill processing operations.

Resource-based Manufacturing

Scope 2 emission for resource-based manufacturing operations were calculated using the location-based method in accordance with ISO 14064.

Emissions sources included purchased electricity, purchased pressurized air and purchased steam.

Exclusion

Purchased heating and cooling were excluded since it was not purchased by our resource-based manufacturing operating units.

Scope 3 emissions:

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

Plantation Division

Scope 3 emissions calculated using spend-based method

Resource-based Manufacturing

Emission calculated in accordance to ISO 14064 and are independently verified and certified under the applicable verification scheme.

Scope 3 Category Reported

Plantation	Resource-Based Manufacturing
Category 1: Purchased goods and services	Category 1: Purchased goods and services
Category 2: Capital goods	Category 2: Capital goods
Category 3: Fuel- and energy-related activities	Category 3: Fuel- and energy-related activities
Category 5: Waste generated in operations	Category 4: Upstream transport & distribution
Category 15: Investments	Category 5: Waste generated in operations
	Category 6: Business Travel
	Category 7: Employee Commuting
	Category 8: Upstream leased assets
	Category 9: Downstream transport & distribution
	Category 13: Downstream leased assets
	Category 15: Investment

Carbon sequestration and GHG emissions reduction

IOI’s net GHG emissions includes carbon sequestration and GHG emission reduction initiatives that contribute to reducing its overall absolute GHG emissions. Carbon sequestration is derived from planted oil palms and conservation areas within IOI’s concessions. These two sources of sequestration were quantified using the RSPO PalmGHG Version 4 methodology, land cover-specific sequestration factors from peer-reviewed literature, and other industry-accepted sources.

The use of biogas from methane capture facilities and biomass to reduce fossil fuel consumption plays an important role in IOI’s decarbonisation efforts. Biogas generated from anaerobic treatment is captured and predominantly reused for energy generation. Avoided methane and residual emissions were accounted for in the calculation of POME and effluent emissions under scope 1. GHG emission reductions resulting from the use of biomass to replace fossil fuels were also accounted for in 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 three critically endangered, 12 endangered and 12 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 zibetha	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

Rare, Threatened, and Endangered (“RTE”) List

Common name	Scientific name	IUCN status	Type
Lesser whistling-duck	Dendrocygna javanica	Least concern	Bird
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	Ptyas 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	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
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	Rusa unicolor	Vulnerable	Mammal
Asian small-clawed otter	Aonyx cinereus	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	Endangered	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 ₂ e")	CO ₂ e is a measure used to compare the emissions from various greenhouse gases based on their global warming potential.
Carbon Neutral	Achieving a balance between greenhouse gas (GHG) emissions released into the atmosphere and the removal or offset of an equivalent amount of carbon dioxide through various approaches.
Climate Change Action initiatives ("CCAI")	IOI's long-term action plan to mitigate and reduce GHG emissions across its diverse operations, with the aim of achieving Net Zero by 2040.
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")	A European Union regulation covering seven commodities to combat deforestation and forest degradation by ensuring that products sold or exported in the EU are deforestation-free and legally produced.
Energy Management System ("EMS")	A system that supports the tracking and optimisation of energy consumption across an organisation's physical assets, including factories and office buildings, to improve energy efficiency and reduce energy use.
Enterprise Risk Management ("ERM")	A framework that links the Group's strategic objectives and goals to its principal risks, and aligns those risks with controls, opportunities, and actions to support effective decision-making and execution.
SAP Enterprise Resource Planning ("ERP") System	An enterprise resource planning (ERP) system is software used to integrate and manage an organisation's core business processes, including finance, accounting, procurement, operations, and resource planning.
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 independent international organisation that develops globally recognised sustainability reporting standards, helping organisations understand, measure, and communicate their impacts on the economy, environment, and society.
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.
Global Forest Watch ("GFW")	Free, open-source online platform created by the World Resources Institute that provides near-real-time data and alerts on global forest changes using satellite imagery and advanced analytics.
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)	A climate change scenario representing a continuation of business as usual and high-emission pathway in which no climate mitigation in place, expected to result in global warming in excess of 4°C 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 assigned to each tonne of carbon emissions generated within an organisation to support long-term business planning, risk management, and investment decision-making.
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")	IOI Group's overarching sustainability policy, outlining its commitment to sustainable business practices and 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")	An approach to pest management that integrates all appropriate pest control methods to discourage the development of pest populations while minimising risks to human health and the environment. IPM promotes healthy crop production with minimal disruption to agroecosystems and encourages natural pest control mechanisms.
Joint Consultative Committee ("JCC")	A channel within the grievance mechanism that enables workers to raise concerns or grievances to Management through elected Workers' Representatives, while facilitating dialogue and consultation on workplace matters.
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")	The conversion or alteration of specific area of land from one purpose to another.
Lost Time Injury Frequency Rate ("LTIFR")	The frequency of lost time injuries recorded per one million hours worked, used as a measure of workplace safety performance.
Low Climate Change Scenario (RCP 2.6)	A climate change scenario representing a low-emission pathway in which drastic climate mitigation measures in place to limit global warming to below 2°C by 2100.
Malaysia's National Policy on Biodiversity ("NBD")	A national framework that guides the conservation and sustainable use of Malaysia's biodiversity in addressing increasingly complex environmental and development challenges.
Malaysian Sustainable Palm Oil Certificate ("MSPO")	Malaysia's national certification scheme for oil palm plantations, independent and organised smallholdings, and palm oil processing facilities, based on compliance with MSPO standards.
Management and Ecology of Malaysian Elephants ("MEME")	A research initiative that promotes science-based conservation and management of elephants in Malaysia.
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°C by 2100.

Glossary

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 <i>General Requirements for Disclosure of Sustainability-related Financial Information</i> , and IFRS S2 <i>Climate-related Disclosures</i> (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.
Implementation Reporting Framework ("IRF")	A reporting tool that provides a shared and consistent view of progress towards NDPE commitments across the full supply base of companies throughout the supply chain.
Net Zero	A state achieved when an organisation has reduced its value chain greenhouse gas emissions across Scope 1, Scope 2, and Scope 3 by at least 90% along a science-based 1.5°C trajectory, and permanently removed any remaining residual emissions from the atmosphere.
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 percentage of oil that can be extracted from fresh fruit bunches during the palm oil milling process.
Oil Palm Trunk ("OPT")	The trunk of an oil palm tree, typically obtained during replanting when palms reach the end of their productive lifespan (about 25–30 years). It can be repurposed for various applications, including biomass utilisation.
Palm Fatty Acid Distillate ("PFAD")	A light brown, semi solid by-product obtained from refining and deodorisation of CPO.
Palm Kernel ("PK")	The seed or kernel of the oil palm fruit from which palm kernel oil is extracted.
Palm Kernel Oil ("PKO")	PKO is a plant-based 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")	A collaborative approach in which public, private, and civil society stakeholders work together to improve land productivity and livelihoods while protecting natural resources, particularly 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.
Regenerative Agriculture ("RA")	A conservation and rehabilitation approach to farming that focuses on improving soil health, biodiversity, water infiltration, and water retention while reducing soil erosion.
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.
Sustainability Accounting Standards Board ("SASB")	A nonprofit organisation that develops industry-specific standards for reporting financially material sustainability information. SASB is now consolidated into the ISSB to support a more comprehensive and globally consistent sustainability disclosure framework.

Science Based Target initiative – Forest, Land and Agriculture ("SBTi-FLAG")	A framework under the Science Based Targets initiative (SBTi) that enables companies in the forest, land, and agriculture sectors to set science-based greenhouse gas emissions reduction targets aligned with climate science.
Science Based Target for Nature ("SBTN")	The guidance draws on the best available science today and includes collaboration with the Earth Commission on the upcoming safe and just Earth System Boundaries. It is also aligned with global goals on climate, nature and development including the Global Biodiversity Framework, the Paris Agreement, and the UN Sustainable Development Goals.
Scope 1 Emissions	All direct GHG emissions from sources that are owned or controlled by the organisation.
Scope 2 Emissions	Indirect GHG emissions from the generation of purchased or acquired electricity, heat, or steam by the organisation.
Scope 3 Emissions	Includes all other indirect GHG emissions that occur in a company's value chain.
Spent Bleaching Earth ("SBE")	SBE is a waste generated from the palm oil refining process.
Task Force on Climate-related Financial Disclosures ("TCFD") Framework	A set of disclosure recommendations developed by the Financial Stability Board (FSB) to help companies, banks, and investors disclose consistent climate-related financial information to stakeholders.
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.

IOI Through Our Lens

This year, IOI initiated the “IOI through our Lens” Ultimate Photo Collection, an employee engagement initiative to encourage our employees to capture and share their life moments at IOI. The photographs showcase daily operations, best practices, workplace experiences and the rich biodiversity found across the Group’s operating environments.

Over the two weeks, IOI received submissions from 71 employees across the Group, contributing approximately 490 photographs. The Plantation segment had the highest participation, followed by Oleochemical and Refinery. From these entries, around 30 photographs were selected and featured in IOI’s Sustainability Report 2026, based on their visual quality and relevance to the sustainability topics presented in this report. Some of the best and most relevant photographs captured and submitted through this initiative have been placed throughout this sustainability report. The collage shown here is some of the remaining best photographs submitted but not used this year for this report.

Finally, we extend our great appreciation to all participating employees for their creativity and efforts in capturing and sharing these meaningful moments. This strong participation reflects our workforces’ pride and engagement in showcasing their life at IOI and we look forward to continuing this initiative in the many years ahead.

Flagships on 5 Impactful Case Studies

Our Approach

Sustainability commitments carry the most weight when they are backed by verifiable, on-the-ground outcomes rather than policy statements alone. The five flagship case studies in this section put IOI’s People, Planet and Prosperity pillars plus Partnership into practice: turning plantation waste into low-carbon building material, protecting rainforest landscapes, supporting smallholder farmers and rural schools, and giving every worker an accessible channel to be heard. Behind each of these initiatives are real communities, smallholders and colleagues whose everyday lives are shaped by IOI’s presence on the ground.

Each case study is structured around the:

Challenges addressed

Opportunities identified

Value created, in measurable outcomes

Alignment with the UN SDGs

Biodiversity

UN SDG Alignment:



South Ketapang Landscape Project



Bukit Leelau Mini Landscape Project



Laran Project

Stakeholders and Scope

- PT SNA.
- IDH (collaboration partner), with field implementation started January 2025.
- Local communities within five-kilometre radius: Air Hitam Hulu, Air Hitam Besar, Pembedian Villages.
- Independent smallholders (Good Agricultural Practices (“GAP”) training, Surat Tanda Daftar Budi Daya (“STDB”) registration).

- IOI Bukit Leelau Estate.
- Bunge Loders Croklaan.
- Global Environmental Centre.
- Pahang State Government.
- Indigenous community in Kampung Runchang.

- IOI Syarimo 4 Estate, Lahad Datu.
- Sabah Forestry Department.

Challenge(s)

- Protecting HCV/HCS areas from encroachment and reducing pressure on natural resources.
- Limited community livelihood opportunities.
- Smallholder land legality, traceability and sustainable cultivation gaps.
- Wildfires.

- Peatland area degradation.
- Fire-prone area.
- Water level maintenance in peatland area.
- Limited community livelihood opportunities.

- Prolonged seasonal flooding and degraded habitats limiting conventional land use.
- Maintaining conservation areas within a sensitive landscape.

Opportunity

- Scaling up reforestation and rehabilitation in priority conservation areas.
- Providing community livelihood programme (paddy cultivation and sustainable agriculture).
- Deepening collaboration with communities, government agencies and stakeholders.

- Rehabilitation of degraded peatland area.
- Providing community livelihoods through nursery development, fishing through canal blocking and fire patrolling activities.
- Reduced fire risk, biodiversity and ecosystem protection.
- Continuous collaboration with customers, government, NGO and indigenous community.

- Rehabilitation of flood-prone and degraded areas.
- Support biodiversity enhancement.
- Potential long-term contribution for carbon sequestration.

Value Created (Impact)

- 7,344.27 Ha covered within and around the concession, including 412.25 Ha HCV area.
- 199.6 Ha of rehabilitation and conservation actively managed.
- Community silvopasture expanded from 5 Ha to 13 Ha. While 4 Ha of community rice cultivation was established to support local livelihood and reduce deforestation and fire risk.
- Enhancing the Online Hotspot Monitoring Platform for landscape-level fire prevention.
- Good Agricultural Practices training and Surat Tanda Daftar Budidaya registration support extended to independent smallholders.
- Capacity building provided on HCV management, GIS and fire prevention.
- No wildfires impacted biodiversity habitats and biodiversity corridors.

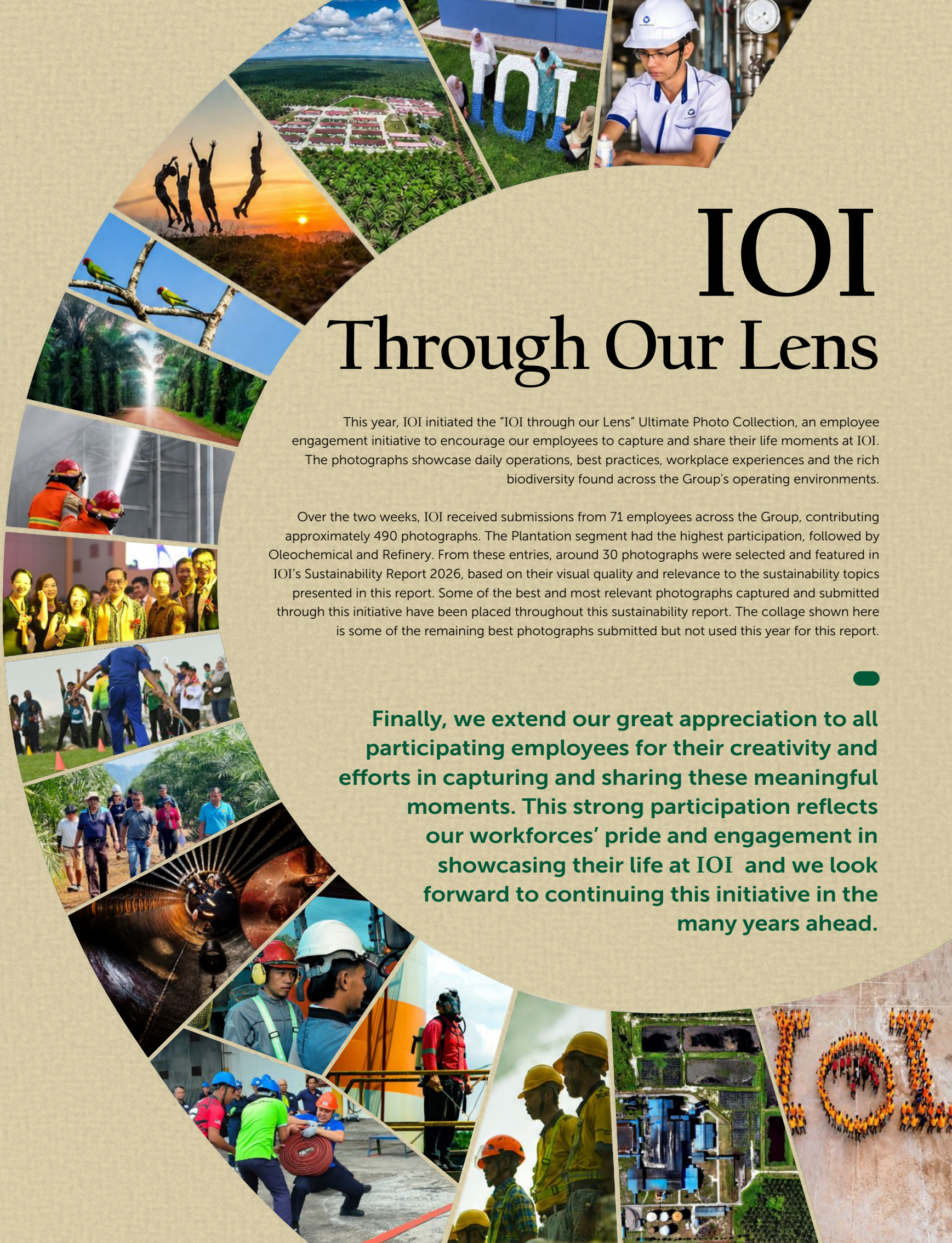
- 10 Ha of degraded peatland area was improved and rehabilitated through reforestation, rewetting and water level maintenance.
- Achieved zero peat fire occurrences over the past five years in previously fire-prone areas.
- Enhanced biodiversity habitats, supporting the recovery of native species (e.g. increased freshwater fish populations).
- Provided welfare facilities for communities such as solar system, water pump facilities, etc.

- Rehabilitation of 84 Ha of flood-prone land with flood-tolerant native species and fast-growing Laran trees strengthened ecosystem resilience, improved vegetation recovery, and enhanced the landscape’s capacity to withstand recurring flood events.
- Protected the ecological of the area through natural regeneration and regular patrolling, supporting long-term habitat protection and conservation management.
- Enhanced biodiversity conservation by providing important habitat for wildlife species identified such as sambar deer, and bearded pig.

Supporting Quote

“We hope that this training can help improve knowledge and quality of human resources for farmers participating in the training and increase the productivity and income of oil palm farmers in this area. In addition, farmers also understand the benefits of STDB documents (Registration Letters) Cultivation.”

Mr Muhammad Ridwan M.Si, Executive Director, PT Cedar Karyatama Lestarindo



IOI Through Our Lens

This year, IOI initiated the "IOI through our Lens" Ultimate Photo Collection, an employee engagement initiative to encourage our employees to capture and share their life moments at IOI. The photographs showcase daily operations, best practices, workplace experiences and the rich biodiversity found across the Group's operating environments.

Over the two weeks, IOI received submissions from 71 employees across the Group, contributing approximately 490 photographs. The Plantation segment had the highest participation, followed by Oleochemical and Refinery. From these entries, around 30 photographs were selected and featured in IOI's Sustainability Report 2026, based on their visual quality and relevance to the sustainability topics presented in this report. Some of the best and most relevant photographs captured and submitted through this initiative have been placed throughout this sustainability report. The collage shown here is some of the remaining best photographs submitted but not used this year for this report.

Finally, we extend our great appreciation to all participating employees for their creativity and efforts in capturing and sharing these meaningful moments. This strong participation reflects our workforces' pride and engagement in showcasing their life at IOI and we look forward to continuing this initiative in the many years ahead.

Climate Change



UN SDG Alignment:

Decarbonisation: Scope 2 Reduction through Engineered Solutions for Plantations and Resource-Based Manufacturing

Stakeholders and Scope

- IOI Plantations, (estates and mills) across Malaysia, Indonesia.
- IOI Edible Oils (IBE power plant facilities, refineries).
- IOI Oleochemical (Prai and Pasir Gudang manufacturing facilities).

Challenge(s)

- Methane emissions associated with upstream operations, particularly from palm oil mill effluent ("POME").
- Reliance on purchased electricity and conventional energy sources (non-renewable energy sources).
- Remote operations areas located far from grid suffer power supply instability and transmission losses, which affect operational reliability and productivity.
- Intermittency in solar energy generation during rainy season may increase reliance on grid electricity purchased.

Opportunity

- Retrofitting existing equipment and machinery including chillers, compressors, pumps and motors help reduce energy usage.
- Application of IOI's 7Rs of circularity through the use of biomass for renewable energy generation reduce dependency on fossil fuels.
- Electrification of company's fleet vehicles to reduce fossil fuel consumption.
- Deployment and increase of solar capacity to reduce reliance on purchased grid electricity.

Value Created (Impact)

- Group Scope 2 emissions were reduced by approximately 43%, from 48,658 MT CO₂e in FY2025 to 27,739 MT CO₂e in FY2026.
- Co-gen units at IOI Acidchem Penang reduced emissions from purchased electricity by 48% in FY2026 compared with the previous year.
- Solar PV installed at IOI Pan-Century Oleochemicals generates 179,257 kWh annually and avoids approximately 138,964 kg CO₂e emission annually.
- Green energy supplied to IOI Edible Oils increased, resulting in an estimated emission avoidance of 18,623 MT CO₂e, equivalent to a 17.6% reduction in emissions compared with FY2025.
- The installation of variable speed drives ("VSDs") on equipment at IOI Edible Oils reduced reliance on grid electricity, resulting in an estimated emission avoidance of 149.85 MT CO₂e.

Supporting Quote

"The true evolution of sustainability in oleochemical manufacturing lies in shifting our focus from merely optimising energy efficiency to fundamentally transforming our input matrices through bio-based alternatives and renewable energy. True decarbonisation demands this systemic transition—where we don't just use less energy to run legacy processes, but actively design fossil carbon out of the value chain entirely, all while anchoring every innovation in the economic viability required to let green chemistry scale."

Choong Wai Tuck, Assistant General Manager,
Research And Sustainability, IOI Oleochemical



Photo by Aslinda Asis, Syarimo 2 Estate,
Lahad Datu, Sabah

Circularity



UN SDG Alignment:

IOI Palm Wood: OnCore® Engineered Panels from Oil Palm Trunks Segamat, Johor (20-acre facility)

Stakeholders and Scope

- IOI Palm Wood and surrounding oil palm plantations across Peninsular Malaysia (raw material sourcing).
- Segamat local community (~100 local jobs, 99% Malaysian; 30% female, as at Dec 2025).
- Scope: raw material sourced from OPT generated during routine 25- to 30-year plantation replanting cycles, sourced from surrounding oil palm plantations across Johor.

Challenge(s)

- Technological constraints - Nutrient balance vs. biomass extraction.
- Moisture and energy intensity in kiln-drying.
- Biomass variability may cause processing defects.
- Building awareness of a new engineered material among potential customers and the market.
- Market acceptance: Building trust in a new engineered material.

Opportunity

- Secondary value-added revenue stream.
- Provide sustainable alternative to timber, and reduce deforestation risks.
- Minimising GHG emission from decomposition of palm trunks.
- Long-term carbon sequestration and supply chain resilience.
- Help IOI achieve its climate target.

Value Created (Impact)

- Net-negative carbon footprint: OnCore® PalmCore achieves a carbon footprint of ~199 kg CO₂e/m².
- Prevent OPT from field decomposition, avoiding ~11.2 kg CO₂e/m³ of methane emissions.
- Certification and verification: Certified ISO 9001, 14001 and 45001.
- Recognised under SIRIM Eco-Label, MyHIAU Mark programme.
- Verified for NAF and fire-retardancy performance.
- Palm Wood vs. Timber: Shifts production from extractive logging towards agricultural upcycling, with no new land-use change.
- Boiler ash is returned to plantations as a source of soil nutrients, supporting net-negative footprint vs. conventional timber.
- Supports Malaysia's ambition to advance bio-based green manufacturing.

Supporting Quote

"Circularity is not a distant goal; it is our operational reality. By uniting innovation with responsible stewardship, we are transforming an agricultural liability into a strategic asset, proving that climate-positive solutions can power industrial growth."

Peter Fitch, CEO, IOI Palm Wood



Labour Practice



UN SDG Alignment:

IOI Mesra Grievance Management and Resolution Mechanism

Stakeholders and Scope

- Employees and workers across the Group, including plantations, mills, and IOI Headquarters (HQ).
- Offline functionality: Enables grievances to be recorded 24/7, even without internet connectivity, and automatically submitted once the connection is restored.
- Anonymity function – to ensure empowerment on the part of the complainant.

Challenge(s)

- Grievances can be complex and span through management to workers involving supervisory practices, communication gaps, working conditions, wages, harassment, safety and worker welfare.
- Recurring concerns may require timely intervention.
- Unresolved issues need to be address in a timely manner or it may escalate, become less manageable, and erode trust.

Opportunity

- Strengthens employee confidence in grievance-handling.
- Enables early identification of workplace issues and reinforces management accountability.
- Supports preventive measures via grievance monitoring and analysis.
- Fosters a fair, safe, respectful working environment.

Value Created (Impact)

- 33 out of 33 grievances closed between July 2025 to June 2026, with no open cases.
- Most grievances were resolved within 2 to 4 weeks.
- Corrective actions included counselling, formal warnings, management intervention, policy reinforcement, employee awareness initiatives and enhanced monitoring.
- The actions strengthened management accountability and workplace trust across the Group.

Supporting Quote

"I am aware that the company has a grievance procedure that can be used by employees to submit complaints, suggestions, or concerns related to their work. If I have a complaint, I can raise it through my immediate supervisor, the Human Resources (HR) Department, the Green Book available at the work unit, or through the IOI Mesra application. I also understand that grievances can be submitted openly or anonymously if the complainant does not wish to disclose their identity."

Fitri Andriana Imran, General Worker, PT SNA



Photo by Nur Raihana, Raya Lang Estate,
Batu Anam, Johor

Community



UN SDG Alignment:

- Driving Positive Socio-Economic Development*
 - Food Security Programme
- Strengthening Community Connectivity and School Infrastructure
- Additional Income of Local Communities (Agroforestry and Silvopasture)

* Part of the RM1,000,000 in community development programmes contributed by PT SNA.

Stakeholders and Scope

- Collaboration between IOI PT SNA and the Ketapang Regency Government.
- Ongoing since 2021: Air Hitam Besar Village (Kendawangan District), farmer group Kelompok Tani Sejahtera Bersama Kendawangan.
- Air Hitam Besar, Air Hitam Hulu, Pembedian & Jambi Villages (Kendawangan): Sekolah Menengah Pertama Negeri 02 ("SMPN 02") & Sekolah Dasar Negeri 04 ("SDN 04").
- Local farmer and livestock groups in Air Hitam Hulu and Pembedian Villages, Kendawangan, Ketapang, West Kalimantan.

Challenge(s)

- Limited local food production capacity.
- Underutilised agricultural land.
- Land clearing through burning.
- Limited village accessibility and interconnectivity.
- Inadequate drainage and infrastructure resilience.
- Deteriorating local school infrastructure.
- Limited income sources for local communities.
- Lack of technical knowledge and resources.
- Unsustainable land use and low productivity.

Opportunity

- Strengthened partnerships between IOI and surrounding communities, farmer groups and local government.
- Enhanced food security and provide alternative income generation.
- Machineries provided by IOI help clear lands.
- Enhanced mobility and interconnectivity.
- Improved access to healthcare, better education infrastructure, and public services.
- Diversified income streams and enhanced livelihood resilience through agroforestry, livestock rearing and stingless bee cultivation.
- Agroforestry supports biodiversity impact by combining structural vegetation diversity with sustainable land management.

Value Created (Impact)

- 4 Ha paddy field yielding ~4 tonnes/Ha (Kelompok Tani Sejahtera Bersama, Inpari 30 variety).
- First harvest October 2024, latest sowing July 2026.
- Fires from land clearing, especially during El Nino and the dry seasons are reduced.
- Road maintenance programme with Ketapang Regency Government, covering the access road to Pangkalan Bun and Jalan Hantak, improving regional mobility.
- Financial support extended to two local schools.
- Approximately 13 Ha agroforestry and silvopasture demonstration plot established as a learning and replication models.
- Chicken rearing provides short-term income through regular harvest cycles, while fruit and forestry tree planting is expected to provide long-term economic and environmental benefits.
- Local communities are not dependent on a single income stream.

Supporting Quote

"PT SNA is committed to continuing this programme by expanding the planting area in order to stimulate the interest of the local community in developing agriculture, especially rice, to support food security."

Pak Harso Wartono,
CSR Manager, PT SNA

"We greatly appreciate the company's assistance through this CSR programme and hope that this collaboration will continue for the advancement of education in the future."

Pak Joko Maulana,
SDN 04 Kendawangan
School Committee
Chairperson

"Through consistent mentoring and active community involvement, we hope the groups formed will be able to manage productive businesses independently, in an environmentally friendly and sustainable manner."

Tri Nugroho,
Programme Facilitator



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All images featured in this Sustainability Report were taken within IOI.